

**28 November 2012**

## **Ironveld plc ("Ironveld" or the "Company")**

### **Results of Metallurgical test work**

#### Highlights

- Excellent recovery of Iron in beneficiation test work indicates viability of mining the main magnetite layer and 5m of disseminated footwall magnetite.
- Positive impact on ore resource targets and life of mine.

Ironveld is pleased to announce the result of a test work programme at Mintek, the national mineral research organisation in South Africa, which was carried out in order to determine recoveries and flow sheet data. This follows on from test work conducted at Mintek during 2011 on 3 samples of outcropping magnetite which indicated that the ore was amenable to magnetic separation, pre reduction and smelting to produce pig iron.

The recently completed test work consisted of Low Intensity Magnetic Separation ("LIMS"). The test work was conducted on 414 kg of material from the Main Magnetic Layer ("MML") and 283 kg of material from the disseminated footwall magnetite below the MML. This is representative of the anticipated mining cut.

A sample of the ore was crushed to 1.18mm and LIMS and was used to produce a concentrate suitable for pre-reduction and smelting.

Based on the results of LIMS testwork on a minus 1.18mm MML feed to produce a pre-reduction concentrate product grading 53% Fe and 3.1% SiO<sub>2</sub> an excellent recovery of Fe of 92% can be achieved. Similarly the MML combined with 5m of footwall disseminated magnetite yields a pre-reduction concentrate product grading 51.8% Fe and 4.3% SiO<sub>2</sub> with an Fe recovery of 89%.

The impact of this work is that the Company has been able to determine the configuration for the process flow sheet of the beneficiation plant. The configuration would consist of coarse crushing of run of mine feed, screening, fine grinding to minus 1mm and LIMS processing of ground feed.

Peter Cox CEO of Ironveld commented on the results:

*"The metallurgical test work has shown that the concentrate products produced by beneficiation are ideally suited for pre-reduction and subsequent smelting and the ability to include the footwall disseminated material will positively impact mining strip ratios and costs.*

*In addition the high recovery of Iron in the beneficiation circuit positively impacts ore resources targets and Life of Mine estimates. It is anticipated that a further update to the ore resource statement together with the results of the pre-feasibility study will be announced early in the New Year."*

This announcement has been reviewed by Dr Nic Barcza who is a consulting metallurgist with more than 20 years' experience in Bushveld magnetites and who is an external consultant to Ironveld in metallurgy. The announcement has also been approved by Mintek who undertook the testwork.

*For further information, please contact:*

**Ironveld plc**

c/o FTI Consulting

Giles Clarke, Non-Executive Chairman

020 7269 7183

Peter Cox, Chief Executive

**Shore Capital and Corporate Limited**

020 7408 4090

Stephane Auton / Toby Gibbs (corporate finance)

Jerry Keen (corporate broking)

**FTI Consulting**

020 7269 7183

Oliver Winters