

**30 March 2021**

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

**Interim results for the six months ended 31 December 2020**

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 2020 ("the period").

**Highlights**

**Operational**

- Overheads incurred during the period reflected continued low level of activity whilst negotiations for development funding continued; and
- Board Change – departure of Vred von Ketelhodt as full time CFO in order to reduce overhead cost base.

**Financial**

- Placing completed in December 2020 raised gross proceeds of £1.15 million following the agreed lapse of the IIG Option Agreement originally entered into in March 2020;
- Loans and other liabilities totalling over £1.4 million were settled in shares, thereby strengthening the Group's balance sheet position; and
- Talks at an advanced stage with a major partner seeking to take a strategic equity stake in the Company at a premium to the current share price.

**Martin Eales, CEO, said:**

*“The six months to December 2020 ultimately proved frustrating and despite best efforts, we were unable to conclude the envisaged transaction with IIG. We have, however, made material progress on a possible alternative transaction in the early part of this year, which we hope to conclude in the coming weeks.*”

*“We thank our shareholders for their support in the recent equity Placing 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 is an AIM traded company. For further information on Ironveld please refer to [www.ironveld.com](http://www.ironveld.com).

## **Chairman's Statement:**

During the period, despite the best efforts of all parties involved, over many months, to secure an appropriate funding solution, the IIG Option agreement (originally announced in March 2020) lapsed at the end of November 2020 and the Company then announced an equity Placing to raise gross proceeds of £1.15 million which was approved by shareholders in December. IIG provided financing of US\$650,000 to Ironveld during the life of the Option Agreement and the majority of this was settled in shares at 0.42p, being a premium to the Placing Price.

Administrative expenses of £458,000 (2019: £278,000) were incurred in the period, with the majority of the increase represented by additional Board costs compared to the prior period following the appointment of Martin Eales as CEO in December 2019 and professional costs relating to the IIG Option agreement and the Placing.

Your 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 continues to grow, partly driven by increasing Chinese demand and the advancements in technology for vanadium redox batteries. In recent months the price of vanadium has increased strongly above 2020 levels.

The demand for HPI, as a water atomised 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 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. Additionally, we have commenced a new scheme in 2021 which provides facilities and support to children with maths and science homework outside of school.

## **Board**

In late November 2020, Vred von Ketelhodt stepped down from the Board as full time CFO, in order to reduce the Company's ongoing overhead costs and I thank him for his contributions over many years.

## **Financial**

The Group recorded a loss before tax of £79,000 (H1 2019: £276,000) and had cash balances of £850,000 (30 June 2020: £28,000) at the end of the period. The Company does not plan to pay a dividend for the six months ended 31 December 2020.

In December 2020 shareholders approved an equity Placing at 0.30p per share to raise gross proceeds of £1.15 million.

Apart from a cash repayment of US\$150,000 to IIG from the Placing proceeds, a balance of over £1.4 million, comprised of outstanding loan liabilities to IIG, other loans and accrued Directors fees, was settled in shares alongside the Placing, which has significantly improved the Group's balance sheet position. The Directors receiving shares did so at the applicable volume weighted average price over the course of their fee accruals which saw an effective issue price of 1.48p per share compared to the Placing Price of 0.30p per share.

## **Possible transaction**

The Company is at an advanced stage in talks with an investor seeking to take a substantial strategic equity stake at the listed company level at a premium to the current share price in order to assist the Group with the next stage of its development. Whilst there are currently no guarantees

that such a transaction will be completed or by when, the Directors are hopeful of being able to conclude a meaningful transaction in the coming weeks.

### **Going concern**

Following the equity Placing in December the Group's financial resources and existing facilities are considered adequate to meet committed overhead expenditure until early 2022, by which time, the Directors anticipate completing the further funding of the Group or 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 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 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.

Fortunately, we are a small but dedicated team of staff at Ironveld, however, due to the importance of the situation, the Company has encouraged its staff to work from home wherever possible.

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**

Our current discussions regarding a strategic investment transaction give us confidence in our view that the Group's Project retains significant undeveloped value.

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

30 March 2020

**IRONVELD PLC**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

	<b>6 Months ended 31.12.20 £'000</b>	<b>6 Months ended 31.12.19 £'000</b>	<b>12 Months ended 30.06.20 £'000</b>
Administrative expenses	(458)	(278)	(695)
<b>Operating loss</b>	<u>(458)</u>	<u>(278)</u>	<u>(695)</u>
Other gains and losses	386	-	(326)
Investment revenues	1	3	4
Finance costs	(8)	(1)	(2)
Loss before taxation	<u>(79)</u>	<u>(276)</u>	<u>(1,019)</u>
Taxation	-	-	-
<b>Loss for the period</b>	<u>(79)</u>	<u>(276)</u>	<u>(1,019)</u>
Attributable to owners of the company	(77)	(277)	(1,017)
Non-controlling interests	(2)	1	(2)
	<u>(79)</u>	<u>(276)</u>	<u>(1,019)</u>
<b>Profit/(loss) per share (pence)</b>			
Basic	(0.01p)	(0.04p)	(0.16p)
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 2020**

	<b>6 Months ended 31.12.20 £'000</b>	<b>6 Months ended 31.12.19 £'000</b>	<b>12 Months ended 30.06.20 £'000</b>
Loss for the period	(79)	(276)	(1,019)
Exchange differences on the translation of foreign operations	1,332	(710)	(3,654)
Total comprehensive income/(loss) for the period	<u>1,253</u>	<u>(986)</u>	<u>(4,673)</u>
Attributable to:			
Owners of the company	1033	(865)	(4,061)
Non-controlling interest	220	(121)	(612)
	<u>1,253</u>	<u>(986)</u>	<u>(4,673)</u>

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

**IRONVELD PLC**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	<b>As at 31.12.20</b>	<b>As at 30.06.20</b>
	£'000	£'000
<b>Non-current assets</b>		
Exploration and evaluation	25,586	23,574
Property, plant and equipment	2	2
Other receivables	2	2
	<hr/> 25,590	<hr/> 23,578
<b>Current assets</b>		
Trade and other receivables	195	76
Cash and bank balances	850	28
	<hr/> 1,045	<hr/> 104
<b>Total assets</b>	<hr/> 26,635	<hr/> 23,682
<b>Current liabilities</b>		
Trade and other payables	(258)	(805)
Borrowings	(110)	(210)
	<hr/> (368)	<hr/> (1,015)
<b>Non-current liabilities</b>		
Deferred tax liabilities	(4,698)	(4,384)
	<hr/> (4,698)	<hr/> (4,384)
<b>Total liabilities</b>	<hr/> (5,066)	<hr/> (5,399)
<b>Net assets</b>	<hr/> 21,569	<hr/> 18,283
<b>Equity</b>		
Share capital	10,418	9,774
Share premium	21,226	19,691
Other reserve	15	189
Retained earnings reserve	(13,419)	(14,480)
	<hr/> 18,240	<hr/> 15,174
<b>Equity attributable to owners of the company</b>	18,240	15,174
<b>Non-controlling interests</b>	3,329	3,109
	<hr/> 21,569	<hr/> 18,283
<b>Total equity</b>	<hr/> 21,569	<hr/> 18,283

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 2020

	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 2019	9,774	19,691	(10,499)	-	18,966	3,721	22,687
Loss for the year	-	-	(1,017)	-	(1,017)	(2)	(1,019)
Issue of share option	-	-	-	189	189	-	189
Exchange differences on translation of foreign operations	-	-	(3,044)	-	(3,044)	(610)	(3,654)
Equity settled share based payments	-	-	80	-	80	-	80
<b>Balance at 30 June 2020</b>	<u>9,774</u>	<u>19,691</u>	<u>(14,480)</u>	<u>189</u>	<u>15,174</u>	<u>3,109</u>	<u>18,283</u>
Loss for the period	-	-	(77)	-	(77)	(2)	(79)
Issue of shares and warrants	644	1,535	-	15	2,194	-	2,194
Equity settled share based payments	-	-	28	-	28	-	28
Reclassification	-	-	-	(189)	(189)	-	(189)
Exchange differences on translation of foreign operations	-	-	1,110	-	1,110	222	1,332
<b>Balance at 31 December 2020</b>	<u>10,418</u>	<u>21,226</u>	<u>(13,419)</u>	<u>15</u>	<u>18,240</u>	<u>3,329</u>	<u>21,569</u>

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



**IRONVELD PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**

	<b>6 Months Ended 31.12.20 £'000</b>	<b>6 Months Ended 31.12.19 £'000</b>	<b>12 Months Ended 30.06.20 £'000</b>
<b>Net cash from operating activities</b>	<u>(341)</u>	<u>(18)</u>	<u>(397)</u>
<b>Investing activities</b>			
Interest received	1	3	4
Purchase of property, plant and equipment	(1)	-	-
Purchase of exploration and evaluation assets	<u>(264)</u>	<u>(449)</u>	<u>(555)</u>
<b>Net cash used in investing activities</b>	<u>(264)</u>	<u>(446)</u>	<u>(551)</u>
<b>Financing activities</b>			
Proceeds on issue of equity (net of costs)	1,082	-	-
Proceeds on issue of share options /warrants	-	-	189
Proceeds from new loans	<u>354</u>	<u>-</u>	<u>210</u>
<b>Net cash generated in financing activities</b>	<u>1,436</u>	<u>-</u>	<u>399</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<u>831</u>	<u>(464)</u>	<u>(549)</u>
<b>Cash and cash equivalents at the start of the period</b>	28	566	566
Effect of foreign exchange rates	<u>(9)</u>	<u>5</u>	<u>11</u>
<b>Cash and cash equivalents at end of period</b>	<u>850</u>	<u>107</u>	<u>28</u>
<b>Note to the cash flow statement</b>			
Operating loss	(458)	(278)	(695)
Depreciation on property, plant and equipment	1	1	2
Share based payments	<u>125</u>	<u>-</u>	<u>80</u>
Operating cash flows before movements in working capital	<u>(332)</u>	<u>(277)</u>	<u>(613)</u>
Movement in receivables	(113)	79	61
Movement in payables	<u>104</u>	<u>181</u>	<u>155</u>
Cash used in operations	<u>(341)</u>	<u>(17)</u>	<u>(397)</u>
Interest paid	<u>-</u>	<u>(1)</u>	<u>-</u>
<b>Net cash from operating activities</b>	<u>(341)</u>	<u>(18)</u>	<u>(397)</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 2020**

**1 Basis of preparation and accounting policies**

The results for the six months to 31 December 2020 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 2020, 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 2020 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.

	<b>6 Months</b> <b>to 31.12.20</b> <b>'000</b>	<b>6 Months</b> <b>to 31.12.19</b> <b>'000</b>	<b>12 Months</b> <b>to 30.06.20</b> <b>'000</b>
Weighted average number of shares	714,486	654,991	654,991
Options – dilution	-	-	-
	<u>714,486</u>	<u>654,991</u>	<u>654,991</u>
	<b>Pence</b>	<b>Pence</b>	<b>Pence</b>
Basic loss per share – continuing	(0.01)	(0.04)	(0.16)
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

<b>Directors:</b>	Giles Clarke Martin Eales Nick Harrison Peter Cox	(Chairman) (Chief Executive Officer) (Non-Executive Director) (Technical Director)
<b>Secretary:</b>	Kirsti Jane Pinnell	
<b>Company Number:</b>	04095614	
<b>Registered Office:</b>	Ironveld Plc Unit D De Clare House Sir Alfred Owen Way Pontygwindy Industrial Estate Caerphilly Wales CF83 3HU	
<b>Nominated Adviser And Joint Broker:</b>	finnCap 60 New Broad Street London EC2M 1JJ	
<b>Joint Broker:</b>	Turner Pope 8 Frederick's Place London EC2R 8AB	
<b>Solicitors:</b>	Kuit Steinart Levy LLP 3 St Marys Parsonage Manchester M3 2RD	
<b>Auditors:</b>	UHY Hacker Young St James Building 79 Oxford Street Manchester M1 6HT	
<b>Bankers:</b>	HSBC 97 Bute Street Cardiff CF10 5NA	
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