

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

**Loan Facilities Agreement**

Ironveld is pleased to announce that the Company has entered into definitive agreements with a consortium of high net worth investors (the "Lenders") and existing shareholders to raise, in aggregate, approximately £260,000 through short term unsecured loan facilities ("Loan Facilities"). It is intended that the proceeds from the Loan Facilities will be used for working capital purposes while the Company continues to engage with potential funders for its high purity iron powder, vanadium and titanium project in South Africa.

**Highlights:**

- Total sum available under the Loan Facilities is £260,000.
- The Loan will be disbursed in tranches: £110,000 by 14 February 2020 and three further monthly tranches of £50,000 at the Company's election until the full £260,000 has been lent.
- Each tranche of the loan will mature six months from the date of receipt of funds by Ironveld.
- The Company has issued a total of 26,000,000 warrants to subscribe for ordinary shares in the Company at a subscription price of 1p per share to the Lenders, pro rata to the amount of each loan (the "Warrants"). The Warrants have a two year life and Lenders may use outstanding balances under the Loan Facilities to exercise Warrants.
- The Lenders may elect to receive any interest payments due under the Loan Facilities in ordinary shares at a price of 1p each.
- Participation of Ironveld's largest shareholder and Chairman in the Loan Facilities demonstrates support.

The Board believes that the draw down on the Loan Facilities will provide the Company with sufficient cash resources to enable it to operate until May 2020, by which time it hopes to have secured a transaction with a strategic financing partner.

**Martin Eales, Chief Executive Officer, commented:**

"I have been highly encouraged by the discussions we have had so far with parties potentially interested in participating in the financing for our project. Until we are in a position to conclude this financing, the Loan Facilities announced today are extremely helpful in ensuring that our modest short-term working capital requirements are met.

"Additionally, any issue of new shares via the Warrants or in interest payments will be at a substantial 60 per cent premium to the underlying share price, thereby minimising the potential dilution for shareholders."

**Terms and Conditions of the Loan Facilities**

The total sum available under the Loan Facilities is £260,000. The Loan Facilities have a six month term from draw down of funds, are unsecured and carry an interest rate of eight per cent per year. The Lenders, at their sole discretion, may elect to receive the due interest in shares of Borrower with a deemed price of 1p per share, such election to be made by Lenders at least 10 business days before the Repayment Date. The interest shall accrue daily and shall be payable on the Repayment Date.

The Loan will be disbursed in tranches: £110,000 by 14 February 2020 and three further monthly tranches of £50,000 at the Company's election on the 20<sup>th</sup> of each month thereafter until the full £260,000 has been lent.

If the Company fails to make any payment due on the due date for payment, interest on the unpaid amount shall accrue daily, from the date of non-payment to the date of actual payment (both before and after judgment), at an additional five per cent.

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Should the Company carry out a capital reorganisation, subdivision or consolidation during the warrant term, the Company will redenominate the warrant strike price to reflect the pre-reorganisation terms.

#### **Related Party Transaction**

Tracarta Limited and Giles Clarke have contributed £50,000 and £10,000 respectively to the Loan Facilities and been issued with 5,000,000 and 1,000,000 Warrants respectively. Tracarta Limited holds 12.27 per cent of the issued share capital in the Company, and Giles Clarke is the Company's Chairman. Therefore both are related parties for the purposes of the AIM Rules for Companies. Accordingly, the participation of the Related Parties in the Loan Facilities constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies.

The independent directors of Ironveld, being all those except Giles Clarke, having consulted with the Company's Nominated Adviser finnCap, consider that the terms of the Loan Facilities are fair and reasonable insofar as the Company's shareholders are concerned.

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

#### **For further information, please contact:**

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