

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

Ironveld Plc

("Ironveld" or the "Company")

Major Investment Agreement to raise £5.6 million at 1.0p per share for Project Funding

Ironveld (AIM: IRON) is pleased to announce a proposed new major investment by Grosvenor Resources Pty Limited ("Grosvenor"). Conditional only on shareholder approval, Grosvenor will invest £5.6 million (the "Subscription Funds") in the Company via a subscription (the "Subscription") for 561,505,950 new ordinary shares (the "Subscription Shares") in the Company at 1.0p per Subscription Share (the "Subscription Price").

Highlights

- Issue of 561,505,950 Subscription Shares at 1.0p per Subscription Share to Grosvenor for 29.9 per cent. of the enlarged issued share capital of the Company;
- Grosvenor is a new South African private company formed by young black entrepreneurs who wish to expand their investments and mining operations in South Africa beyond the bulk commodities space and develop high-value vertically integrated projects;
- The Subscription Price of 1.0 pence per Subscription Share represents a premium of 62.3 per cent. compared to the 20-day VWAP of 0.616 pence and a premium of 90.5 per cent. to the mid market price of 0.525 pence on 29 March 2021, being the last trading day prior to the announcement that Ironveld was in discussions that might lead to a material transaction;
- Ironveld and Grosvenor have agreed that Grosvenor will nominate two non-executive Directors to Ironveld's Board following completion of the Subscription; and
- The Subscription is conditional on shareholder approval being granted at a general meeting of the Company (the "General Meeting"). The Company will publish a circular together with a notice to convene the General Meeting in the coming days.

Martin Eales, Chief Executive Officer of Ironveld, said:

"We are delighted to be able to announce this transaction today, which has taken a great deal of hard work by the teams on both sides over many months. Ironveld is issuing new equity at a large premium with a supportive new partner. Grosvenor is taking a substantial stake in Ironveld and is focused on ensuring near-term development of Ironveld's project for the benefit of all shareholders."

Giles Clarke, Chairman of Ironveld, said:

"This agreement is the culmination of a huge effort by the Ironveld team in what have been trying circumstances in South Africa this year. I am very grateful to them."

We are delighted to welcome Grosvenor as our new major shareholder and most importantly Thembinkosi Ndlovu and his colleagues who are immensely well equipped to transform Ironveld's fortunes and lead the development of the project."

Reasons for the Subscription and use of proceeds

The substantial investment in Ironveld by Grosvenor represents an exciting opportunity for Ironveld to bring on board a credible and serious partner to help drive its strategy. The net proceeds from the Subscription will provide a substantial proportion of the overall project funding required as well as ensuring that all corporate overheads and costs associated with the new Mining Right application for the Company's subsidiary, Luge Prospecting and Mining (Pty) Ltd ("Luge"), are covered for the foreseeable future.

The Company will look to utilise Grosvenor's expertise and access to further funding in order to progress the broader financing required to bring the Company's project into development. Both parties are committed to ensuring Ironveld can commence mining and processing of its magnetite ore in the near term.

Information on Grosvenor

Grosvenor is a newly formed South African private company formed by young black entrepreneurs who wish to expand their investments and mining operations in South Africa. Its shareholders have a background in the mining and selling of bulk commodities in South Africa and both offtake agreements and financing relationships with significant international mining and trading companies. The CEO of Grosvenor is Thembinkosi Ndlovu, who began his career in media and telecoms and is also a Director of privately held Susanoo Holdings in South Africa, which focuses on coal, manganese and iron ore mining projects.

Current trading and Prospects

Ironveld released its Interim Results for the period ended 31 December 2020 on 30 March 2021 and expects to release Final Results to 30 June 2021 later in the year. There was no trading in the six months to 30 June 2021 and a normal level of operating overheads was incurred.

Details of the Fundraising

Ironveld and Grosvenor have entered into the Subscription Agreement which, conditional upon shareholder approval, will see Ironveld issue 561,505,950 new ordinary shares to Grosvenor at a price of 1.0 pence per share.

Following issue and allotment of the new shares Grosvenor will hold 29.9 per cent. of the enlarged issued share capital of the Company.

Ironveld and Grosvenor have agreed that Grosvenor will nominate two non-executive Directors to Ironveld's Board following completion of the Subscription and subject to normal regulatory due diligence. Ironveld and Grosvenor's relationship will be governed by a relationship agreement between the two on normal commercial terms limiting the ability of Grosvenor to dictate Ironveld's strategy and board composition.

The parties have agreed that the applicable exchange rate for the transaction is £1:ZAR 19.77 and that the Subscription Funds may be remitted in South African Rand at Grosvenor's election.

General Meeting and Shareholder Approval

The Company will shortly be posting details of a General Meeting to its shareholders at which shareholders will be asked to, inter alia, approve the Subscription.

The Directors (representing 5.38 per cent. of the issued ordinary share capital) together with Align Research (holding 7.85 per cent. of the share capital and Tracarta Limited (holding 7.88 per cent. of the share capital) have all indicated that they will support the resolutions to be put forward at the General Meeting.

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