

3 December 2014

Ironveld plc ("Irveld" or the "Company")

Placing to raise £750,000

Maximising value from Bushveld VTM

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 (the "Project") is pleased to announce that it has raised £750,000 before expenses through a placing by Shore Capital Stockbrokers Limited ("Shore Capital") of 10,714,286 new ordinary shares of 1p each (the "Placing Shares") at a price of 7.0p each ("the Placing").

Highlights:

- Placing to raise gross proceeds of approximately £750,000 through the issue of 10,714,286 Placing Shares with at a price of 7.0p each.
- Proceeds of the Placing will be used towards finalising plans for the development of the 15MW DC smelter, expected to commence production of High Purity Iron ("HPI") and Vanadium and Titanium slag by-products in H1 2016. In particular it will be used towards:
 - Engineering and design work for project realisation; and
 - To provide additional working capital.
- The Company continues to de-risk the Project financially, technically and operationally through:
 - The Definitive Feasibility Study ("DFS") published in April 2014 which confirmed 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.
 - Economics have been improved through approval of 12I Tax allowance and will be further enhanced with the expected approval of the Critical Infrastructure Program ("CIP") application.
 - Completion of the Broad-Based Black Economic Empowerment ("BBBEE") mining and smelting structures.
- Project delivery remains on track:
 - Offtake negotiations on-going with high level of demand for the Company's products. A near term resolution is expected.
 - All necessary environmental applications have been submitted including the Air Emission License.
 - Approval in terms of the National Environmental Management Act is expected in Q1 2015, with construction of the smelter scheduled to commence in mid-2015, and full production in H2 2016.

The Placing Shares will rank *pari passu* in all respects with the Company's existing ordinary shares and will represent 3.6% 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 08.00am on Monday 8th December 2014 ("Admission").

Following Admission, the Company's issued share capital will consist of 298,520,300 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 298,520,300 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 FSA's Disclosure and Transparency Rules.

In order to manage the Company's cost base and minimise the cash outflows from the business prior to the commissioning of the 15MW smelter the non-executive directors intend to convert fees that are due to them for the period from 1 February 2014 to 31 December 2015 into ordinary shares in the Company. This conversion will likely take place before the end of the calendar year, at a time when the non-executive directors are not in a close period. A further announcement will be made in due course.

Peter Cox, CEO of Ironveld commented: "The Placing puts Ironveld in a position to move forward with the development of our world class resource. The Company is entering an exciting stage as we work towards the delivery of this highly attractive project, which is expected to be cash flow positive from commencement of full production producing HPI together with vanadium and titanium slag by-products. We would like to thank our new and existing shareholders for their support during this placement."

About the Project:

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 and completion of the BBBEE mining and smelting structures and will be further improved with the expected approval of the CIP.

The Project's delivery remains on track and during 2014, in addition to publishing the DFS, the Company submitted various funding grants and necessary environmental applications. The Environmental Impact Assessment is expected in Q1 2015, with construction of the 15MW smelter scheduled to commence in mid-2015, with commissioning to commence in Q1 2016 and full production in H2 2016.

Offtake negotiations are on-going with a high level of demand shown for all three products. A near term resolution is expected.

Ends

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Notes to Editors:

Ironveld (IRON.LN) is a High Purity Iron, Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa. Ironveld expects to mine its own VTM ore as feedstock for a 15MW smelter which will produce speciality iron products including high purity iron powder as well as Vanadium and titanium products.

The Definitive Feasibility Study published in April 2014 confirms the project's viability to deliver an exceptionally high grade iron product (99.5% Fe) called High Purity Iron which commands a premium in the market place. Vanadium and Titanium slag containing commercial grades of vanadium and titanium will also be produced and sold.

Ironveld's Board includes; Giles Clarke as Chairman, Peter Cox, CEO and Nick Harrison as a Non-Executive Director.

Ironveld is an AIM traded company. For further information on Ironveld please refer to www.ironveld.com.