7 October 2013

IRONVELD PLC
("Ironveld" or the "Group")

FINAL RESULTS FOR THE 18 MONTH PERIOD ENDED 30th JUNE 2013

Ironveld plc, the Pig Iron developer located on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa, is pleased to announce its final results for the 18 months ended 30 June 2013

2013 Operational Highlights

- Publication of Positive Pre-Feasibility Study
  - Demonstrates viability of developing Ironveld Pig Iron Project (the "Project") delivering one million tons per annum of pig iron and 9,670 tons of Ferro Vanadium
  - World class V grades significantly enhance overall Project economics
  - Post tax project IRR of 28.8% & NPV of R 10,694 million
  - Early path to revenue through 12MW smelter commencing production from 2015
- Completion of successful drill campaign doubling tonnage in Indicated Mineral Resource

Post Year End

- Successful completion of pilot plant campaign
- Total project mineral resource increased by 40% to 59.1 million tons at an average grade of 36.4% Fe, equating to 21.5 million tons of Fe Metal in-situ at a cut-off grade of 20%
- 1.56 million tons of Iron at 20% Fe cut off now in Measured Mineral Resource
- Sale of non-core wholly-owned trading subsidiary, Mercury Recycling Limited ("MRL"), for a total consideration of £1.575 million in cash, comprising a purchase price of £1.45 million and a working capital adjustment of £125,000.

CHAIRMAN'S STATEMENT

Operational

The past 18 months has seen the Group take huge strides towards developing the Ironveld Pig Iron Project and the management and employees can feel rightly proud of the progress that has been made. We were very pleased to complete the re-Admission to the AIM market in August 2012. In the process, we raised a total of £3 million which provided funding for the successful exploration programme undertaken during 2013 as well as working capital requirements.

The acceptance of a Mining Right Application over some of the Group's properties early in the year and the publication of the Pre-Feasibility Study ("PFS") in June 2013 were significant milestone for the Group. The study demonstrates the viability of the Project delivering one million tons of pig iron and 9,670 tons of ferro vanadium ("FeV") per annum. Both the iron and V grades exceeded our initial expectations, leading to significantly enhanced project economics with an IRR of 28.8% and a capital payback of seven years.

The Board is conscious of ensuring the Project provides excellent return for shareholders and a key focus is the delivery of early stage cash flow through the planned 12MW smelter producing an initial 46,000 tons of pig iron and 445 tons of FeV from 2015. As well as delivering production some two years earlier than previously anticipated, the smelter will serve as proof of concept and as a training facility for staff, ensuring a smoother and faster installation and ramp up of the four 75MW smelters required for the main Project.

Since the publication of the PFS, the Group has continued to make excellent progress as we move into the next phase of project development culminating in the publication of a definitive feasibility study of initially the 12MW project and thereafter of the 4 x 75MW project. Last month we received the results from the pilot plant campaign which validated much of the work produced in the PFS and demonstrated the viability of smelting the Ironveld ore to produce pig iron. The Group is now undertaking a thorough marketing campaign based on these results as we look to secure an offtake agreement for the initial production from the 12MW smelter. In addition we are busy compiling a Mining Right Application over the balance of the Group's properties.

Sale of non-core subsidiary

The Group recently announced that it had entered into an agreement to sell our non-core wholly-owned trading subsidiary, Mercury Recycling Limited ("MRL"), to Environmental Safeguard Limited for a total consideration of £1.575 million in cash, comprising a purchase price of £1.45 million and a working capital adjustment of £125,000. The sale is in line with the Board's strategy to focus the Group's resources on the progression of the Ironveld Project and we also believe that the sale will enable MRL's management team to better realise the potential of that business.

For the 18 months ended 30 June 2013, MRL contributed revenues of £3 million and a loss before tax and goodwill impairment of £132k. Its gross assets as at 30 June 2013 amounted to £1.8 million.

Financial

The Group recorded a loss before tax from continuing operations for the 18 month period of £0.9m (2011 12 months - £0.25m) and an overall loss after including discontinued operations of £5.5m (2011 - £41,000).

As noted in the interim results to 31st December 2012 the Group reviewed the carrying value of Mercury Recycling Limited and impaired the goodwill relating to that subsidiary in full. This impairment resulted in £4.1m of the overall loss for the period.

With the Group's present cash resources, existing facilities and the proceeds of the sale of MRL, the Directors believe that the Group has sufficient funds to undertake its appraisal activities for the foreseeable future.

Summary

On behalf of the Board, I would like to thank our shareholders for their continued support since the Group re-listed on AIM. Finally a word of appreciation to our employees whose hard work and dedication have been instrumental in the progress the Group has made in the past 18 months and ensured we are on track to bring the Ironveld Project into production in the coming years.

Giles Clarke
Chairman
7 October 2013

CONSOLIDATED INCOME STATEMENT

		18 months ended 30 June 2013 £000	12 months ended 31 December 2011 £000
Administrative expenses		(860)	(253)
Operating loss		(860)	(253)
Investment revenues		22	-
Finance costs		(48)	-
Loss before tax		(886)	(253)
Tax		(438)	-
Loss from continuing operations		(1,324)	(253)
Discontinued operations		(4,196)	212
Loss for the period		(5,520)	(41)
Attributable to:			
Owners of the company		(5,447)	(41)
Non-controlling interests		(73)	-
		(5,520)	(41)
Loss per share			
From continuing operations	**- Basic**	(0.69p)	(0.71p)
- Diluted		n/a	n/a
From continuing and discontinued operations	**- Basic**	(3.01p)	(0.11p)
- Diluted		n/a	n/a

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	18 months ended 30 June 2013 £000	12 months ended 31 December 2011 £000
Loss for the period	(5,520)	(41)
Exchange difference on translation of foreign operation	(2,028)	-
Total comprehensive income for the period	(7,548)	(41)
Attributable to:		
Owners of the company	(6,756)	(41)
Non-controlling interests	(792)	-

CONSOLIDATED BALANCE SHEET

	30 June 2013 £000	31 December 2011 £000
Non-current assets		
Goodwill	-	4,122
Other intangible assets	24,749	-
Property, plant and equipment	4	1,265
	24,753	5,387
Current assets		
Trade and other receivables	179	465
Cash and bank balances	569	343
Current tax assets	-	18
Assets classified as held for sale	1,837	-
	2,585	826
Total assets	27,338	6,213
Current liabilities		
Trade and other payables	(246)	(234)
Borrowings	-	(68)
Liabilities directly associated with assets classified as held for sale	(505)	-
	(751)	(302)
Non-current liabilities		
Trade and other payables	-	(24)
Borrowings	(840)	(88)
Deferred tax liabilities	(6,891)	(167)
	(7,731)	(279)
Total liabilities	(8,482)	(581)
Net assets	18,856	5,632
Equity		
Share capital	6,080	3,583
Share premium	14,097	235
Other reserves	21	386
Retained earnings	(5,600)	1,428
Equity attributable to owners of the company	14,598	5,632
Non-controlling interests	4,258	-
Total equity	18,856	5,632

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share Premium £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2011	3,583	235	386	1,469	5,673
Loss for the period	-	-	-	(41)	(41)
Balance at 31 December 2011	3,583	235	386	1,428	5,632
Other comprehensive income	-	-	-	(2,028)	(2,028)
Issue of share capital	2,497	13,862	-	-	16,359
Transfer on impairment of investment	-	-	(365)	365	-
Credit to equity for equity-settled share based payments	-	-	-	82	82
Loss for the period	-	-	-	(5,447)	(5,447)
Balance at 30 June 2013	6,080	14,097	21	(5,600)	14,598

CONSOLIDATED CASH FLOW STATEMENT

Note	18 months ended 30 June 2013 £000	12 months ended 31 December 2011 £000
Net cash (used in) / from operating activities	(501)	169
Investing activities		
Proceeds from disposal of property, plant and equipment	9	-
Purchases of property, plant and equipment	(131)	(153)
Interest received	22	-
Loan advanced	(137)	-
Purchase of exploration and evaluation assets	(1,566)	-
Net cash inflow on acquisition of subsidiary	4	-
Net cash used in investing activities	(1,799)	(153)
Financing activities		
Proceeds on issue of equity (net of costs)	2,657	-
New loans received	118	-
Repayment of borrowings	(87)	(69)
Net cash generated by / (used in) financing activities	2,688	(69)
Net increase/(decrease) in cash and cash equivalents	388	(53)
Cash and cash equivalents at the beginning of period	343	396
Effects of foreign exchange rates	17	-
Cash and cash equivalents at end of period	748	343

Notes to the final results for the 18 month period ended 30th June 2013

1. **Basis of preparation**

   The information in this announcement has been extracted from the Group's audited Financial Statements which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

2. **Posting of accounts**

   The Report and Accounts for the period ended 30th June 2013 will shortly be available on the Group's website and will be sent to registered shareholders by post shortly together with notice of the Group's AGM.

For further information, please contact:

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