

28 March 2019

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

Interim results for the six months ended 31 December 2018

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 its interim results for the six months ended 31 December 2018 ("the period").

Highlights

Operational and Financial

- Commenced a bulk sampling programme with a potential off-take partner, supplying sufficient tonnage to undertake a full kiln smelting test
- Successfully completed a placing in November 2018, raising £400,000 with the proceeds used to purchase equipment to process the Company's magnetite ore in line with the specifications of the potential off-take partner
- Received a number of enquiries from potential industrial partners, who have carried out extensive due diligence

Post Period

- The potential off-taker concluded its metallurgical tests as part of the bulk sampling programme
- Discussions with the potential off-taker regarding the terms of the off-take agreement continue
- Successfully completed a placing in February 2019 of £1.1 million to strengthen the Company's financial position
- The Company remains in detailed discussions with two potential industrial partners

Peter Cox, CEO, said:

“The Company has made significant progress towards securing a long term off-take agreement and is encouraged by the status of current discussions and the interest from potential development partners. We have a vast resource of High Purity Iron, Vanadium and Titanium in situ at the project, all three of which have strong demand markets, and we are hopeful that we can capitalise on the increasing demand for these high value materials through a commercial agreement.

“We thank our shareholders for their continued support and look forward to providing further updates as we make continued progress.”

For further information, please contact:

Ironveld plc

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Notes to Editors:

Ironveld (IRON.LN) is 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. Ironveld expects to mine its own VTM ore as feedstock for a 7.5 MW 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. 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 as CEO, Vred von Ketelhodt as CFO, Nick Harrison, Rupert Fraser and Duncan George Harvey as a Non-Executive Directors.

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

Chairman's Statement:

During the period, the Company has made a number of significant advancements towards its aim of becoming a production-led mining company. Substantial progress is expected over the coming months as we remain confident of securing a commercial off-take agreement and remain in discussions with potential industrial partners.

In September 2018, after a period of engagement, Ironveld commenced a bulk sampling programme with a potential off-take partner, who is a specialist subsidiary of an international steel group. The programme saw us supplying the potential off-take partner with an initial delivery of 7,000 tons of mine ore for processing, enabling the potential off-taker to undertake a full kiln smelting test.

The potential off-take partner has now completed metallurgical tests on the sample and discussions are progressing, with the aim of concluding a commercial offtake agreement. Finalising a long-term agreement would support the Company by generating significant revenue as Ironveld begins to monetise its vast resource and take advantage of the growing demand for vanadium and existing stable demand for HPI and Titanium.

Whilst substantially all of the operating costs for the sampling were covered by payment for the ore, the programme also had the benefit of raising the profile of the Project, which led to enquiries from a number of potential industrial partners, all of whom carried out extensive due diligence. The Company remains in discussions with these potential industrial partners and is hoping to conclude an agreement which would allow it to commence operations.

The Company's Project holds 27 million tons of HPI and 1.4 billion pounds of Vanadium (V₂O₅) in situ. The fundamentals driving vanadium pricing continue to be supportive as the global annual demand continues to grow, partly driven by increasing Chinese demand and the advancements in technology for vanadium redox batteries.

The demand for HPI, as a water atomized powder, continues to increase as it is commonly used in the automotive industry, powder metallurgy and magnetic materials. Titanium slag is a key element in the development of new battery technology and is widely utilized in the steel, alloy and pigment industries.

We would like to thank our shareholders for their ongoing support, which has enabled us to successfully raise £400,000 through a placing during the period, and a further £1.1 million post-period end. These proceeds have been used to fund the purchase of a secondary gyratory crusher and magnetic separation equipment used to process the Company's magnetite ore and also to strengthen the Company's financial position.

We aim to operate in a responsible manner and continue to work closely with stakeholders in the Project area to improve standards of living. We remain committed to our Keep a Young Girl in School Program, which provides hygiene support to approximately 600 female students at schools in the local area in together with our partners, the Imbumba Foundation and the Nelson Mandela Foundation. In conjunction with the Imbumba Foundation, we are working to introduce a support programme to encourage academic excellence amongst male students in the Project area.

Financial

The Group recorded a loss before tax of £254,000 (H1 2018: £243,000) and cash balances of £322,000 (30 June 2018: £517,000) at the end of the period. The Company does not plan to pay a dividend for the six months ended 31 December 2018.

Going concern

Following the recent share placing, the Group's present financial resources and existing facilities are only considered adequate to meet committed overhead expenditure for the period to November 2019 by which time, the Directors anticipate completing the further funding of the Project (the High Purity Iron, Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province, South Africa owned by the Group). The Directors are presently fully engaged with potential industrial and commercial partners to raise the additional finance which will allow them to commit to the next phase of the Project.

The Directors are confident that sufficient funds can be raised for this planned activity and therefore have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of the approval of these interim financial statements. The Group is committed to developing the Project and is actively engaged in raising the appropriate finance to allow the development to proceed. For this reason, the Board continues to adopt the going concern basis in the preparation of the financial statements.

Outlook

The Company continues to hold discussions with the potential off-take partner and other potential industrial partners, with the intention of either concluding an agreement with one of the parties involved or completing an off-take arrangement with a third party.

The long-term strategic focus of the Company remains to become a production led mining company as we look to monetise our vast HPI, Vanadium and Titanium resources.

We would like to thank all of our shareholders for their continuing support for both the Company and the Project and we look forward to providing further updates in the near future.

Giles Clarke

Chairman

27 March 2019

IRONVELD PLC

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2018

	6 Months ended 31.12.18 £'000	6 Months ended 31.12.17 £'000	12 Months ended 30.06.18 £'000
Administrative expenses	(257)	(236)	(570)
Operating loss	(257)	(236)	(570)
Investment revenues	3	3	41
Finance costs	-	(10)	(7)
Loss before taxation	(254)	(243)	(536)
Taxation	-	-	-
Loss for the period	(254)	(243)	(536)
Attributable to owners of the company	(254)	(243)	(535)
Non-controlling interests	-	-	(1)
	(254)	(243)	(536)
 Profit/(loss) per share (pence)			
Basic	(0.04p)	(0.05p)	(0.10p)
Diluted	n/a	n/a	n/a

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018

	6 Months ended 31.12.18 £'000	6 Months ended 31.12.17 £'000	12 Months ended 30.06.18 £'000
Loss for the period	(254)	(243)	(536)
Exchange differences on the translation of foreign operations	(335)	211	(1,505)
Total comprehensive income/(loss) for the period	<u>(589)</u>	<u>(32)</u>	<u>(2,041)</u>
Attributable to:			
Owners of the company	(539)	(108)	(1,805)
Non-controlling interest	(50)	76	(236)
	<u>(589)</u>	<u>(32)</u>	<u>(2,041)</u>

The accompanying notes for an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018

	As at 31.12.18	As at 30.06.18
	£'000	£'000
Non-current assets		
Exploration and evaluation	26,340	26,218
Property, plant and equipment	4	4
Investments - Other	381	386
	<u>26,725</u>	<u>26,608</u>
Current assets		
Trade and other receivables	70	177
Cash and bank balances	322	517
	<u>392</u>	<u>694</u>
Total assets	<u>27,117</u>	<u>27,302</u>
Current liabilities		
Trade and other payables	(505)	(413)
Borrowings	-	-
	<u>(505)</u>	<u>(413)</u>
Non-current liabilities		
Deferred tax liabilities	(5,125)	(5,194)
	<u>(5,125)</u>	<u>(5,194)</u>
Total liabilities	<u>(5,630)</u>	<u>(5,607)</u>
Net assets	<u>21,487</u>	<u>21,695</u>
Equity		
Share capital	9,146	8,903
Share premium	19,294	19,161
Retained earnings reserve	(10,590)	(10,056)
	<u>17,850</u>	<u>18,008</u>
Equity attributable to owners of the company	<u>17,850</u>	<u>18,008</u>
Non-controlling interests	3,637	3,687
	<u>21,487</u>	<u>21,695</u>
Total equity	<u>21,487</u>	<u>21,695</u>

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Share capital £'000	Share premium £'000	Retained earnings £'000	Attributable to the owners of the company £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 July 2017	7,671	18,211	(8,282)	17,600	3,923	21,523
Total comprehensive income for the year	-	-	(1,805)	(1,805)	(236)	(2,041)
Issue of share capital	1,232	950	-	2,182	-	2,182
Equity settled share based payments	-	-	31	31	-	31
Balance at 30 June 2018	8,903	19,161	(10,056)	18,008	3,687	21,695
Total comprehensive income for the period	-	-	(539)	(539)	(50)	(589)
Equity settled share based payments	-	-	5	5	-	5
Issue of share capital	243	133	-	376	-	376
Balance at 31 December 2018	9,146	19,294	(10,590)	17,850	3,637	21,847

The accompanying notes for an integral part of these financial statements.

IRONVELD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2018

	6 Months Ended 31.12.18 £'000	6 Months Ended 31.12.17 £'000	12 Months Ended 30.06.18 £'000
Net cash from operating activities	<u>(51)</u>	<u>(178)</u>	<u>(362)</u>
Investing activities			
Interest received	3	2	41
Purchase of exploration and evaluation assets	(712)	(454)	(1,263)
Contribution to exploration and evaluation assets	243	-	-
Purchases of property, plant and equipment	(2)	-	(1)
Purchase of investments	-	-	(386)
Net cash used in investing activities	<u>(468)</u>	<u>(452)</u>	<u>(1,609)</u>
Financing activities			
Repayment of borrowings	-	(861)	(889)
Proceeds on issue of equity (net of costs)	376	2,182	2,632
Net cash generated in financing activities	<u>376</u>	<u>1,321</u>	<u>1,743</u>
Net increase/(decrease) in cash and cash equivalents	<u>(143)</u>	<u>691</u>	<u>(228)</u>
Cash and cash equivalents at the start of the period	517	788	788
Effect of foreign exchange rates	(52)	(49)	(43)
Cash and cash equivalents at end of period	<u>322</u>	<u>1,430</u>	<u>517</u>
Note to the cash flow statement			
Operating loss	(257)	(236)	(570)
Depreciation on property, plant and equipment	2	1	2
Share based payment expense	-	21	-
Operating cash flows before movements in working capital	(255)	(214)	(568)
Movement in receivables	106	134	138
Movement in payables	98	(92)	75
Cash used in operations	(51)	(172)	(355)
Interest paid	-	(10)	(7)
Taxation	-	4	-
Net cash from operating activities	<u>(51)</u>	<u>(178)</u>	<u>(362)</u>

The accompanying notes form an integral part of these financial statements.

IRONVELD PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Basis of preparation and accounting policies

The results for the six months to 31 December 2018 have been prepared under International Financial Reporting Standards (IFRS) as adopted by the EU and International Accounting Standards Board.

The accounting policies are consistent with those of the annual financial statements for the year ended 30 June 2018, as described in those financial statements.

The financial information does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. Full accounts of the company for the year ended 30 June 2018 on which the Auditors gave an unqualified report, have been delivered to the Registrar of Companies.

2 Loss per share

The calculation of basic and diluted loss per share is based upon the loss for the period and the weighted average number of ordinary shares in issue during the period.

	6 Months to 31.12.18 '000	6 Months to 31.12.17 '000	12 Months to 30.06.18 '000
Weighted average number of shares	571,580	491,765	529,515
Options – dilution	-	-	-
	<u>571,580</u>	<u>491,765</u>	<u>529,515</u>
	Pence	Pence	Pence
Basic loss per share – continuing	(0.04)	(0.05)	(0.10)
Basic profit/(loss) per share – discontinued	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Discontinued – Diluted earnings per share	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

Where the Group reports a loss for any period, then in accordance with IAS 33, the share options and warrants in issue are not considered dilutive.

3 Registered office and copies of the report

The registered office is Ironveld plc, Lakeside Fountain Lane, St Mellons, Cardiff, CF3 0FB and copies of this report are available from the registered office.

INDEPENDENT REVIEW REPORT

UHY Hacker Young Manchester LLP
St. James Building
79 Oxford Street
Manchester M1 6HT

TO IRONVELD PLC

Introduction

We have reviewed the accompanying balance sheet of Ironveld plc as at 31 December 2018 and the related statements of income, changes in equity, cash flows for the six month period then ended and other explanatory notes 1 to 3. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 31 December 2018, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as applicable in the United Kingdom.

In forming our opinion on the financial information, which is not modified, we have considered the adequacy of the disclosures made in the Chairman's statement concerning the Group's ability to continue as a going concern. The Group are currently negotiating with potential industrial and commercial partners in order to finance the additional planned activity and this indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial information does not include the adjustments that would result if the Group were unable to continue as a going concern and the directors remain confident that the negotiations will be successful and that suitable finance will be arranged.

UHY Hacker Young Manchester LLP
Chartered Accountants

27 March 2019

IRONVELD PLC

OFFICERS, ADVISORS AND AGENTS

Directors:	Giles Clarke Peter Cox Vred von Ketelhodt John Harrison Rupert Fraser Duncan George Harvey	(Chairman) (Chief Executive Officer) (Chief Financial Officer) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director)
Secretary:	Kirsti Jane Pinnell	
Company Number:	04095614	
Registered Office:	Ironveld Plc Lakeside Fountain Lane St Mellons Cardiff CF3 0FB	
Nominated Advisor And Broker:	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU	
Solicitors:	Kuit Steinart Levy LLP 3 St Marys Parsonage Manchester M3 2RD	
Auditors:	UHY Hacker Young Manchester LLP Chartered Accountants St James Building 79 Oxford Street Manchester M1 6HT	
Bankers:	HSBC 97 Bute Street Cardiff CF10 5NA	
Registrars:	Capita IRG Plc Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA	