

6 October 2016

IRONVELD PLC
(“Ironveld” or the “Company”)

Project Finance Facilities and Offtake

Ironveld plc, the owner of a 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 the Industrial Development Corporation ("IDC") has approved a R244m funding package to the Project and is in the process of executing formal funding agreements.

Highlights

- The IDC will provide senior loan facilities (“the Facilities”) to Ironveld Mining (Pty) Ltd and Ironveld Smelting (Pty) Ltd, subsidiaries of Ironveld plc. The total value of the facilities represents R244.08 million (approx.US\$17.9 million).
- The funds will form part of an approx. R841 million financing package for the development of the Project.
- The IDC is providing funding for the Broad-Based Black Economic Empowerment’s (“BBBEE”) capital contribution in Ironveld Smelting (Pty) (in line with its 26% shareholding in the smelting project).
- The Company is also in the advanced stages of completing the remaining debt agreements for the Project.
- Land lease agreements also expected to be received shortly.

Established in 1940, the IDC is a national development finance institution set up to promote economic growth and industrial development. It is owned by the South African government under the supervision of the Economic Development Department. The IDC’s main objective is to be the primary source of commercially sustainable development and innovation to benefit both South Africa and the rest of Africa.

The following facilities have been approved:

1. R100.80 million Preference Shares (BBBEE Shareholding)
2. R101.1 million Senior Loan to Ironveld Smelting (Pty) Ltd
3. R18.1 million Senior Loan to Ironveld Mining (Pty) Ltd
4. R24.08 million capitalized interest

Offtake

The Company has also finalised an offtake agreement with Oreport (Pty) Ltd for 100 per cent of the HPI powder production for a period of five years from first production. This represents 42,000 tonnes per annum of HPI (as projected in the Projects Definitive Feasibility Study). Oreport (Pty) Ltd is also taking 100 per cent of the titanium slag as previously announced. The Company has now signed offtake agreements for all three products.

Peter Cox, CEO said:

“The IDC is an extremely important partner to have on board and we are very pleased to be working with them on this strategically, economically and socially important project for South Africa. This is a significant step forward in the funding of our project and we are confident of closing the remaining debt package shortly.

With such a significant financial partner in South Africa, who completed an extensive due diligence exercise on the project and offtake secured across our three products, we are now in the strongest

possible position to conclude the financing package on the best terms for shareholders and move towards construction.

The team remains firmly focused on delivering returns to our shareholders and on delivering this highly exciting project.”

Giles Clarke, Chairman said:

“This material financial support from the South Africa government is a significant milestone in the Company’s development. I look forward to updating you shortly with the complete funding package.”

For further information, please contact:

Ironveld plc

c/o Camarco

Peter Cox, Chief Executive

020 3757 4980

Shore Capital and Corporate Limited

020 7408 4090

Stephane Auton / Toby Gibbs (corporate finance)

Jerry Keen (corporate broking)

Camarco

020 3757 4980

Gordon Poole / Billy Clegg

Notes to Editors:

Ironveld (IRON.LN) is the owner of 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 DC smelter which will produce speciality iron products including high purity iron powder as well as vanadium and titanium slag 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. High Purity Iron Powder is widely used in powder metallurgy, in magnetic materials and in manufacturing of welding rods. Vanadium and Titanium slag containing commercial grades of vanadium and titanium will also be produced and sold. Vanadium has historically been used as ferrovanadium or as a steel additive adding a considerable increase of strength to steel. However it is the development of vanadium redox flow battery systems for grid energy storage applications that has the most potential to have a significant impact on future vanadium demand. Titanium Slag is an upgraded white pigment that is used in the manufacture of paint, paper and plastics.

Ironveld’s Board includes; Giles Clarke as Chairman, Peter Cox as CEO, Vred von Ketelhodt as CFO, Nick Harrison and Rupert Fraser as a Non-Executive Directors.

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