

31 March 2022

IRONVELD PLC
("Ironveld" or the "Company")

Interim results for the six months ended 31 December 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") is pleased to announce its interim results for the six months ended 31 December 2021 ("the period").

Highlights

Operational

- Overheads incurred during the period reflected continued low level of activity whilst Company awaited Grosvenor transaction to proceed to completion.

Corporate Transactions

- Investment transactions with Grosvenor Resources announced in October 2021 and December 2021 for a total of approximately £8.40 million (ZAR 161 million); and
- Board remains in regular dialogue with Grosvenor regarding its funding arrangements and still expects the transactions to close when finalised.

Martin Eales, CEO, said:

"The announced transactions with Grosvenor will, when completed, represent a transformational change for Ironveld, bringing a significant and well-connected South African partner to the share register. The Board is in regular communication with Grosvenor, regarding its funding process and the institutions involved and we look forward to completion soon."

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

Chairman's Statement:

During the period the Company announced two significant investment transactions with Grosvenor Resources Pty Limited ("Grosvenor"), whereby Grosvenor will subscribe for 561,505,950 new ordinary shares at 1.0 pence per share and an intention to acquire 51% of Ironveld's subsidiary company, Luge prospecting and Mining Company Pty Limited ("Luge"), for ZAR 50 million (approximately £2.6 million). The Luge transaction was formally signed post period end in January 2022. The Board considers that these transactions are highly attractive for the Company's development as they will introduce a well-connected South Africa based investment group to the share register in a material size.

The Ironveld Board remains confident that the Company's asset, containing 27 million tons of HPI, together with significant Vanadium and Titanium content, continues to demonstrate robust economics and has a potential value many times in excess of the Company's market capitalisation and balance sheet carrying value.

The fundamentals driving vanadium pricing in particular continue to be supportive as the global annual demand grows, partly driven by increasing Chinese demand and the advancements in technology for vanadium redox batteries, which is forecast to comprise 15% of all vanadium demand by 2025. In recent months, the price of vanadium has seen a strong increase and now rests at its highest level since early 2019.

The demand for HPI, as a water atomised powder, continues to increase due to its common use in the automotive industry, powder metallurgy and magnetic materials. A growing new market incorporates metal powders in 3D printing. Titanium slag is a key element in the development of new battery technology and is widely utilised in the steel, alloy and pigment industries.

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

A reduced level of Administrative expenses totalling £384,000 (2020: £458,000) were incurred in the period as the Company focused on keeping tight control on costs prior to securing the necessary development funding.

The Group recorded a loss before tax of £382,000 (H1 2020: loss of £79,000), broadly in line with Administrative expenses, and had cash balances of £24,000 (30 June 2021: £270,000) at the end of the period. The Company does not plan to pay a dividend for the six months ended 31 December 2021.

On 30 December 2021, the Company announced a £200,000 Bridge Loan Facility with Giles Clarke and Nick Harrison, both Directors of the Company.

Transactions with Grosvenor

The equity subscription transaction with Grosvenor was announced in October 2021 and the Luge transaction was announced in December 2021, but formally signed post period end in January 2022. When both transactions are closed, Grosvenor will have invested a total of approximately £8.40 million (or ZAR 161 million) and will hold approximately 29.9% of Ironveld's issued share capital.

Shareholder approval for the Grosvenor equity subscription was granted at a General Meeting in November 2021 and refreshed at the Annual General Meeting of the Company in January 2022.

As at today's date Grosvenor has not finalised its own funding arrangements which will enable it to close the announced transactions. Ironveld has been made fully aware during regular communication with Grosvenor as to the status of these funding arrangements and the institutions

involved and consequently the Board has taken the view that despite the time taken the transactions are likely to close following Grosvenor completing its own funding package.

Going concern

Given the anticipated cash inflow from the Grosvenor transactions, the Directors are confident that sufficient funds can be raised for planned activities. The Directors therefore have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future being 12 months from the date of the approval of these interim financial statements in the absence of any further funding and therefore present these accounts on a Going Concern basis.

COVID-19

At Ironveld, the wellbeing of our people and our business is of upmost importance.

The Company closely follows health and travel advice as it develops in relation to COVID-19 as well as the guidance from the Governments and authorities relevant to our operations.

For Ironveld, there are currently no operations or supply chains that have been interrupted and there has been no material day to day impact other than restricted international travel which can be dealt with using electronic communications.

Outlook

Whilst completion of the Grosvenor transactions has taken longer than anticipated, the Board retains the view that the agreed injection of funds and the partnership with Grosvenor remains highly attractive in view of the development opportunities for Ironveld's project in South Africa.

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

31 March 2022

IRONVELD PLC
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2021

	6 Months ended 31.12.21 £'000	6 Months ended 31.12.20 £'000	12 Months ended 30.06.21 £'000
Administrative expenses	(384)	(458)	(783)
Operating loss	<u>(384)</u>	<u>(458)</u>	<u>(783)</u>
Other gains and losses	-	386	323
Investment revenues	2	1	3
Finance costs	-	(8)	(8)
Loss before taxation	<u>(382)</u>	<u>(79)</u>	<u>(465)</u>
Taxation	-	-	-
Loss for the period	<u>(382)</u>	<u>(79)</u>	<u>(465)</u>
Attributable to owners of the company	(379)	(77)	(460)
Non-controlling interests	(3)	(2)	(5)
	<u>(382)</u>	<u>(79)</u>	<u>(465)</u>
Loss per share (pence)			
Basic	(0.03p)	(0.01p)	(0.05p)
Diluted	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

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

IRONVELD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	6 Months ended 31.12.21 £'000	6 Months Ended 31.12.20 £'000	12 Months ended 30.06.21 £'000
Loss for the period	(382)	(79)	(465)
Exchange differences on the translation of foreign operations	(1,795)	1,332	1,692
Total comprehensive income/(loss) for the period	<u>(2,177)</u>	<u>1,253</u>	<u>1,227</u>
Attributable to:			
Owners of the company	(1,894)	1,033	956
Non-controlling interest	(283)	220	271
	<u>(2,177)</u>	<u>1,253</u>	<u>1,227</u>

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

IRONVELD PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	As at 31.12.21	As at 30.06.21
	£'000	£'000
Non-current assets		
Exploration and evaluation	24,207	26,191
Property, plant and equipment	1	2
Other receivables	3	3
	<u>24,211</u>	<u>26,196</u>
Current assets		
Trade and other receivables	142	177
Cash and bank balances	24	270
	<u>166</u>	<u>447</u>
Total assets	<u>24,377</u>	<u>26,643</u>
Current liabilities		
Trade and other payables	(519)	(272)
Borrowings	(60)	-
	<u>(579)</u>	<u>(272)</u>
Non-current liabilities		
Deferred tax liabilities	(4,378)	(4,774)
Total liabilities	(4,957)	(5,046)
Net assets	<u>19,420</u>	<u>21,597</u>
Equity		
Share capital	10,436	10,436
Share premium	21,261	21,261
Other reserve	12	15
Retained earnings reserve	(15,386)	(13,495)
Equity attributable to owners of the company	16,323	18,217
Non-controlling interests	3,097	3,380
Total equity	<u>19,420</u>	<u>21,597</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 2021

	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserve £'000	Attributable to the owners of the company £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 July 2020	9,774	19,691	(14,480)	189	15,174	3,109	18,283
Loss for the year	-	-	(460)	-	(460)	(5)	(465)
Issue of shares and warrants	662	1,570	-	15	2,247	-	2,247
Reclassification	-	-	-	(189)	(189)	-	(189)
Exchange differences on translation of foreign operations	-	-	1,416	-	1,416	276	1,692
Equity settled share based payments	-	-	29	-	29	-	29
Balance at 30 June 2021	10,436	21,261	(13,495)	15	18,217	3,380	21,597
Loss for the period	-	-	(379)	-	(379)	(3)	(382)
Equity settled share based payments	-	-	-	-	-	-	-
Transfer	-	-	3	(3)	-	-	-
Exchange differences on translation of foreign operations	-	-	(1,515)	-	(1,515)	(280)	(1,795)
Balance at 31 December 2021	10,436	21,261	(15,386)	12	16,323	3,097	19,420

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

IRONVELD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2021

	6 Months Ended 31.12.21 £'000	6 Months Ended 31.12.20 £'000	12 Months Ended 30.06.21 £'000
Net cash from operating activities	<u>(48)</u>	<u>(341)</u>	<u>(642)</u>
Investing activities			
Interest received	2	1	3
Purchase of property, plant and equipment	-	(1)	(1)
Purchase of exploration and evaluation assets	<u>(198)</u>	<u>(264)</u>	<u>(492)</u>
Net cash used in investing activities	<u>(196)</u>	<u>(264)</u>	<u>(490)</u>
Financing activities			
Proceeds on issue of equity (net of costs)	-	1,082	1,134
Proceeds from new loans	-	-	363
Repayment of loans	<u>-</u>	<u>354</u>	<u>(109)</u>
Net cash generated in financing activities	<u>-</u>	<u>1,436</u>	<u>1,388</u>
Net increase/ (decrease) in cash and cash equivalents	<u>(244)</u>	<u>831</u>	<u>256</u>
Cash and cash equivalents at the start of the period	270	28	28
Effect of foreign exchange rates	<u>(2)</u>	<u>(9)</u>	<u>(14)</u>
Cash and cash equivalents at end of period	<u>24</u>	<u>850</u>	<u>270</u>
Note to the cash flow statement			
Operating loss	(384)	(458)	(783)
Depreciation on property, plant and equipment	1	1	2
Foreign exchange differences	-	-	(54)
Share based payments	<u>-</u>	<u>125</u>	<u>90</u>
Operating cash flows before movements in working capital	(383)	(332)	(745)
Movement in receivables	27	(113)	(59)
Movement in payables	<u>308</u>	<u>104</u>	<u>162</u>
Net cash from operating activities	<u>(48)</u>	<u>(341)</u>	<u>(642)</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 2021

1 Basis of preparation and accounting policies

The results for the six months to 31 December 2021 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 2021, 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 2021 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	6 Months	12 Months
	to 31.12.21	to 31.12.20	to 30.06.21
	'000	'000	'000
Weighted average number of shares	1,316,440	714,486	1,008,492
Options – dilution	-	-	-
	<u>1,316,440</u>	<u>714,486</u>	<u>1,008,492</u>
	Pence	Pence	Pence
Basic loss per share – continuing	(0.03)	(0.01)	(0.05)
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, Unit D De Clare House Sir Alfred Owen Way, Pontygwindy Industrial Estate, Caerphilly, Wales, CF83 3HU and copies of this report are available from the registered office.

IRONVELD PLC

OFFICERS, ADVISORS AND AGENTS

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Martin Eales (Chief Executive Officer)
Nick Harrison (Non-Executive Director)
Peter Cox (Technical Director)

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