

Ironveld plc (“Ironveld” or the “Company”)

Definitive Feasibility Study reaffirms compelling economics for Ironveld Project

Ironveld plc, the Pig Iron Developer located on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa, is pleased to announce a summary of the Definitive Feasibility Study (the ‘Study’ or ‘DFS’) assessing the economic viability of its pig iron and ferro-vanadium project (the “Project”) which will consist of a 15MW DC smelter with planned production of 41,966 tonnes of high purity iron, 415 tonnes of vanadium (in slag) and 8,269 tonnes of titanium (in slag) per annum from late 2015.

Key Outcomes:

- The Study confirms the Project’s viability to deliver an exceptionally high grade iron product (99.5% Fe) called High Purity Iron (“HPI”) which commands a premium to the pig iron price
- Vanadium and titanium slag containing commercial grades of vanadium and titanium will also be produced and sold
- Project life is in excess of 100 years and highly scalable
- Ore from the main magnetite layer on the Company’s properties can be fed directly to the proposed smelter without the need for beneficiation
- 20MW of power available on site by year-end 2014 from an ESKOM substation adjacent to the Project area
- Study shows the ability of the Project to deliver an annual turnover of GBP 26.4 million with an EBITDA of GBP 8.1 million per annum (based upon current costs and commodity values)
- Project is also projected to be cash flow positive from the commencement of production
- The capital expenditure is projected to be approximately GBP36 million, a proportion of which will be funded out of early cash flow from the Project
- The robust nature of the Project has attracted interest from a number of Capital providers, the Company is in advanced discussions with banks, other financial institutions and industry who are interested in providing the necessary capital as part of capital equipment and/or offtake agreements for the Project’s HPI, vanadium and titanium.

Commenting on the Study, Peter Cox, CEO of Ironveld plc, said: *“We are delighted to have completed the DFS and to be able to show that the 15MW smelter is a robust project and will be cash flow positive from commencement of production. Following our smelting campaign last year we have been testing our products with potential end users and have generated significant interest in the products and particularly for the HPI product which commands a premium in price and enhances project economics. The ability to sell the titanium slag has also added to the Project’s robustness.*

This is a very exciting time for the Company and we remain on track to commence construction later this year with first production scheduled for late 2015.”

Ends

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