Ironveld Plc

("Ironveld" or the "Company")

Final Results for the year ended 30 June 2021

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") announces its final results for the 12 months ended 30 June 2021 ("the Period"). Hard copies of these results will be posted to shareholders by 31 December 2021.

Operational and Financial Highlights

- Agreed Lapse of Option Agreement with IIG in November 2020 followed by Placing to raise gross proceeds of £1,150,000 and settlement of various loans and accrued salary/fees to IIG, Directors and other lenders;
- Major Subscription Agreement with Grosvenor Resources (Pty) Limited ("Grosvenor") announced in October 2021 for £5.6 million, whereby Grosvenor will subscribe for 561,505,950 new ordinary shares at 1 pence per share, being a substantial premium over the prevailing share price; and
- Shareholder approval for the transaction was granted at a General Meeting in November 2021 and the transaction is expected to close early in 2022.

Outlook

- The Company and Grosvenor intend to work closely together in 2022 to develop a plan to bring Ironveld's asset into production as efficiently and rapidly as possible.

For further information, please contact:

Ironveld plc	c/o Blytheweigh
Giles Clarke, Chairman	+44 20 7138 3204
Martin Eales, Chief Executive Officer	
finnCap (Nomad and Broker)	+44 20 7220 0500
Christopher Raggett / Charlie Beeson	
Turner Pope (Joint Broker)	+44 20 3657 0050
Andrew Thacker / James Pope	
Blytheweigh	+44 20 7138 3204
Tim Blythe / Megan Ray	

NOTES TO EDITORS

Ironveld (IRON.LN) is the owner of Mining Rights over approximately 28 kilometres of outcropping Bushveld magnetite with a SAMREC compliant ore resource of some 56 million tons of ore grading 1,12% V_2O_5, 68,6% Fe_2O_3 and 14,7% TiO_2.

The Definitive Feasibility Study published in April 2014 confirms the project's viability to deliver a Vanadium slag product for which the company has an offtake agreement as well a High Purity Iron product which commands a premium in the market place and Titanium slag containing commercial grades of titanium.

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

CHAIRMAN'S STATEMENT

During the Period, we continued to undertake various activities focused on realising the value of the Company's assets.

We entered the 2020-21 financial year seeking to conclude a transaction with Inclusive Investment Group ("IIG"), which in March 2020 had signed a conditional Option Agreement envisaging an investment in the Company by IIG of $3.2 million (approximately £2.7 million). In November 2020 however, the Company and IIG announced the agreed lapse of the Option Agreement and Company proceeded with a conditional share placing at 0.30 pence per share to raise gross proceeds of £1,150,000, whilst at the same time capitalising various loans and accrued salary/fees owed to IIG, Directors and other lenders.

In March 2021 the Company announced that it was in discussions with a strategic partner seeking to take a substantial equity stake at the listed company level and this was confirmed post period end in October 2021 with the announcement of an agreed Subscription by Grosvenor Resources (Pty) Limited ("Grosvenor") for 561,505,950 new ordinary shares at 1 pence per share, being a substantial premium over the prevailing share price. Shareholder approval for the transaction was granted at a General Meeting in November 2021 and the transaction is expected to close early in 2022.

We remain committed to operating responsibly, working closely with stakeholders and local communities at grassroots level to improve standards of living. We continue to support our 'Keep a Girl in School' initiative working alongside our local partners, The Imbumba Foundation and the Nelson Mandela Foundation, to provide hygiene support to approximately 600 female students at school in the local area.

Financial

The Group recorded a loss before tax of £0.5m (2020: £1.0m) and had cash balances of £0.3m (2020: £0.03m) at the end of the period. The Company does not plan to pay a dividend for the year ended 30 June 2021.

Going concern

The Subscription proceeds due from Grosvenor Resources had not been received as at the date of these Financial Statements, however the Directors have received reasonable assurances that the funds will be remitted early in 2022. Taking receipt of these funds into account, these Financial Statements have been prepared on a Going Concern basis.

Outlook

The Company and Grosvenor intend to work closely together in 2022 to develop a plan to bring Ironveld's asset into production as efficiently and rapidly as possible.

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.

Principal risks and uncertanities

The Directors consider the following risks to be the most material or significant for the management of the business. These issues do not purport to be a complete list or explanation of all the risks facing the Group. In particular the Group's performance may be affected by changes in market and/or economic conditions, changes in legal, regulatory or tax requirement legislation.

The Board of Directors monitors these risks and the Group's performance on a regular basis.

Development risk – major resources are required to develop ore resources and significant capital investment is required to achieve commercial production from exploration efforts.The commercial viability of ore resources is dependent on a number of factors. These include current and future market prices and government regulation including those relating to prices, taxes, land use and environmental protection.

Availability of finance - The full development and production of the ore resources requires significant further capital expenditure and the Group will need to raise further finance. The terms on which future funds can be raised may not be on terms which the Directors consider acceptable. The Group is listed on the public markets which greatly assists in the raising of additional finance.

Political and Country risk - Substantially all of the Group's business and operations are conducted in South Africa and the political, economic, legal and social situation in South Africa introduces a certain degree of risk with respect to the Group's activities.

s172 Statement – Directors' statement in performance of their statutory duties in accordance with s172 (1) Companies Act 2006

During the year ended 30 June 2021 the Board of Directors consider that they have acted in a way that would be most likely to promote the success of the company for the benefit of its members (having regard to the stakeholders and the matters set out in s172(1)(a)-(f) of the Companies Act 2006).

The Board has elected to apply the Quoted Company Alliance Corporate Governance Code as part of its commitment to high standards of corporate governance in all of its activities and complies with its requirements as far as is practicable and appropriate for a company of its nature and size.

The Directors are aware of their responsibilities to take into consideration the interests of all stakeholders in their decision making process and to promote the success of the Company in accordance with s172. The Directors continue to pay full regard to the interests of the stakeholders.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company is quoted on AIM and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, updated on the website, of the Board's broad and specific intentions and the rationale for its decisions. When making decision, the Board of Directors, issues such as the impact on the community and the environment have actively been taken into consideration. The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. The Company recognises workers' representation unions and complies with all local employment legislation.

The key decisions made in the year to promote this success are explained in the Strategic Report above.

Giles Clarke
Chairman

CONSOLIDATED INCOME STATEMENT

	Note	2021 £000	2020 £000
Administrative expenses		(783)	(695)
Operating loss	**4**	(783)	(695)
Other gains and losses	**6**	323	(326)
Investment revenues	**7**	3	4
Finance costs	**8**	(8)	(2)
Loss before tax		(465)	(1,019)
Tax	**9**	**-**	-
Loss for the year		(465)	(1,019)
Attributable to:			
Owners of the Company		(460)	(1,017)
Non-controlling interests		(5)	(2)
		(465)	(1,019)
Loss per share - Basic and diluted	**10**	(0.05p)	(0.16p)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021 £000	2020 £000
Loss for the period	(465)	(1,019)
Exchange difference on translation of foreign operations	1,692	(3,654)
Total comprehensive income for the year	1,227	(4,673)
Attributable to		
Owners of the Company	956	(4,061)
Non-controlling interests	271	(612)
	1,227	(4,673)

Amounts charged/credited to other comprehensive income may be reclassified to the income statement in future periods.

CONSOLIDATED BALANCE SHEET

	Note	2021 £000	2020 £000
Non-current assets			
Intangible assets	**12**	26,191	23,574
Property, plant and equipment	**13**	2	2
Investments	**14**	-	-
Other receivables	**15**	3	2
		26,196	23,578
Current assets			
Trade and other receivables	**15**	177	76
Cash and cash equivalents	**22**	270	28
		447	104
Total assets		26,643	23,682
Current liabilities			
Trade and other payables	**16**	(272)	(805)
Borrowings	**17**	-	(210)
		(272)	(1,015)
Non-current liabilities			
Deferred tax liabilities	**18**	(4,774)	(4,384)
Total liabilities		(5,046)	(5,399)
Net assets		21,597	18,283
Equity			
Share capital	**20**	10,436	9,774
Share premium	**21**	21,261	19,691
Other reserve	**21**	15	189
Retained earnings	**21**	(13,495)	(14,480)
Equity attributable to owners of the Company		18,217	15,174
Non-controlling interests	**25**	3,380	3,109
Total equity		21,597	18,283

These financial statements were approved by the Board and authorised for issue on 29 December 2021.

Signed on behalf of the Board

M Eales
Director

Company Registration No: 04095614

PARENT COMPANY BALANCE SHEET

	Note	2021 £000	2020 £000
Non-current assets			
Investments	**14**	25,502	24,654
Current assets			
Trade and other receivables	**15**	49	30
Cash and cash equivalents	**22**	255	15
		304	45
Total assets		25,806	24,699
Current liabilities			
Trade and other payables	**16**	(264)	(219)
Borrowings	**17**	-	(210)
Total liabilities		(264)	(429)
Net assets		25,542	24,270
Equity			
Share capital	**20**	10,436	9,774
Share premium	**21**	21,261	19,691
Other reserve	**21**	15	189
Retained earnings	**21**	(6,170)	(5,384)
Total equity (Attributable to owners of the Company)		25,542	24,270

The loss for the financial year dealt with in the financial statements of the parent Company was £815,000 (2020 – loss £551,000).

These financial statements were approved by the Board and authorised for issue on 29 December 2021.

Signed on behalf of the Board

M Eales
Director

Company Registration No: 04095614

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to owners of the Company:

	Share Capital £000	Share Premium £000	Other Reserve £000	Retained Earnings £000	Total £000
At 1 July 2019	9,774	19,691	-	(10,499)	18,966
Exchange difference on translation of foreign operations	-	-	-	(3,044)	(3,044)
Issue of share options and warrants	-	-	189	-	189
Credit for equity-settled share based payments	-	-	-	80	80
Loss for the year	-	-	-	(1,017)	(1,017)
At 30 June 2020	**9,774**	19,691	189	(14,480)	15,174
Exchange difference on translation of foreign operations	-	-	-	1,416	1,416
Reclassification to liability	-	-	(189)	-	(189)
Issue of share capital	662	1,570	-	-	2,232
Issue of share option and warrants	-	-	15	-	15
Credit for equity-settled share based payments	-	-	-	29	29
Loss for the year	-	-	-	(460)	(460)
At 30 June 2021	**10,436**	**21,261**	**15**	**(13,495)**	**18,217**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Total equity:

	Owners of the Company £000	Non-controlling Interest £000	Total Equity £000
At 1 July 2019	18,966	3,721	22,687
Exchange difference on translation of foreign operations	(3,044)	(610)	(3,654)
Issue of share option and warrants	189	-	189
Credit for equity-settled share based payments	80	-	80
Loss for the year	(1,017)	(2)	(1,019)
At 30 June 2020	15,174	3,109	18,283
Exchange difference on translation of foreign operations	1,416	276	1,692
Reclassification to liability	(189)	-	(189)
Issue of share capital	2,232	-	2,232
Issue of share options and warrants	15	-	15
Credit for equity-settled share based payments	29	-	29
Loss for the year	(460)	(5)	(465)
At 30 June 2021	18,217	3,380	21,597

COMPANY STATEMENT OF CHANGES IN EQUITY

Equity attributable to the equity holders of the Company:

	Share Capital £000	Share Premium £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
At 1 July 2019	9,774	19,691	-	(4,913)	24,552
Credit for equity-settled share based payments	-	-	-	80	80
Issue of share options and warrants	-	-	189	-	189
Loss for the year	-	-	-	(551)	(551)
At 30 June 2020	9,774	19,691	189	(5,384)	24,270
Credit for equity-settled share based payments	-	-	-	29	29
Reclassification to liability	-	-	(189)	-	(189)
Issue of share capital	662	1,570	-	-	2,232
Issue of share options and warrants	-	-	15	-	15
Loss for the year	-	-	-	(815)	(815)
At 30 June 2021	**10,436**	**21,261**	**15**	**(6,170)**	**25,542**

CONSOLIDATED CASH FLOW STATEMENT

	Note	2021 £000	2020 £000
Net cash used in operating activities	**22**	(642)	(397)
Investing activities			
Purchases of property, plant and equipment		(1)	-
Purchase of exploration and evaluation assets		(492)	(555)
Interest received		3	4
Net cash used in investing activities		(490)	(551)
Financing activities			
Proceeds on issue of equity (net of costs)		1,134	-
Proceeds on issue of share options and warrants		-	189
Proceeds from new loans		363	210
Repayment of loans		(109)	
Net cash generated by financing activities		1,388	399
Net decrease in cash and cash equivalents		256	(549)
Cash and cash equivalents at beginning of year	**22**	28	566
Effects of foreign exchange rates		(14)	11
Cash and cash equivalents at end of year	**22**	270	28

COMPANY CASH FLOW STATEMENT

	Note	2021 £000	2020 £000
Net cash from operating activities	**22**	(507)	(350)
Investing activities			
Payments to acquire investments - loans		(384)	(557)
Investments repaid - loans		81	-
Net cash used in investing activities		(303)	(557)
Financing activities			
Proceeds on issue of equity (net of costs)		1,134	-
Proceeds on issue of share options and warrants		-	189
Proceeds from new loans		25	210
Repayment of loans		(109)	-
Net cash generated by financing activities		1,050	399
Net decrease in cash and cash equivalents		240	(508)
Cash and cash equivalents at beginning of year	**22**	15	523
Cash and cash equivalents at end of year	**22**	255	15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Ironveld Plc is a public company incorporated and domiciled in England and Wales under the Companies Act 2006 whose shares are listed on the Alternative Investment Market of the London Stock Exchange. The address of the registered office is given on page 2. The nature of the Group's operations and its principal activities are set out in note 3 and in the Directors report on page 5.

Adoption of new and revised Standards

In the current year, the Group has applied new or amended standard for the first time which are mandatory for accounting periods commencing on or after 1 July 2020. None of the standards adopted had a material impact on the financial statements. The significant new and amended standards adopted were as follows:-

IFRS 16 – Leases (Amendments) – Covid-19 related lease concessions

At the date of authorisation of these financial statements, the following accounting standards, amendments to existing standards and interpretations, applicable to the group, are not yet effective and have not been adopted early by the Group. The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group and Company's results or equity.

IAS 1 – Presentation of financial statements (Amendments) – Classification of liabilities as current and non-current
Amendments to references to the conceptual Framework in IFRS Standards
Annual Improvements to IFRSs 2018-2020 Cycle.
IAS 12 – Taxation (Amendments) – Deferred tax relating to asset and liabilities from a single transaction
IAS 16 – Property, Plant and equipment (Amendments) – Proceeds before intended use
IAS 37 – Provisions, contingent liabilities and contingent assets (Amendments) – Onerous contracts

2.1 Significant accounting policies

The financial statements are based on the following policies which have been consistently applied:

Basis of preparation

The financial statements of the Group and Parent Company have been prepared in accordance with International accounting standards (IFRSs) in conformity with the requirements of the Companies Act 2006.

Under section 408 of the Companies Act 2006 the Parent Company is exempt from the requirement to present its own profit and loss account. The financial statements have been prepared on the historical cost basis. The financial statements are presented in pounds sterling because that is considered to be the currency of the primary economic environment.

The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all entities controlled by the Company (its subsidiaries) made up to the year-end. Control is achieved where the Company has power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and ceases when the Company loses control of the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.1 Significant accounting policies (continued)

Basis of consolidation (continued)

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders are initially measured at their proportionate share of the fair value of the acquiree’s identifiable net assets. Subsequent to acquisition, the carrying value of the non-controlling interests is the amount of initial recognition plus the non-controlling interests' share of the subsequent changes in equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Business combinations

Acquisitions of subsidiaries are accounted for using acquisition accounting. The consideration for each acquisition is measured at the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control in the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

Exploration and evaluation

Costs incurred prior to acquiring the rights to explore are charged directly to the income statement.

Licence acquisition costs and all other costs incurred after the rights to explore an area have been obtained, such as the direct costs of exploration and appraisal (including geological, drilling, trenching, sampling, technical feasibility and commercial viability activities) are accumulated and capitalised as intangible exploration and evaluation (“E&E”) assets, pending determination. Amounts charged to project partners in respect of costs previously capitalised are deducted as contributions received in determining the accumulated cost of E&E assets.

E&E assets are not amortised prior to the conclusion of the appraisal activities. At completion of appraisal activities, if financial and technical feasibility is demonstrated and commercial reserves are discovered then, following development sanctions, the carrying value of the relevant E&E asset will be reclassified as a development and production asset in intangible assets after the carrying value has been assessed for impairment and, where appropriate adjusted. If after completion of the appraisal of the area it is not possible to determine technical and commercial feasibility or if the legal rights have expired or if the Group decide to not continue activities in the area, then the cost of unsuccessful exploration and evaluation are written off to the income statement in the relevant period.

The Group's definition of commercial reserves for such purposes is proved and probable reserves on an entitlement basis. Proved and probable reserves are the estimated quantities of minerals which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from the known reserves and which are considered to be commercially producible.

Such reserves are considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- a reasonable expectation that there is a market for substantially all of the expected production;
- a reasonable assessment of the future economics of such production;
- evidence that the necessary production, transmission and transportation facilities are available or can be made available; and
- agreement of appropriate funding; and
- the making of the final investment decision.

2.1 Significant accounting policies (continued)

Exploration and evaluation (continued)

On an annual basis a review for impairment indicators is performed. If an indicator of impairment exists an impairment review is performed. The recoverable amount is then considered to be the higher of the fair value less costs of sale or its value in use. Any identified impairment is written off to the income statement in the period identified.

Development and production assets

Development and production assets, classified within property, plant and equipment, are accumulated generally on a field basis and represents the cost of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditure incurred in finding the commercial reserves transferred from intangible assets.

Depreciation of producing assets

The net book values of producing assets are depreciated generally on the field basis using the unit or production method by reference to the ratio of production in the period and the related commercial reserves of the field, taking into account the future development expenditure necessary to bring those reserves to production.

Research and development

Research expenditure is recognised as an expense in the period in which it is incurred.

An internally-generated asset arising from any development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. The Group reported no revenue for the year.

2.1 Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax payable and deferred tax.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the calculation of the taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised on all appropriate taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date.

Deferred tax is calculated at the tax rates that are expected to be applicable in the period when the liability or asset is realised and is based on tax laws and rates substantially enacted at the balance sheet date. Deferred tax is charged in the income statement except where it relates to items charged/credited in other comprehensive income, in which case the tax is also dealt with in other comprehensive income.

Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. All of the Groups leases has a lease term of 12 months or less.

Property, plant and equipment

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10% - 25% straight line basis or reducing balance basis

Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the income statement in the period in which they arise.

When presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at average exchange rates for the period, unless exchange rates have fluctuated significantly in which case the rates at the date of the transactions are used. Exchange differences arising are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests where appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated using the closing rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Other receivables
Other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method except for short-term receivables when recognition of interest would be immaterial. The Group recognises appropriate allowances for expected credit losses in the income statement based on a historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liability and equity
Interest bearing bank and other loans and bank overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are initially recognised at fair value and are subsequently amortised using the effective interest method. Fair value is estimated from available market data and reference to other instruments considered to be substantially the same.

Trade and other payables
Trade payables and other financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

The Group's activities expose it primarily to the financial risks of changes in interest rates on borrowings and foreign exchange risk.

Investments

Investments in subsidiaries are stated at cost less any provision for the permanent diminution in value.

Share-based payments

The Group issues equity-settled share-based payments to certain employees and other parties. Equity settled share-based payments are measured at fair value at the date of grant. In respect of employee related share based payments, the fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. In respect of other share based payments, the fair value is determined at the date of grant and recognised when the associated goods or services are received.

2.1 Significant accounting policies (continued)

Operating segments

The Group considers itself to have one operating segment in the year and further information is provided in note 3.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group has adequate resources to continue in operating existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further details are provided in the note 2.2 and in the Strategic Report on pages 3 to 4. The financial statements therefore do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

2.2 Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of acquisition

On acquisition of a subsidiary, the Company is required to estimate the fair value of the assets and liabilities acquired and the consideration paid. The estimate in respect of exploration and evaluation assets is affected by many factors including the future viability of commercial reserves which have been based on the judgement of directors supported by third party technical reports.

Going concern

Following closing of the Subscription Agreement with Grosvenor, the Group's financial facilities will be sufficient to enable the Company to operate at present levels for the foreseeable future until at least the first half of 2023, by which time the Board of Directors anticipates to have secured the further finance to develop the Project.

As at the date of these Financial Statements the company had not received the agreed Subscription proceeds from Grosvenor due to delays in Grosvenor finalising its own facilities with lenders. The company is in regular contact with Grosvenor and has received reasonable assurances that it will remit the Subscription funds as soon as possible. In the interim period, prior to receipt of the outstanding funds from Grosvenor, Giles Clarke and Nick Harrison have confirmed their intention to sign a Loan Facility agreement with the Company of up to £200,000 once the Company is out of its closed period. The Loan Facility will enable the Company to meet its existing monthly overheads as they fall due. Until such time as the Subscription proceeds are received from Grosvenor there is a material uncertainty in relation to the company's funding.

Whilst the impact of the global COVID-19 pandemic including the associated travel restrictions has hampered the Company's attempts to secure project development funding to some extent, as the Group is presently not currently undertaking any operations at the project then no significant impact is anticipated over the next 12 months.

Therefore, whilst the existing resources are not sufficient to develop the mining asset, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of the approval of the financial statements. The Group is committed to developing its Project and is actively engaged with Grosvenor to secure the balance of the funding required to develop the project. For this reason, the Board continues to adopt the going concern basis in the preparation of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.2 Critical accounting estimates and judgements (continued)

Exploration and evaluation assets
The Group has adopted a policy of capitalising the costs of exploration and evaluation and carrying the amount without impairment assessment until impairment indicators exist (as permitted by IFRS 6). The directors consider that the Group remains in the exploration and evaluation phase and therefore, under IFRS 6, the directors have to make judgements as to whether any indicators of impairment exist and the future activities of the Group. No such indicators of impairment were identified and therefore, in accordance with IFRS 6, no impairment review has been carried out. The Directors remain committed to development of the asset.

Investment impairment indicators
The Company balance sheet includes an investment in subsidiary companies of £25,502,390 which is underpinned and reflects the underlying subsidiary exploration and evaluation assets discussed above. As no indicators of impairment have been identified in the exploration and evaluation asset then subsequently no indicators or impairment in the investment in subsidiary have been identified and as is consistent with the exploration and evaluation assets, no impairment review has been carried out in the period.

Deferred tax assets
The directors must judge whether the future profitability of the Group is likely in making the decision whether or not to recognise a deferred tax asset in respect of taxation losses. No deferred tax assets have been recognised in the year.

3. Business and geographical segments

Information reported to the Group Directors for the purposes of resource allocation and assessment of segment performance is focused on the activity of each segment and its geographical location. The directors consider that there is only one business segment, which is the activity of prospecting, exploration and mining based in South Africa.

4. Operating loss

Operating loss for the year is shown after charging:	**2021 £000**	**2020 £000**
Depreciation on tangible assets	2	2
Short term payments under leases	26	26
Share based payment charge	29	80
Foreign exchange gain	(54)	-

Auditors' remuneration

Fees payable to the auditors for the audit of the Company's accounts	35	-
Fees payable to previous auditors for the audit of the Company's accounts	-	37
Fees payable to the Company's auditors and its associates for other services:-		
Tax compliance services	-	-
Other assurance services	-	-
Other non-audit services	-	-
Fees payable to the previous Company's auditors and its associates for other services:-		
The audit of the Company's subsidiaries	-	13
Tax compliance services	-	7
Other assurance services	-	10
Other non-audit services	-	3

5. Staff costs

Group

	2021 £000	2020 £000
Wages and salaries	355	350
Social security costs	34	28
Pension costs	14	8
Share based payments	29	80
Directors other fees	169	305
	601	771

The average monthly number of employees, including Directors, during the period was as follows:	2021 Number	2020 Number
Administration and management	11	12

	2021 £000	2020 £000
Directors remuneration and other fees	434	594
Pension	14	8
Share based payments	29	-
	477	594
The aggregate remuneration and fees paid to the highest paid Director was	175	185
Pension	14	-
Share based payments	29	-
	218	185

Further details of the Directors' remuneration are given in the Directors' Remuneration Report on pages 10 and 11.

Company

	2021 £000	2020 £000
Wages and salaries - directors	265	202
Social security costs	33	26
Share based payments	28	80
Pension costs	14	7
	340	315

The average monthly number of employees, including Directors, during the period was as follows:	2021 Number	2020 Number
Directors	4	5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Other gains and losses

	2021 £000	2020 £000
Impairment of other investments	-	(326)
Gain on settlement of financial liabilities with equity	335	-
Fair value loss on derivative instruments	(12)	-
	323	(326)

7. Investment revenues

	2021 £000	2020 £000
Interest on financial deposits	3	4

8. Finance costs

	2021 £000	2020 £000
Loan interest and similar charges	8	2

9. Tax

a) Tax charge for the period	2021 £000	2020 £000
Corporation tax:		
Current period	-	-
Deferred tax (note 18)	-	-
	-	-

b) Factors affecting the tax charge for the period		
Loss on ordinary activities for the period before taxation	(465)	(1,019)
Loss on ordinary activities for the period before taxation multiplied by effective rate of corporation tax in the UK of 19% (2020 – 19%)	(88)	(194)
Effects of:		
Unused tax losses not recognised	88	194
Tax expense for the period	-	-

c) Factors that may affect future tax charges - The Group has estimated unutilised tax losses amounting to £4,455,087 (2020 - £5,194,000) the values of which are not recognised in the balance sheet. The losses represent a potential deferred taxation asset of £847,000 (2020 - £1,123,000) based on current tax rates, which would be recoverable should the Group make sufficient suitable taxable profits in the future.

In addition, the Group has pooled exploration costs incurred of £8,578,000 (2020 - £7,445,000) which are expected to be deductible against future trading profits of the Group.

10. (Loss)/earnings per share

	2021 £000	2020 £000
Loss attributable to the owners of the Company	(465)	(1,019)
Loss per share – Basic and diluted		
Continuing operations	(0.05p)	(0.16p)

The calculation of basic earnings per share is based on 1,008,492,369 (2020 – 654,990,841) ordinary shares, being the weighted average number of ordinary shares in issue during the year. Where the Group reports a loss for the current period, then in accordance with IAS 33, the share options are not considered dilutive. Details of such instruments which could potentially dilute basic earnings per share in the future are included in note 20.

11. Loss attributable to owners of the parent Company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these accounts. The parent Company's loss for the financial year amounted to £815,000 (2020 - £551,000).

12. Intangible assets

	Exploration and evaluation assets £000
Group	
Cost:	
At 1 July 2019	27,423
Additions	645
Exchange differences	(4,494)
At 30 June 2020	23,574
Additions	492
Exchange differences	2,125
At 30 June 2021	26,191
Impairment and amortisation:	
At 1 July 2019, 30 June 2020 and at 30 June 2021	-
Net book value at 30 June 2021	26,191
Net book value at 30 June 2020	23,574

12. Intangible assets (continued)

The Group's exploration and evaluation assets all relate to South Africa.

In respect of the exploration and evaluation assets which remain in the appraisal phase, the Group has performed a review for impairment indicators, as required by IFRS 6 and in the absence of such indicators no impairment review was carried out.

13. Property, plant and equipment

Group	**Plant and machinery**
	£000
Cost:	
At 1 July 2020	34
Additions	1
Exchange differences	4
At 30 June 2021	39
Depreciation:	
At 1 July 2020	32
Charge for the period	2
Exchange differences	3
At 30 June 2021	37
Net book value at 30 June 2021	2
Net book value at 30 June 2020	2

	Plant and machinery £000
Cost:	
At 1 July 2019	41
Exchange differences	(7)
At 30 June 2020	34
Depreciation:	
At 1 July 2019	36
Charge for the period	2
Exchange differences	(6)
At 30 June 2020	32
Net book value at 30 June 2020	2
Net book value at 30 June 2019	5

All non-current assets in 2021, 2020 and 2019 were located in South Africa.

14. Investments

Group *– Loans to other entities*

	2021 £000	2020 £000
Cost:		
At 1 July	326	390
Exchange differences	29	(64)
At 30 June	355	326
Impairment:		
At 1 July	326	-
Exchange differences	29	326
At 30 June	355	326
Book value at 30 June	-	-

The investment represented the Rand 7 million refundable deposit to Siyanda Smelting and Refining Proprietary Limited which the Group paid in exchange for a period of exclusivity to conclude a potential acquisition of the company. The deposit is interest free and becomes refundable should the acquisition not proceed. The investment was fully impaired as at 30 June 2021 whilst the directors pursued other alternative opportunities. £nil (2020 - £326,000 was charged to the income statement.

Company - Subsidiary undertakings

	Loans £000	Equity £000	Total £000
Cost:			
At 1 July 2019	3,740	20,334	24,074
Additions	580	-	580
At 30 June 2020	4,320	20,334	24,654
Additions	848	-	848
At 30 June 2021	5,168	20,334	25,502
Net book value at 30 June 2021	5,168	20,334	25,502
Net book value at 30 June 2020	4,320	20,334	24,654

The loans represent loans to Ironveld Holdings (Propriety) Limited of £5,031,000 (2020 - £4,215,000) which incur interest at a rate not exceeding the base lending rate applicable in England and Wales. Under the initial terms of the loan, £2,500,000 is repayable 31 December 2019 with the remainder due 31 December 2020 however further agreement has extended the loan period until project finance is agreed. Also included in loans are working capital loans to Ironveld Mauritius Limited of £137,000 (2020 - £105,000) which are interest free.

14. Investments (continued)

The Company has investments in the following principal subsidiaries. To avoid a statement of excessive length, details of the investments which are not significant have been omitted:

Name of company	Shares	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings			
Ironveld (Mauritius)	Ordinary	*100%	Holding Company
Ironveld Holdings (Proprietary) Limited	Ordinary	100%	Holding Company
Ironveld Mining (Proprietary) Limited	Ordinary	100%	Mining and exploration
Ironveld Middelburg (Proprietary) Limited	Ordinary	100%	Smelting and manufacturing
Ironveld Smelting (Proprietary) Limited	Ordinary	74%	Smelting and manufacturing
HW Iron (Proprietary) Limited	Ordinary	68%	Prospecting and mining
Lapon Mining (Proprietary) Limited	Ordinary	74%	Prospecting and mining
Luge Prospecting and Mining (Proprietary) Limited	Ordinary	74%	Prospecting and mining

* Held directly by Ironveld Plc all other holdings are indirect.

All subsidiary undertakings are incorporated and domiciled in South Africa, other than Ironveld Mauritius Limited, which is incorporated and domiciled in Mauritius.

The registered office of all subsidiaries with the exception of Ironveld (Mauritius) was Gartner House, 33 Wessel Road, Rivonia 2128, South Africa.

The registered office of Ironveld (Mauritius) is - C/o Rogers Capital Corporate Services Limited, 3rd Floor, Rogers House, No. 5 President John Kennedy Street, Port Louis, Republic of Mauritius.

Further details of non-wholly owned subsidiaries of the Group are provided in note 25.

15. Trade and other receivables	***Group***		***Company***	
	2021 £000	**2020 £000**	**2021 £000**	**2020 £000**
Other receivables	128	58		16
Amounts owed by related parties	3	2	4	-
Prepayments	49	18	45	14
	180	78	49	30
Due within 12 months	(177)	(76)	(49)	(30)
Due after more than 12 months	3	2	-	-

Amounts owed by related parties represent expenses paid on behalf of the non-controlling interest shareholders by the company and are expected to be recovered in more than 12 months. The amounts are unsecured and interest free.

Credit risk
The Group's principal financial assets are bank balances, cash balances, and other receivables. The Group's credit risk is primarily attributable to its other receivables of which £105,000 (2020 - £27,000) is due from a third party financial institution and further information is provided in note 19. The remaining receivable relates to recoverable VAT. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

16. Trade and other payables

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Trade payables	25	48	25	48
Taxation and social security costs	5	13	5	13
Other payables	5	6	5	5
Accruals	237	738	229	153
	272	805	264	219
Due within 12 months	(272)	(805)	(264)	(219)
Due after more than 12 months	-	-	-	-

17. Borrowings

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
Other loans	-	210	-	210
Due within 12 months	-	(210)	-	(210)
Due after more than 12 months	-	-	-	-

Further details on loans is provided in note 19.

18. Deferred tax

	Group	
	2021 £000	2020 £000
Balance at 1 July	4,384	5,243
Exchange differences	390	(859)
Balance at 30 June	4,774	4,384

The Group has unrelieved tax losses carried forward which represent a deferred tax asset of £847,000 (2020 - £1,123,000) based on current tax rates. This asset is not recognised in these financial statements.

The deferred tax liability is made up as follows:

	Group	
	2021 £000	2020 £000
Fair value adjustments	4,774	4,384

19. Financial instruments

The Group's policies as regards derivatives and financial instruments are set out in the accounting policies in note 2. The Group does not trade in financial instruments.

Capital risk management

The Group manages its capital to ensure that they will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2020.

The capital structure of the Group consist of equity attributable to equity holders of the parent Company.

The Group is not subject to any externally imposed capital requirements.

Interest rate risk profile

The Group is exposed to interest rate risk because the Group borrows funds for working capital at fixed and variable rates. The Group exposure to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of the transactions concluded is spread where possible.

Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by assessing required reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of additional undrawn bank facilities that the Group has at its disposal to manage liquidity are set out below.

Financial facilities

The Group did not have any secured bank loan or overdraft facilities during the current or comparative period.

Financial assets

The Group has no financial assets, other than short-term receivables and cash deposits of £270,000 (2020 - £28,000). The cash deposits attract variable rates of interest. At the year end the effective rate was 0.08% (2020 – 0.08%). The cash deposits held were as follows:-

	2021 **£000**	**2020** **£000**
Sterling - United Kingdom banks	251	10
USD – United Kingdom banks	3	4
USD – Mauritius banks	3	-
South African Rand - United Kingdom banks	1	1
South African Rand - South African banks	12	13
	270	28

19. Financial instruments (continued)

Financial liabilities

Other loans
Other loans represented the Group's interest bearing financial liabilities. The Company issued 26,000,000 share warrants with a subscription price of 1p per share to the lenders, pro rata to the amount of each loan. The warrants had a two year life and the lenders were able to use the outstanding balances under the loan facilities to exercise the warrants. The other loans were repaid during the year and the warrants related to the loans lapsed.

At 1 July 2020, the Company had a potential US$1 million facility with IIG which could be drawn down if IIG completed its share subscription under the outstanding option agreement. The facility lapsed on 30 November 2020.

At 30 June 2021, the Group had no undrawn facilities.

Currency exposures
The Group undertakes transactions denominated in foreign currencies and is consequently exposed to fluctuations in exchange rates. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities were as follows:-

As at 30 June 2021	**Assets £000**	**Liabilities £000**
British Pound Sterling (£)	251	265
USD ($)	6	8
South African Rand (R)	124	2
	381	275

As at 30 June 2020	**Assets £000**	**Liabilities £000**
British Pound Sterling (£)	31	417
USD ($)	1	21
South African Rand (R)	56	564
	88	1,002

Financial commitments and guarantee
Rehabilitation guarantees of £1,340,000 (R 24,278,412) have been issued to the Department of Mineral Resources for three subsidiaries, HW Iron Proprietary Limited, Lapon Mining Proprietary Limited and Luge Prospecting and Mining Company Proprietary Limited in order to comply with Section 41 of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002). Under this agreement the Group will pay deposits to a third party financial institution to be held pending discharge of any potential claim on this guarantee. At 30 June 2021 £105,000 (R 2,068,000) (2020 - £27,000 (R 577,000)) had been deposited in respect of this agreement and is included in other receivables. This receivable represents a concentration of credit risk and the Group is exposed to currency risk on these amounts. As the project has not yet commenced then no liability is considered to have arisen under this guarantee at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. Share capital

Group and Company

	2021 £000	**2020 £000**
Allotted, called up and fully paid		

Nil (2020 – 654,990,841) Ordinary shares of 1p each	-	6,550
1,316,440,372 (2020 – Nil) New Ordinary shares of 0.1p each	1,316	-
322,447,158(2020 – 322,447,158) deferred shares of 1p each	3,224	3,224
5,894,917,569 (2020 – Nil) deferred shares of 0.1p each	5,896	-
	10,436	9,774

As announced on 26 November 2020 and subsequently approved on 14 December 2020, the Company agreed to carry out a subdivision of the existing ordinary shares whereby each existing ordinary share of 1 pence each will be subdivided into one New Ordinary share of 0.1 pence each and nine deferred shares of 0.1 pence each to enable the placing at 0.30 pence per share to become unconditional. The New Ordinary shares continue to carry the same rights as attached to the existing ordinary shares, save for the reduction in nominal value.

On 15 December 2020, a further 643,949,531 shares were issued and admitted to trading to settle existing liabilities and raise gross working capital of £1,150,000 for the Group.

On 4 March 2021, a further 17,500,000 New ordinary shares with a par value of 0.1p were issued at a price of 0.3p per share following the exercise of share warrants.

Unlike ordinary shares, the deferred shares have no voting rights, no dividend rights and on a return of capital or winding up are entitled to a return of amounts credited as paid. The deferred shares are not transferrable and beneficial interests in the deferred shares can be transferred to such persons as the Directors may determine as custodian for no consideration without sanction of the holder. For this reason the deferred shares are excluded from any Earnings per share calculations.

Share options

The Company has a share option scheme for certain employees and former employees of the Group. The share options in issue during the year were as follows:

Date granted	**Exercise price**	**As at 1 July 2020 No.**	**Granted in year No.**	**Exercised in year No.**	**Lapsed/ Cancelled No.**	**As at 30 June 2021 No.**
16 August 2012	1p	5,949,558	-	-	-	5,949,558
14 November 2012	1p	6,663,505	-	-	-	6,663,505
16 April 2013	1p	1,033,334	-	-	-	1,033,334
7 November 2013	1p	2,086,667	-	-	-	2,086,667
1 May 2014	1p	200,000	-	-	-	200,000
1 October 2015	1p	2,500,000	-	-	-	2,500,000
27 January 2016	1p	445,545	-	-	-	445,545
10 January 2020	1p	27,400,000	-	-	-	27,400,000
30 March 2020	0.42p	440,176,070	-	-	440,176,070	-

20. Share capital (continued)

At the year-end, 45,278,609 options were exercisable (2020 – 472,754,679) as follows.

Date granted	Exercise price	As at 30 June 2020 No.	Granted in year No.	Exercisable in year No.	Lapsed/ Cancelled No.	As at 30 June 2021 No.
16 August 2012	1p	5,949,558	-	-	-	5,949,558
14 November 2012	1p	6,663,505	-	-	-	6,663,505
16 April 2013	1p	1,033,334	-	-	-	1,033,334
7 November 2013	1p	2,086,667	-	-	-	2,086,667
1 May 2014	1p	200,000	-	-	-	200,000
1 October 2015	1p	1,500,000	-	-	-	1,500,000
27 January 2016	1p	445,545	-	-	-	445,545
10 January 2020	1p	13,700,000	-	13,700,000	-	27,400,000
30 March 2020	0.42p	440,176,070	-	-	440,176,070	-

The exercise period of the options is as follows:

Date granted	Expiry date	Exercise period
16 August 2012	16 August 2022	The options are exercisable 1/3 on the first anniversary of grant, 1/3 on the second anniversary of grant and the final 1/3 on the third anniversary of grant
14 November 2012	14 November 2022	
16 April 2013	16 April 2023	
7 November 2013	7 November 2023	
1 May 2014	1 May 2024	
1 October 2015	1 October 2025	
27 January 2016	27 January 2026	
10 January 2020	9 January 2030	½ on grant and the remaining ½ one year after the grant date.

Of the options granted on 1 October 2015, 1,000,000 are exercisable following first commercial production from the proposed 15 MW smelter.

The Group recognised a share based payment expense of £29,000 (2020 - £80,000) in the year. No options were exercised in the year.

On 30 March 2020, the Company announced that it had entered in a Share Option Agreement with IIG pursuant to which IIG could subscribe for 440,176,070 new Ordinary shares in the capital of the company at a price of 0.42 pence per share. The option agreement lapsed on 30 November 2020.

Share warrants

Pursuant to the loan facilities agreement, dated 3 February 2020 for £260,000 and referred to in note 19, the Company issued share warrants to the lenders over 26,000,000 shares at 1 pence per share. The warrants had a 2 years life and the lender was able to use the outstanding balances under the loan facilities to exercise the warrants. Following the approval of the conditional placing on 14 December 2020 and the repayment of the associated loans, these share warrants lapsed.

Pursuant to the share placing on 14 December 2020 Turner Pope were appointed as joint broker to the Placing and in addition to 3,333,333 New ordinary shares were issued with 95,833,333 broker warrants, exercisable at 0.3p (the placing price) for a period of 36 months from the date of admission. The broker warrants were transferrable and on 4 March 2021 17,500,000 warrants were exercised for £52,500. At the year-end, there were 78,333,333 broker warrants in issue.

21. Reserves

Group	Other reserve £000	Share premium account £000	Retained earnings £000
At 1 July 2020	189	19,691	(14,480)
Loss for the year	-	-	(460)
Reclassification to liability	(189)	-	-
Exchange difference on translation of foreign operations	-	-	1,416
Issue of share capital	-	1,570	-
Issue of share options and warrants	15	-	-
Credit for equity settled share based payments	-	-	29
At 30 June 2021	15	21,261	(13,495)

Other reserves represent the equity component of share options and share warrants issued in the year.

The balance classified as share premium is the premium on the issue of the Group's equity share capital, comprising 0.1p New Ordinary shares, 1p Ordinary shares and 0.1p deferred shares and 1p deferred shares less any costs of issuing the shares.

Retained earnings is made up of cumulative profits and losses to date, share based payments, adjustments arising from changes in non-controlling interests and exchange differences on translation of foreign operations.

Company	Other reserve £000	Share premium account £000	Retained earnings £000
At 1 July 2020	189	19,691	(5,384)
Loss for the period	-	-	(815)
Reclassification to liability	(189)	-	-
Issue of share capital	-	1,570	-
Issue of share options and warrants	15	-	-
Credit for equity settled share based payments	-	-	29
At 30 June 2021	15	21,261	(6,170)

Other reserves represent the equity component of share options and share warrants issued in the year.

The balance classified as share premium is the premium on the issue of the Group's equity share capital, comprising 0.1p New Ordinary shares, 1p ordinary shares and 0.1p deferred shares and 1p deferred shares less any costs of issuing the shares.

Retained earnings is made up of cumulative profits and losses to date, share based payments, adjustments arising from changes in non-controlling interests and exchange differences on translation of foreign operations.

22. Cash generated from operations

Group	**2021 £000**	**2020 £000**
Operating loss	(783)	(695)
Depreciation on property, plant and equipment	2	2
Share based payment charge	90	80
Foreign exchange	(54)	-
Operating cash flows before movements in working capital	(745)	(613)
Movement in receivables	(59)	61
Movement in payables	162	155
Net cash used in operations	(642)	(397)

Cash and cash equivalents	**2021 £000**	**2020 £000**
Cash and bank balances	270	28

Company	**2021 £000**	**2020 £000**
Operating loss	(745)	(571)
Share based payment charge	90	80
Foreign exchange adjustments	(5)	-
Operating cash flows before movements in working capital	(660)	(491)
Movement in receivables	17	(6)
Movement in payables	136	147
Net cash used in operations	(507)	(350)

Cash and cash equivalents	**2021 £000**	**2020 £000**
Cash and bank balances	255	15

23. Significant non-cash transactions

On 15 December 2020, the company settled liabilities and paid for services by the issue of shares. The value of the shares issued was as follows:-

	2021 £000	**2020 £000**
Loan repayments	785,211	-
Accrued directors fees	229,569	-
Services provided	97,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. Related party transactions

Group

During the year the Group incurred £101,000 (2020 - £185,000) for consultancy services to Goldline Global Consulting (Pty) Limited, a company in which P Cox is materially interested. At 30 June 2021, £Nil (2020 - £392,000) remained unpaid in accruals. The accrued fees to 31 October 2020 were settled by the issue of 28,526,240 New Ordinary shares in the Company.

During the year the Group incurred £68,000 (2020 - £120,000) for consultancy services to Novem Consulting, a private company in which V von Ketelhodt is materially interested to the point at which he ceased to be a director of the company. At 30 June 2021, £Nil (2020 - £171,000) remained unpaid in accruals. The accrued fees to 31 October 2020 were settled by the issue of 13,838,534 New Ordinary shares in the Company.

Group and Company

The key management personnel of the Group are the directors. Directors' remuneration is disclosed in Note 5.

During the year the Company paid £48,000 (2020 - £48,000) for accounting services to Westleigh Investments Limited, a company in which G Clarke and N Harrison are materially interested.

Included in other loans at 1 July 2020 was a short term loan due to G Clarke of £10,000. The loan attracted interest at 8% per annum and was repaid during the year by the issue of 3,333,333 New Ordinary shares and the interest waived.

Further directors' remuneration of £151,804 (2020 - £96,805) was unpaid at the year-end along with £7,536 (2020 - £Nil) pension cost and is included in accruals. During the year £90,000 of directors' fees were settled by the issue of 10,409,796 New Ordinary shares.

25. Non-controlling interest

	2021 £000	**2020 £000**
At 1 July	3,109	3,721
Exchange adjustments	276	(610)
Share of loss for the period	(5)	(2)
At 30 June	3,380	3,109

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

	Proportion of voting rights and shares held		**Profit/ (loss) allocated to non-controlling interests**		**Accumulated non-controlling interests**	
	2021	**(2020)**	**2021 £000**	**2020 £000**	**2021 £000**	**2020 £000**
HW Iron (Proprietary) Limited	(32%)	(32%)	(3)	-	1,077	989
Lapon Mining (Proprietary) Limited	(26%)	(26%)	(1)	-	2,313	2,124
Other non-controlling interests			(1)	(2)	(10)	(4)
			(5)	(2)	3,380	3,109

25. Non-controlling interest (continued)

Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations. The accounts of the subsidiaries have been translated from their presentational currency of South African Rand (R) using the R: GBP exchange rate prevailing at 30 June 2021 of 19.711 (2020 – 21.468).

HW Iron (Proprietary) Limited

	2021 £000	2020 £000
Non-current assets	6,765	6,261
Current assets	3	3
Current liabilities	-	(1,970)
Non-current liabilities	(3,402)	(1,205)
	3,366	3,090
Equity attributable to owners of the Company	2,289	2,101
Non-controlling interest	1,077	989
Revenue	-	-
Expenses	(10)	(1)
Loss for the year	(10)	(1)
Attributable to the owners of the Company	(7)	(1)
Attributable to the non-controlling interests	(3)	-
Net cash outflow from operating activities	-	-
Net cash outflow from investing activities	(13)	(157)
Net cash inflow from financing activities	13	157
Net cash inflow	-	-
Net cash flow - Attributable to the non-controlling interests	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Non-controlling interest (continued)

Lapon Mining (Proprietary) Limited

	2021	2020

	£000	£000
Non-current assets	14,093	12,992
Current assets	4	2
Current liabilities	-	(1,647)
Non-current liabilities	(5,202)	(3,179)
	8,895	8,168
Equity attributable to owners of the Company	6,582	6,044
Non-controlling interest	2,313	2,124
Revenue	-	-
Expenses	(2)	(1)
Loss for the year	(2)	(1)
Attributable to the owners of the Company	(1)	(1)
Attributable to the non-controlling interests	(1)	-
Net cash outflow from operating activities	(6)	(1)
Net cash outflow from investing activities	(10)	(153)
Net cash inflow from financing activities	13	153
Net cash flow	(3)	(1)
Net cash flow - Attributable to the non-controlling interests	(1)	-

26. Financial commitments

At the year end the Group had no financial commitments under operating leases (2020 - £Nil).

27. Events arising after the reporting period

On 22 October 2021 the company announced a conditional Subscription Agreement with Grosvenor Resources (Pty) Limited ("Grosvenor") under which Grosvenor would subscribe approximately £5.6 million for 561,505,950 new ordinary shares at 1 pence per share.

The transaction was approved by shareholders in November 2021 and is expected to close early in 2022.

27. Control

The Directors consider that there is no overall controlling party.