

18 June 2015

Ironveld plc (“Ironveld” or the “Company”)

Placing to raise £1.5m and Project Development Update

Ironveld plc, the High Purity Iron (“HPI”), Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa, is pleased to announce that it has raised £1.5 million before expenses through a placing of 23,076,920 new ordinary shares of 1p each (the “Placing Shares”) at a price of 6.5p each (the “Placing”).

Highlights:

- Placing to raise gross proceeds of £1.5 million through the issue of 23,076,920 Placing Shares at a price of 6.5p each.
- Proceeds of the Placing will be used towards finalising plans for the development of the 15MW DC smelter (the “Project”), expected to commence production of High Purity Iron (“HPI”) and Vanadium and Titanium slag by-products in 2016. In particular it will be used towards:
 - Progressing due diligence with banks for provision of debt funding for the Project;
 - Finalising environmental approvals; and
 - To provide additional working capital.
- Project funding and development progressing strongly:
 - Conditional indicative term sheet received for provision of debt to fund significant proportion of the funding.
 - Broad-Based Black Economic Empowerment (“BBBEE”) partners and their funding partners in advanced discussions for the provision of their funding contribution.
 - Contracts being finalised with technology providers and local contractors for the construction of the smelter.
 - Formal offers and expressions of interest received for offtake of HPI and by-products.

Peter Cox CEO of Ironveld plc commented:

“We are very pleased firstly to have received a term sheet for a significant debt package and secondly with the progress our black empowerment partners have made towards contribution to the development of the Project. I would also like to thank our shareholders for their support at a very exciting time for the company.”

Giles Clarke Chairman of Ironveld plc commented:

“The Ironveld project represents a significant foreign investment in South Africa’s Limpopo province and the 15MW smelter will create new job opportunities in an impoverished area. It is also aligned to the South African Government’s determination to create employment as expressed in the nine point plan detailed in the State of the Nation Address, which highlighted mineral beneficiation and the implementation of a higher action industrial policy action plan. The inclusion of the Company in the 12I tax incentive program as well as the CIP cash grant award is a further example of the Government’s determination to implement this program and its support for Ironveld’s project.

“The Board are confident that the project will generate significant foreign currency earnings through its production of speciality High Purity Iron powder, vanadium and titanium products all of which have

extensive industrial uses. We are very pleased with the support shown for the development of this of this highly exciting project.”

Project Development Update

We are very pleased to announce we are in negotiations with a number of potential funding partners and have now received a conditional indicative term sheet from a group of highly reputable financial institutions for a debt package for a significant proportion of the funding required to develop the 15MW smelter project.

In addition we have been informed by our empowerment partners (who hold 26% of the project) and their funding partners that they are in advanced discussions for the provision of their funding contribution.

We are also in the process of finalising the contracts with the technology providers and the local contractors for the construction of the smelter and have received formal offers and expressions of interest for all of our products.

Following the successful conclusion of our advanced negotiations we plan to commence construction of the 15MW smelter and look forward to updating shareholder on the exact timing.

The Placing Shares will rank pari passu in all respects with the Company's existing ordinary shares and will represent 7.1% of the Company's enlarged issued share capital. Application has been made for the new ordinary shares to be admitted to AIM and it is expected that admission will take place and trading in the new ordinary shares will commence from 8.00am on 25 June 2015 ("Admission").

Following Admission, the Company's issued share capital will consist of 324,919,252 ordinary shares, with each ordinary share carrying the right to one vote. The Company does not hold any ordinary shares in treasury. This figure of 324,919,252 may therefore be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Ends

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Notes to Editors:

Ironveld is focussed on the development of a 15MW DC smelter within the Northern Limb of the Bushveld Complex in Limpopo Province South Africa.

The Smelter will produce HPI and associated Vanadium and Titanium slag by-products, which have strong market demand from end users. The world class vanadium grades provides significant by-product credits, which significantly reduces the already low cash costs.

The total Project mineral resources currently stands at 32.05 million tons of Iron in situ and is supported by an excellent infrastructure of roads, rail and access to power and water. The Definitive Feasibility Study published in April 2014 confirms the 15MW smelter project's viability to deliver an exceptionally high grade (99.5% Fe) HPI which commands a premium to the pig iron price. The Project has highly attractive economics with projected annual production of; 42,000 tons of HPI, 415 tons of Vanadium and 8,269 tons of Titanium. Importantly the 15 MW smelter provides proof of concept for a potential future larger project producing a million tons of Iron products per annum. The Project's economics have also been improved through the approval of 12I Tax allowance as well as the award of a CIP grant to the company and completion of the BBBEE mining and smelting structures

The Project's delivery remains on track with the first Mining Right awarded early this year, the approval of the Environmental Impact Assessment and Air Quality Licence for the smelter is expected shortly. Construction contracts and offtake arrangements are being discussed with the funding institutions as part of the funding mechanisms. The detail design of the powerline and servitudes are finalised and arrangements with Eskom are being finalised. The 15MW smelter is expected to deliver full production in 2016.