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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU. IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

Ironveld plc

Conditional Placing and Broker Option

Capitalisation and repayment of outstanding Debt

Proposed Share Reorganisation

Appointment of Joint Broker

Ironveld plc ("Ironveld" or the "Company"), the AIM quoted mining development company is pleased to announce that it has conditionally raised a total of £1,000,000 (before expenses) via a proposed placing by Turner Pope Investments (TPI) Limited ("Turner Pope/TPI") of a total of 333,333,333 new ordinary shares in the Company (the "Placing Shares") at a price of 0.30 pence per Placing Share (the "Placing Price") (the "Placing") together with a Broker Option to raise up to a further £150,000 (together the "Fundraise").

A further 204,508,295 new ordinary shares will be issued in settlement of existing Loan Facilities and certain other monies owed by the Company (the "Loan Settlement Shares") and 260,299,999 new ordinary shares issued to certain Directors in settlement of deferred salaries and fees at the Placing Price (the "Director Settlement Shares") (the Placing Shares, Broker Option Shares, Loan Settlement Shares and Director Settlement Shares together "Transaction Shares").

The Fundraise and the issue of all the Transaction Shares are subject to, *inter alia*, the approval of shareholders at a general meeting of the Company of a subdivision ("Subdivision") of each of the Company's existing ordinary shares of £0.01 (1 pence) each into one new ordinary share of £0.001 (0.1 pence) each ("New Ordinary Share(s)") and nine deferred shares of £0.001 (0.1 pence) each, further details of which will be published and sent to shareholders in due course.

Fundraise Highlights:

- The Company has conditionally raised £1,000,000 (before expenses) through the issue of the 333,333,333 Placing Shares, with a further up to £150,000 available via the Broker Option

- The Fundraise and issue of all the Transaction Shares are subject to, *inter alia*, shareholder approval at a general meeting of the Company scheduled to be held on or around 14 December 2020 (the "General Meeting") at which it is, *inter alia*, proposed to approve the Subdivision following which each shareholder will hold the same number of ordinary shares but these will have a nominal value of £0.001 (0.1 pence) rather than £0.01 (1 pence) each. If approved, the resulting New Ordinary Shares are expected to be admitted to trading on AIM on or around 15 December 2020
- The Placing Price represents a discount of approximately 53.8% to the closing mid-market price of 0.65 pence per Ordinary Share on 25 November 2020
- The net proceeds of the Placing will be used:
 - To repay approximately £112,000 of existing debt facilities and interest
 - To provide financial stability to Ironveld following the recent mutual agreement to lapse the transaction with Inclusive Investment Group ("IIG") as it seeks to advance negotiations on the development of its magnetite project with alternative partners; and
 - For general working capital purposes.
- Assuming the Broker Option is exercised in full the Placing Shares will represent approximately 25.5% of the issued share capital of the Company as enlarged by the Transaction Shares
- Certain Directors have agreed to capitalise a total of approximately £780,000 in deferred salaries and fees for 260,299,999 New Ordinary Shares at the Placing Price.
- The Company has also agreed to settle all liabilities arising from the loan facilities announced in February 2020 totalling £235,000 by way of capitalisation for 78,333,332 New Ordinary Shares at the Placing Price, whilst at the same time extinguishing 26,000,000 warrants exercisable at 1 pence issued alongside such loan facilities.
- As previously announced, bridge funding advanced by IIG during 2020 totalling approximately US\$650,000 plus interest will principally be settled by 102,174,963 New Ordinary Shares at 0.42p per share, the outstanding sum being reduced by a cash repayment of US\$150,000 (approximately £112,000).

Option Agreement with IIG

As announced on 12 November 2020, the Company and IIG have agreed that the Option Agreement originally announced on 30 March 2020 will lapse on 30 November 2020. Ironveld and IIG have agreed that the majority of the funds advanced by IIG during 2020 (approximately US\$650,000 plus interest) will be capitalised at a price of 0.42 pence per share resulting in the issue of 102,174,963 New Ordinary Shares to IIG. A cash repayment of US\$150,000 (approximately £112,000) will be made from the Placing proceeds.

IIG has agreed not to dispose of any Ironveld shares for at least 6 months.

Settlement of Loan Facilities

On 3 February 2020 the Company announced that it had agreed Loan Facilities of £260,000 with a consortium of high net worth investors ("Loan Facilities"). The Loan Facilities had a term of 6 months and carried interest at 8% per annum. Alongside the loans the Company issued 26,000,000 warrants to subscribe for shares at 1 pence per share for a period of 24 months.

In settlement of the drawn down balance of £235,000 under the Loan Facilities the Company has conditionally agreed to issue 78,333,332 New Ordinary Shares at the Placing Price to the lenders (including 3,333,333 New Ordinary Shares to Giles Clarke, a non-executive director of the Company),

whilst at the same time extinguishing all 26,000,000 warrants. All lenders were offered cash repayment of their loan balances but elected to receive an equity settlement.

Settlement of Research Agreement

The Company has also conditionally issued 24,000,000 New Ordinary Shares to Align Research Limited in lieu of fees in respect of a research services agreement. Align Research Limited has signed a lock-in agreement not to dispose of any of these shares for 6 months.

Settlement of Board Deferred Salaries and Fees

As previously disclosed, each of the directors of the Company has deferred a portion of their salary in order to preserve cash within the business. The amounts owed to Giles Clarke, Nick Harrison, Peter Cox and Vred von Ketelhodt in respect of contractual fees are £45,000, £45,000, £468,700 and £212,200 respectively. Giles Clarke is also owed a further £10,000 in respect of the Loan Facilities detailed above. Each of these directors has agreed to convert for such accrued sums into New Ordinary Shares at the Placing Price. Each of them is a related party of the Company for the purposes of the AIM Rules by virtue of their status as Directors of the Company. Martin Eales, being the independent director for this purpose, considers, having consulted with the Company's nominated adviser, finnCap, that the terms of such conversion is fair and reasonable insofar as the Company's shareholders are concerned.

Following such conversion and completion of the Placing the above Directors' interests in the issued share capital of the Company will be:

Director	Role	Current Shareholding	%	Director Settlement Shares to be issued	Shareholding at Admission	%
G. Clarke*	Chairman	21,211,050	3.24	**18,333,333	39,544,383	2.63
N. Harrison*	Non-Executive Director	17,210,310	2.63	15,000,000	32,210,310	2.14
P. Cox	Technical Director	259,161	0.04	156,233,333	156,492,494	10.41
V. von Ketelhodt	CFO	262,500	0.04	70,733,333	70,995,833	4.72

* G Clarke and N Harrison's interests in 10,062,470 ordinary shares above are through their shareholding in Westleigh Investments Holdings Limited.

** Including 3,333,333 New Ordinary Shares resulting from the conversion of Loan Facilities.

It is intended that Martin Eales will capitalise his deferred gross salary of approximately £63,000 at a later date.

The Directors have all agreed to a 12-month lock-in in respect of the Director Settlement Shares.

Broker Option

The Board is acutely aware that the Placing is dilutive for existing shareholders and has considered whether any wholly pre-emptive offering might be possible. On this occasion the Fundraise has been conducted with the intention of minimising the associated costs, both direct and in terms of limited management time, and therefore the Board has reluctantly concluded that it was neither practicable nor cost effective to make an offer for subscription to the shareholders at this time. However, the Broker Option provides the opportunity for interested shareholders to participate in the Placing at the Placing Price and to potentially avoid dilution.

The Company has granted an option to Turner Pope under the Placing Agreement in order to enable it to deal with additional demand under the Placing in the event that requests to participate in the Placing from qualifying investors are received during the period from the time of this Announcement to 8.00 a.m. on 27 November 2020 (the "Broker Option"). To participate in the Broker Option, qualifying investors should communicate their interest to Turner Pope directly in the first instance or alternatively via their independent financial adviser, stockbroker or other firm authorised by the Financial Conduct Authority. Turner Pope should be contacted at 0203 657 0050.

Turner Pope may choose not to accept bids and/or to accept bids, either in whole or in part, on the basis of allocations determined at its discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as Turner Pope may determine.

Any shares issued pursuant to the exercise of the Broker Option ("Broker Option Shares") will be issued on the same terms and conditions as the Placing Shares. The Broker Option may be exercised by Turner Pope, following consultation with the Company, but there is no obligation on it to exercise the Broker Option or to seek to procure subscribers for Broker Option Shares pursuant to the Broker Option. The maximum number of Broker Option Shares that may be issued pursuant to the exercise of the Broker Option is 50,000,000, or £150,000.

The Broker Option Shares are not being made available to the public and none of the Broker Option Shares are being offered or sold in any jurisdiction where it would be unlawful to do so. No Prospectus will be issued in connection with the Broker Option.

Use of Proceeds

Since March 2020, IIG has advanced a total of approximately US\$650,000 in bridge funding to the Company whilst it sought to arrange a project financing transaction. Following the lapse of the Option Agreement transaction with IIG, the Company requires a replacement source of funding whilst it seeks to complete an alternative transaction and consequently the proceeds of the Placing will be used to provide additional working capital and financial flexibility to the Company whilst the Board evaluates alternative project finance sources, new business opportunities or strategic partnerships to enhance the long-term value of the Company for shareholders. Approximately £112,000 will be applied to repaying a portion of IIG's bridge loan facilities and accumulated interest.

Taking into account available cash resources and the expected Net Proceeds, the Company expects to have sufficient cash resources to fund operations into the first half of 2022.

Proposed Sub-division and General Meeting

The Placing and issue of all Transaction Shares are conditional, *inter alia*, on the approval of the resolutions effecting the Sub-division at a General Meeting.

The Placing Price is less than the current nominal value of 1 pence per share of the Company's existing ordinary shares. The UK Companies Act 2006 (as amended) prohibits the Company from issuing ordinary shares at a price below the nominal value. Accordingly, it will be necessary for the Company

to carry out a subdivision of the existing ordinary shares whereby each existing ordinary share of £0.01 (1 pence) each will be subdivided into one new ordinary share of £0.001 (0.1 pence) each and nine deferred shares of £0.001 (0.1 pence) each to enable the Placing to become unconditional. The New Ordinary Shares will continue to carry the same rights as attached to the existing ordinary shares, save for the reduction in nominal value.

Once issued, the rights of New Ordinary Shares will rank *pari passu* with the Company's existing ordinary shares. Application will be made for the New Ordinary Shares to be admitted to trading on AIM ("Admission").

The maximum aggregate number of Transaction Shares that may be issued is 848,141,628.

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 Subdivision. The Placing is conditional on the approval of the resolutions effecting the Subdivision by the Company's shareholders at the General Meeting, as are the various capitalisations of amounts owed by the Company into the Loan Settlement Shares and Director Settlement Shares.

Appointment of Joint Broker

The Board further announces the appointment of Turner Pope as joint broker to the Company with immediate effect. In addition, as part of the commission arrangements for acting as joint broker to the Placing, Turner Pope will be issued with 3,333,333 new ordinary shares and 83,333,333 broker warrants, exercisable at the Placing Price for a period of 36 months from the date of issue which will be on Admission.

Settlement and dealings

Application will be made for the New Ordinary Shares and the Transaction Shares to be admitted to trading on AIM in due course. Dealings in the New Ordinary Shares on AIM are expected to commence at 8:00am on or around 15 December 2020 and the Company will make a further announcement in due course.

****ENDS****

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