Company registration No 04095614 (England & Wales)

IRONVELD PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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DIRECTORS

Giles Clarke *Chairman*

Giles Clarke is Chairman of the England and Wales Cricket Board, Westleigh Investments Holdings Limited, Amerisur Resources plc, Kennedy Ventures Plc and of several private organisations. He founded Majestic Wine in 1981 and built it into a national chain of wine warehouses. He also co-founded Pet City in 1990, which he expanded nationwide before it was listed and subsequently sold in 1996 for £150 million and co-founded Safestore which was sold in 2003 for £40 million.

Peter Cox *Chief Executive*

Peter Cox started his career in the mining industry 37 years ago as a learner surveyor. After studying mining engineering as a JCI bursar, he worked for that company in various positions at gold and platinum mines, ending as a senior section manager. In 1987, he joined a privately owned mining and exploration company, Severin Southern Sphere Mining, as consulting engineer and general manager. Since mid-1991 he has been the managing director of Goldline Global Consulting (Pty) Ltd, an engineering consulting company which serves the mining industry worldwide. He holds a Mine Surveyor's and a Mine Manager's Certificate of Competency. He has a number of achievements to his name, including being the youngest certificated surveyor in South African mining history and designing the country's narrow reef opencast mining method.

Nicholas Harrison *Non-Executive Director*

Nicholas Harrison qualified as an accountant with Arthur Andersen and subsequently held a number of senior positions with other professional services organisations. He was Finance Director of Pet City and has held finance director and chief executive positions in a number of private businesses. He is a director of Amerisur Resources plc, Kennedy Ventures Plc and a number of private organisations.

Terry McConnachie *Non-Executive Director*

Terry McConnachie has over 25 years of experience in mining, beneficiation of ferroalloys and precious metals. He was the founder of Merafe Resources Limited (formerly South African Chrome & Alloys Limited), a successful chrome mining company, black empowered and listed on the Johannesburg Stock Exchange. He has started many new green-field operations in gold, manganese, aluminium, graphite and tantalite. He has been CEO of a number of mining, mining services and smelting companies in South Africa. Terry McConnachie is currently Managing Director of Sylvania Platinum Limited.

Rupert Fraser *Non-Executive Director*

Rupert Fraser has over 20 years of experience in the investment banking industry. Rupert Fraser is a Senior Partner of Kildare partners. Previously he was head of Equities at Evolution Securities from 2009 to 2011, prior to which he spent 16 years at Dresdner Kleinwort, where in 2005 he was appointed Managing Director, Global Head of Equity Distribution. He is a founding partner of Kildare Partners.

ADVISORS

Company secretary	Kirsti Jane Pinnell
Company number	04095614 (England and Wales)
Registered office	Lakeside Fountain Lane St. Mellons Cardiff CF3 0FB
Nominated Adviser	Shore Capital and Corporate Limited Bond Street House 14 Clifford Street London W1S 4JU
Broker	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Auditors	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Bankers	HSBC 97 Bute Street Cardiff CF10 5NA Investec Bank Plc 2 Gresham Street London EC2V 7QP
Solicitors	Kuit Steinart Levy LLP 3 St Mary's Parsonage Manchester M3 2RD
Registrar	Capita IRG Plc Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA

CHAIRMAN'S STATEMENT - STRATEGIC REPORT

During the period we have been focused on further de-risking the 15MW DC Smelter project both financially, technically and operationally, as we work towards delivering production of High Purity Iron, Vanadium and Titanium products from the 15MW smelter in early 2016.

Following the success of our drilling campaign on the farms La Pucella, Altona and Nonnenwerth (the "Lapon properties"), we were delighted to announce an updated Mineral Resource Estimate and increase in the grade of the Company's Main Magnetite Layer ("MML") Mineral Resource to 48 percent Fe and 1.12 percent Vanadium Pentoxide (V_2O_5).

This was followed by the excellent results of our Definitive Feasibility Study in April, which showed that the ore required no beneficiation beyond crushing, and which assessed the economic viability of the project and confirmed that this is a highly scalable project, mining and processing Vanadiferous, Titaniferous Magnetite ore to deliver exceptionally high grade HPI (99.5% Fe) which commands a premium to the price of pig iron, with commercial grades of vanadium and titanium slag. These results re-affirmed our confidence in the project to meet the strong market demand for our products from end users in a range of industries including chemical, automotive and energy.

High Purity Iron Powder is produced in many different grades for varieties of applications. High purity fine iron powders are used to manufacture sintered components, soft magnetic components, brazing, surface coatings, friction, printing and welding products, as well as chemistry and polymer filtrations. Iron powder products are classified by purity, production method, grain and density. Vanadium which has traditionally been used in the steel industry now has new uses in the production of Vanadium redox flow battery (VRB) systems for grid energy storage applications. These systems are under development with high potential to have a significant impact on future vanadium demand. Vanadium-flow batteries (VFBs), are being heralded as an answer to the “missing link” in clean energy production, specifically, the lack of volume storage for electricity generated by solar and wind power installations. Titanium has a variety of uses in the metallic and pigment industry however, recently, scientists from Nanyang Technological University, Singapore (NTU) have developed a new battery that can be recharged up to 70 percent in only 2 minutes, the key ingredient being Titanium. Application of Titanium also increases the number of times a battery can be charged. NTU’s scientists replaced the traditional graphite used for the anode (negative pole) in lithium-ion batteries with a new gel material made from titanium dioxide.

It has been a busy period for the Company, completing and submitting the necessary documentation to support the overall funding of the 15MW smelter, the construction of which is expected to commence in Q2 2015 and which we anticipate will be running at full production in early 2016, when annual production is expected to be 42,000 tons of HPI, 415 tons of Vanadium in slag grading 36% V and 8,269 tons of Titanium in slag grading 65% TiO_2. It is anticipated that the smelter will be cash flow positive from first production. Offtake agreements for all three products are currently being negotiated.

CHAIRMAN'S STATEMENT - STRATEGIC REPORT (continued)

In the year under review we progressed discussions with a number of parties (end users as well as marketing companies) in respect of our products. We have received a formal expression of interest from amongst others a South African based, black owned and fully empowered international marketing organization specializing in world wide procurement, physical movement and distribution of industrial raw materials. In line with the approvals required by the National Environmental Management Act 107 of 1998 ("NEMA") we have completed the various environmental studies for not only the mining operations but also for the smelter. I am happy to report that and subsequent to having both the Environmental Scoping Report and the Draft Environmental Assessment (ñEIAò) for the 15 MW Smelter accepted and approved by the Limpopo Department of Economic Development, Environment and Tourism. (ñLEDETò) we have now submitted the final Environmental Impact Assessment to LEDET, approval is expected in Q1 2015. In addition, Prescal, our environmental consultants have submitted Ironveld's Air Emission License application.

Post the year end the South Africa Government further demonstrated its commitment to the project with the approval of the 12I Tax Allowance Incentive, designed to support greenfield investments and offers support for both capital investment and training, and will contribute c.R50.5 million (£2.8 million) to the 15MW smelter. We are currently awaiting a response to our Critical Infrastructure Programme ("CIP") application, which was submitted in October 2014, a further incentive of the Department of Trade and Industry to stimulate investment growth in line with the National Industrial Policy Framework (NIPF) and its Industrial Policy Action Plan (IPAP). If successful, we expect to receive a grant of approximately R15million (£0.85million). Together these grants further enhance the project's already favourable economics.

We have subsequent to the reporting period completed our Broad Based Black Economic Empowerment (BBBEE) structures as required by the provisions of the Mineral and Petroleum Resources Act 2002 (MRPDA). This process which has been on going since Q2 2013, has now been finalised and the various community trusts have been registered with the Master of the High Supreme Court. These trusts will hold, in trust for local communities, tribal authorities and future workers, shares in the BBBEE companies which have a shareholding in the operating companies that make up the Ironveld Group. This shareholding is 26% as per the BBBEE's Code of Good Practice and the Mining Charter. The completion of these agreements and structures has allowed the company to move forward with its various licensing and funding negotiations.

As previously reported the MRA for our HWIRON company was submitted by HACRA in April 2013, the company has fulfilled all the requirements of the MRPDA in terms of this application and approval is imminent.

As previously announced the capital cost of the 15MW DC is GBP36 million. As the company has progressed with its compliance with the South African regulatory framework, negotiations in regard to financing the smelter have been advancing steadily. Post the financial year end the company has assisted its BBBEE partners to apply for finance for their portion of the capital expenditure. The company is working with international development finance institutions (DFIôs) that have expressed an in principle interest to provide a significant portion of the funding requirement as debt under standard project finance conditions. In addition discussions with local banks and Mezzanine finance providers and progressing and some of the numerous offtake agreements the company is considering include working capital and pipeline funding offers. The company expects to enter into agreements in Q2 2015.

CHAIRMAN'S STATEMENT - STRATEGIC REPORT (continued)

The company has continued to support its local communities by drilling and equipping water boreholes for agricultural and domestic use. In addition we have supplied local schools offices with computers and printers to assist in administration of the schools. In addition we are actively involved in the ñKeep a Girl Child at Schoolò campaign, supporting the needs of some 900 learners in our local communities.

Sale of non-core subsidiary

During the period under review the Group announced that it had entered into an agreement to sell our non-core wholly-owned trading subsidiary, Mercury Recycling Limited ("MRL"), to Environmental Safeguard Limited for a total consideration of £1.575 million in cash, comprising a purchase price of £1.45 million and a working capital adjustment of £125,000. The sale was in line with the Board's strategy to focus the Group's resources on the progression of the Ironveld Project.

Financial

The Group recorded a loss before tax of £1m (2013: £5.5m including discontinued operations) and cash balances of £0.7m (2013: £0.6) at the end of the period. The Company does not plan to pay a dividend for the year ended 30th June 2014.

Summary

On behalf of the Board, I would like to thank our shareholders for their continued support and our employees for their hard work and commitment. Ironveld is in an excellent position as we enter the next phase of the projectõs development and we look forward to the commencement of the 15MW smelterõs construction.

Giles Clarke
Chairman
3 December 2014

DIRECTORS' REPORT

The Directors present their annual report, together with the audited financial statements for the year ended 30 June 2014. The Corporate Governance Statement set out on pages 8 and 9 forms part of this report.

Principal activity

The principal activity of the Group for the period continued to be mining, exploration, processing and smelting of Vanadiferous and Titaniferous Magnite in South Africa. The company sold its battery and fluorescent light recycling business on 20 September 2013. The principal activity of the Company for the period was that of a holding company.

Dividends

The Directors do not propose the payment of a dividend for the period.

Directors and their interests

The Directors, who served during the period were as follows:-

G Clarke
N Harrison
T McConnachie
P Cox
R Fraser

The beneficial and other interests of the Directors at the period end and their families in the shares of the Company and its subsidiary undertakings were as follows:

	30 June 2014 1p ordinary shares Number	30 June 2013 1p ordinary shares Number
G Clarke	15,927,099	15,927,099
N Harrison	11,023,581	11,023,581
T McConnachie	337,505	337,505
P Cox	259,161	-
R Fraser	-	-

Mr G Clarke and Mr N Harrison's interests in 9,023,581 (2013 - 9,023,581) shares are through their shareholding in Westleigh Investments Holdings Limited.

There have been no changes since the year end.

Details of Directors' interest in share options are provided in the Directors' remuneration report on page 11 and 12.

Mr G Clarke and Mr N Harrison have an interest in 8,399,966 (2013 - 8,399,966) shares through share warrants held by Westleigh Investments Holdings Limited.

Political contributions and charitable donations

The Group made no political contributions or charitable donations during this or the preceding period.

Substantial shareholdings

As at 28 September 2014 the Company had been notified of the following holdings of 3% or more of its issued share capital other than the Directors' direct holdings on page 6:

	Number of ord shares	Percentage
Africa Asia Capital	39,746,892	13.8
Michinoko Limited	34,472,224	12.0
Weighbridge Trust Limited	20,794,100	7.2
Artemis Managed Funds	10,907,408	3.8
Westleigh Investments Holdings Limited	9,023,581	3.1

Going concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman’s statement and Strategic Report on page 3 to 5. In addition, note 21 to the financial statements includes the Group’s objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The Directors have reviewed the financial resources and facilities available to deal with its business risks. The Directors therefore feel well placed to manage the business risks successfully within its present financial arrangements.

The Group's present resources and existing facilities, are considered adequate to meet its anticipated committed expenditure for the foreseeable future. The Directors therefore 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 and are also optimistic that the Group will be able to raise funds when required for any additional planned activities. The company is committed to developing the project and is actively engaged in raising finance to allow the development to proceed. For this reason, the Board continues to adopt the going concern basis in the preparation of the financial statements.

DIRECTORS' REPORT (continued)

Directors' indemnities
The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were in place during the period and remain in force at the date of this report.

Statement of disclosure to auditors
Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of the relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report was approved by the Board on 3 December 2014 and signed on its behalf by:

K J Pinnell
Company secretary

CORPORATE GOVERNANCE STATEMENT

Code of best practice

The Board acknowledges the importance of the UK Corporate Governance Code ("the Code") and has reviewed the Group's consistency with the provisions of the Code as appended to the Listing Rules of the Financial Conduct Authority. This statement explains how the Group has voluntarily applied principles of the Code and confirms that it has consistently complied with these throughout the period.

The Board of Directors

The Group is controlled and led by the Board of Directors with an established schedule of matters reserved for their specific approval. The Board meets regularly throughout the year and is responsible for the overall Group strategy, acquisition and divestment policy, approval of major capital expenditure and consideration of significant financial matters. It reviews the strategic direction of the Company and its individual subsidiaries, their annual budgets, their progress towards achievement of these budgets and their capital expenditure programmes.

The function of the Chairman is to supervise the Board and to ensure its effective control of the business, and that of the Chief Executive is to manage the Group on the Board's behalf.

All Board members have access, at all times, to sufficient information about the business, to enable them to fully discharge their duties. Also, procedures exist covering the circumstances under which the Directors may need to obtain independent professional advice.

The Board has established the following committees to fulfil specific functions:

The Audit Committee comprises Giles Clarke, Nicholas Harrison and Rupert Fraser, it has been established to determine the terms of engagement of the group's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee will receive and review reports from management and the group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the group. The Audit Committee will have unrestricted access to the group's auditors and internal control procedures.

Due to the nature and size of the Group at present it would not be appropriate for the Group to have its own internal audit department reporting directly to the Audit Committee, this situation is reviewed annually.

The Remuneration Committee comprises Giles Clarke, Nicholas Harrison and Rupert Fraser, it has been established to review the scale and structure of the executive directors' and senior employees' remuneration and the terms of their respective service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive directors of the Company will be set by the Board.

The Nomination Committee comprises Giles Clarke, Nicholas Harrison and Rupert Fraser, it has been established to review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.

Status of Non-executive directors

None of the Non-Executive Directors would be deemed independent under the UK Corporate Governance Code. However, the Non-Executive Directors have considerable experience which the Company draws upon on a regular basis. In addition, the Non-Executive Directors are sufficiently independent of management so as to be able to exercise independent judgment and bring an objective viewpoint and, thereby, protect and promote the interest of shareholders.

CORPORATE GOVERNANCE STATEMENT (continued)

Internal control

The Board is responsible for ensuring that the Group maintains adequate internal control over the business and its assets.

The effectiveness of the Group's system of internal financial controls, for the period to 30 June 2014 and for the period to the date of approval of the financial statements, has been reviewed by the Directors. Whilst they are aware that although no system can provide for absolute assurance against material misstatement or loss, they are satisfied that effective controls are in place.

On the wider aspects of internal control, relating to operational and compliance controls and risk management, the Board, in setting the control environment, identifies, reviews, and regularly reports on the key areas of business risk facing the Group.

The Group Board and subsidiary Boards maintain close day to day involvement in all of the Group's activities which enables control to be achieved and maintained. This includes the comprehensive review of both management and technical reports, the monitoring of interest rates, environmental considerations, government and fiscal policy issues, employment and information technology requirements and cash control procedures. In this way, the key risk areas can be monitored effectively and specialist expertise applied in a timely and productive manner.

Relations with shareholders

The Company maintains effective contact with its principal shareholders and welcomes communications from its private investors.

DIRECTORS' REMUNERATION REPORT

Compliance

This report by the Remuneration Committee, on behalf of the Board, contains full details of the remuneration of each Director during the period under review.

Directors' remuneration policy

The Remuneration Committee aims to ensure that the remuneration packages offered are competitive and are designed to attract, retain and motivate executives of the right calibre.

Emoluments of the Directors

	Fees/Salary £000	Benefits in kind £000	2014 Total £000	2013 Total £000
G Clarke**	45	-	45	40
N Harrison*	45	-	45	40
T McConnachie	45	-	45	40
R Fraser *	45	-	45	33
P Cox***	173	-	173	150
	353	-	353	303

In addition to the above fees, the Group was charged £Nil (2013: £10,821) by Westleigh Investments Holdings Limited for the services of G Clarke and N Harrison as Directors.

* Member of the Remuneration Committee
** Member and Chairman of the Remuneration Committee
*** Highest-paid Director during the year

Pensions

No pension contributions were made during the year (2013 - £Nil).

The Non-Executive Directors' appointments are not pensionable.

Details of the individual share options held by the Directors as at 30 June 2014, are as follows:

Director	Option price (p)	Date of Grant	Expiry date	1 July 2013	(Exercised)/ Granted	30 June 2014
P Cox	LTIP - 1p	16/08/2012	16/08/2022	1,427,894	-	1,427,894
G Clarke	LTIP - 1p	16/08/2012	16/08/2022	1,427,894	-	1,427,894
N Harrison	LTIP - 1p	16/08/2012	16/08/2022	1,427,894	-	1,427,894
T McConnachie	LTIP - 1p	16/08/2012	16/08/2022	1,427,894	-	1,427,894
P Cox	LTIP - 1p	14/11/2012	14/11/2022	7,139,470	(475,965)	6,663,505
R Fraser	LTIP - 1p	16/04/2013	16/04/2023	1,000,000	-	1,000,000
G Clarke	LTIP - 1p	07/11/2013	07/11/2023	-	600,000	600,000
P Cox	LTIP - 1p	07/11/2013	07/11/2023	-	600,000	600,000
N Harrison	LTIP - 1p	07/11/2013	07/11/2023	-	600,000	600,000

DIRECTORS' REMUNERATION REPORT (continued)

Directors' share options (continued)

The share options are exercisable as follows:-

1/3 on the first anniversary of grant.
1/3 on the second anniversary of grant.
1/3 on the third anniversary of grant.

The market price of the Company's shares at 30 June 2014 was 9.88p with a range of 6.6p to 19.85p during the year.

Peter Cox exercised options over 475,965 shares on 25 April 2014 resulting in a gain of £45,888.

There were no movements in the Directors' share options since the year end.

G Clarke
Chairman of the Remuneration Committee

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare such financial statements for each financial period. Under that law the Directors are required to prepare group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the European Union. Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting polices;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

2. the business review, which is incorporated into the directors’ report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

N Harrison
Director
3 December 2014

INDEPENDENT AUDITORS' REPORT

Registered Auditor
UHY Hacker Young Manchester LLP
St. James Building
79 Oxford Street
Manchester M1 6HT

To the members of Ironveld Plc

We have audited the financial statements of Ironveld Plc for the period ended 30 June 2014 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and the Parent Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit an express and opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistences with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT (continued)

UHY Hacker Young
Chartered Accountants

Opinion on the financial statements

In our opinion:

- Å the financial statements give a true and fair view of the Group and the parent Company's affairs as at 30 June 2014 and of the Group's and the parent Company's loss for the year then ended;
- Å the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- Å the ýnancial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- Å adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- Å the parent company financial statements to be audited are not in agreement, with the accounting records and returns; or
- Å certain disclosures of Directors' remuneration specified by law are not made; or
- Å we have not received all the information and explanations we require for our audit.

Michael Wasinski
Senior Statutory Auditor
for and on behalf of

3 December 2014

UHY Hacker Young Manchester LLP
Chartered Accountants
Statutory Auditor

CONSOLIDATED INCOME STATEMENT

		Note	Year ended 2014 £000	Period ended 2013 £000
Administrative expenses			(660)	(860)
Operating loss		**5**	(660)	(860)
Investment revenues		**7**	10	22
Finance costs		**8**	(100)	(48)
Loss before tax			(750)	(886)
Tax		**9**	(409)	(438)
Loss from continuing operations			(1,159)	(1,324)
Discontinued operations		**10**	120	(4,196)
Loss for the period		**5**	(1,039)	(5,520)
Attributable to:				
Owners of the company			(930)	(5,447)
Non-controlling interests			(109)	(73)
			(1,039)	(5,520)
Loss per share				
From continuing operations	**- Basic**	**11**	(0.37p)	(0.69p)
	- Diluted	**11**	n/a	n/a
From continuing and discontinued operations	**- Basic**	**11**	(0.33p)	(3.01p)
	- Diluted	**11**	n/a	n/a

There is no difference between the results as disclosed above and the results on an historical cost basis.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 2014 £000	Period ended 2013 £000
Loss for the period	(1,039)	(5,520)
Exchange difference on translation of foreign operation	(2,294)	(2,028)
Total comprehensive income for the period	(3,333)	(7,548)
Attributable to:		
Owners of the company	(2,485)	(6,756)
Non-controlling interests	(848)	(792)
	(3,333)	(7,548)

CONSOLIDATED BALANCE SHEET

	Note	2014 £000	2013 £000
Non-current assets			
Goodwill	13	-	-
Other intangible assets	14	21,787	24,749
Property, plant and equipment	15	22	4
		21,809	24,753
Current assets			
Trade and other receivables	17	211	179
Cash and bank balances		738	569
Assets classified as held for sale	10	-	1,837
		949	2,585
Total assets		22,758	27,338
Current liabilities			
Trade and other payables	18	(234)	(246)
Liabilities directly associated with assets classified as held for sale	10	-	(505)
		(234)	(751)
Non-current liabilities			
Borrowings	19	(1,465)	(840)
Deferred tax liabilities	20	(6,069)	(6,891)
		(7,534)	(7,731)
Total liabilities		(7,768)	(8,482)
Net assets		14,990	18,856
Equity			
Share capital	22	6,097	6,080
Share premium	23	14,097	14,097
Other reserves	23	21	21
Retained earnings	23	(8,635)	(5,600)
Equity attributable to owners of the company		11,580	14,598
Non-controlling interests	28	3,410	4,258
Total equity		14,990	18,856

These financial statements were approved by the Board and authorised for issue on 3 December 2014.

Signed on behalf of the Board

N Harrison
Director

Company Registration No: 04095614

PARENT COMPANY BALANCE SHEET

	Note	2014 £000	2013 £000
Non-current assets			
Investments	**16**	16,362	17,109
Current assets			
Trade and other receivables	**17**	61	26
Cash and bank balances		718	232
		779	258
Total assets		17,141	17,367
Current liabilities			
Trade and other payables	**18**	(172)	(117)
Total liabilities		(172)	(117)
Net assets		16,969	17,250
Equity			
Share capital	**22**	6,097	6,080
Share premium	**23**	14,097	14,097
Other reserves	**23**	21	21
Retained earnings	**23**	(3,246)	(2,948)
Total equity		16,969	17,250
(Attributable to owners of the Company)			

These financial statements were approved by the Board and authorised for issue on 3 December 2014.

Signed on behalf of the Board

N Harrison
Director **Company Registration No: 04095614**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share Premium £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2012	3,583	235	386	1,428	5,632
Other comprehensive income	-	-	-	(2,028)	(2,028)
Issue of share capital	2,497	13,862	-	-	16,359
Transfer on impairment of investment	-	-	(365)	365	-
Credit to equity for equity-settled share based payments	-	-	-	82	82
Loss for the period	-	-	-	(5,447)	(5,447)
Balance at 30 June 2013	6,080	14,097	21	(5,600)	14,598
Other comprehensive income	-	-	-	(2,294)	(2,294)
Issue of share capital	17	-	-	-	17
Credit to equity for equity-settled share based payments	-	-	-	189	189
Loss for the year	-	-	-	(930)	(930)
Balance at 30 June 2014	6,097	14,097	21	(8,635)	11,580

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital £000	Share Premium £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2012	3,583	235	1,320	40	5,178
Issue of share capital	2,497	13,862	-	-	16,359
Transfer on impairment of investment	-	-	(1,299)	1,299	-
Credit to equity for equity-settled share based payments	-	-	-	82	82
Loss for the period	-	-	-	(4,369)	(4,369)
Balance at 30 June 2013	6,080	14,097	21	(2,948)	17,250
Credit to equity for equity-settled share based payments	-	-	-	189	189
Issue of share capital	17	-	-	-	17
Loss for the year	-	-	-	(487)	(487)
Balance at 30 June 2014	6,097	14,097	21	(3,246)	16,969

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 2014 £000	Period ended 2013 £000
Net cash used in operating activities	**25**	(639)	(501)
Investing activities			
Proceeds from disposal of property, plant and equipment		-	9
Purchases of property, plant and equipment		(25)	(131)
Purchase of exploration and evaluation assets		(1,416)	(1,566)
Interest received		9	22
Loan advanced		(43)	(137)
Net cash inflow on disposal of subsidiary (net of cash disposed)		1,370	-
Net cash inflow on acquisition of subsidiary		-	4
Net cash used in investing activities		(105)	(1,799)
Financing activities			
Proceeds on issue of equity (net of costs)		17	2,657
New loans received		823	118
Repayment of borrowings		(79)	(87)
Net cash generated by financing activities		761	2,688
Net increase in cash and cash equivalents		17	388
Cash and cash equivalents at the beginning of period	**25**	748	343
Effects of foreign exchange rates		(27)	17
Cash and cash equivalents at end of period	**25**	738	748

COMPANY CASH FLOW STATEMENT

	Note	Year ended 2014 £000	Period ended 2013 £000
Net cash from operating activities	**25**	(346)	(529)
Investing activities			
Interest received		7	22
Net cash inflow on disposal of subsidiary		1,451	-
Payments to acquire investments		(643)	(1,918)
Net cash generated by / (used in) investing activities		815	(1,896)
Financing activities			
Proceeds on issue of equity (net of costs)		17	2,657
Net cash generated from financing activities		17	2,657
Net increase in cash and cash equivalents		486	232
Cash and cash equivalents at the beginning of period	**25**	232	-
Cash and cash equivalents at end of period	**25**	718	232

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Ironveld Plc is a company incorporated in the United Kingdom under the Companies Act 2006. 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 4 and in the strategic Report on page 3 to 5.

Adoption of new and revised Standards

There were no new or amended IFRS standards or IFRIC interpretations adopted for the first time in these financial statements that had a material impact on the financial statements.

At the date of authorisation of these financial statements, the following accounting standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 7 (amended)	Disclosures - Offsetting Financial Assets and Liabilities
IFRS 9 (amended)	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 11 (amended)	Accounting for Acquisitions of Interests in Joint operations
IFRS 12	Disclosure or Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 14	Regulatory Deferral Account
IFRS 15	Revenue from Contracts with Customers
IFRS 10,12 and IAS27 (amended)	Investment Entities
IAS 16 and IAS38 (amended)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 19 (amended)	Employee Benefits
IAS 19 (amended)	Defined Benefit Plans : Employee Contributions
IAS 27 (2011)	Separate Financial Statements
IAS 28 (2011)	Investments in Associates and Joint Ventures
IAS 32 (amended)	Offsetting Financial Assets and Liabilities
IAS36 (amended)	Recoverable Amount Disclosures for Non-financial assets
IAS39 (amended)	Novation of Derivatives and continuation of hedge accounting
IFRIC 21	Levies
IFRIC20	Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements IFRS's (2009-2013)

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the company in future periods.

2. Significant accounting policies

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

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

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 period 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 Group obtains control. The acquisition of WEEE Recycling Limited was accounted for as a group reconstruction using merger accounting. Under IFRS 1, the Group has elected not to restate business combinations prior to the transition date to IFRS of 1 January 2006.

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 acquirees 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.

Business combinations

Acquisitions of subsidiaries are accounted for using acquisition accounting (with the exception of WEEE Recycling Limited disclosed above). 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.

Non-current assets held for sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met.

When the assets held for sale represents a discontinued operation then the results of that operation is disclosed as a discontinued item in the income statement and the comparative information is re-presented to be consistent with that presented in the current period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

Goodwill

Goodwill arising on a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is not amortised but is reviewed for impairment annually. Any impairment is immediately recognised in the income statement.

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.

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 all of 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
- the making of the final investment decision.

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.

2. Significant accounting policies (continued)

Development and production asset

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.

Government grants

Grants towards property, plant and equipment are treated as deferred income and released to the income statement over the expected useful lives of the assets concerned. Grants towards expenditure are recognised as income over the periods necessary to match with the related costs and are deducted in reporting the related expense.

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 at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts and value added tax.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value, or if lower, at the present value of future minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using a sum of digits method.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease period.

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 estimated residual value of each asset over its expected useful life, as follows:

Property alterations	10% straight line basis
Plant and machinery	10% - 25% straight line basis or reducing balance basis
Fixtures, fittings & equipment	10% - 25% straight line basis
Motor vehicles	25% 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.

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.

Operating profit

Operating profit is stated after charging restructuring costs and goodwill impairments but before acquisition gains, investment revenues and finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

Software costs
Other intangible assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Software	25% straight line basis

Retirement benefit costs
Where the Group contributes to defined contribution pension schemes, the assets of the schemes are held separately from those of the Group in an independently administered funds. Contributions payable for the period are charged in the income statement.

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

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.

Trade receivables
Trade 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. Appropriate allowances for the estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

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 loans and 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 a equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are initially recognised at fair value and a 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 long term borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

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.

Operating segments

The Group considers itself to have two operating segments in the period and further information is provided in note 4.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have 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 Directors Report on page 7.

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.

Fair value of share based payments

Calculation of the fair value of the share based payments issued requires estimates to be used for the share price volatility, the risk free rate and the model with which to calculate the fair value.

Exploration and evaluation asset

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 company and no such indicators of impairment were identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (continued)

Critical accounting estimates and judgements (continued)

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. No deferred tax assets have been recognised in the period.

Useful lives of property, plant and equipment

Property, plant and equipment are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are based on judgement and experience and periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated income statement in specific periods.

3. Revenue

All revenue arises from the discontinued activity of Waste Recycling in the United Kingdom.

4. Business and geographical segments

Information reported to the Group Directors for the purposes of resource allocation and assessment of segment performance is focused on in the activity of each segment and its geographical location.

The group identifies two segments which have different activities and locations:

Ironveld	- Prospecting, exploration and mining	South Africa
Mercury	- Waste recycling	United Kingdom

The Mercury segment was disposed on 20 September 2013 and was classified as held for sale as at 30 June 2013 and also as a discontinued operation in the year.

In the current period the group had only one continuing segment - Ironveld.

Segment revenue and results for the period to 30 June 2014 are summarised as follows:-

	Continuing **Ironveld** **£000**	Discontinued **Mercury** **£000**	**Total** **£000**
Revenue - External sales	-	454	454
Segment result	(134)	18	(116)
Central administration costs	(526)	-	(526)
Operating loss	(660)	18	(642)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Business and geographical segments (continued)

	Continuing Ironveld £000	Discontinued Mercury £000	Total £000
Non-current assets	21,809	-	21,809
Current assets	949	-	949
Current liabilities	(234)	-	(234)
Non-current liabilities	(7,534)	-	(7,534)
Attributable to owners of the Company	14,990	-	14,990
Non-controlling interest	3,410	-	3,410
Total equity	11,580	-	11,580

Other segment information :	Continuing Ironveld £000	Discontinued Mercury £000
Depreciation	6	42
Additions to non current assets - Tangible	24	-
Additions to non current assets - Intangible	1,370	-

5. Loss for the period

Loss for the period is shown after charging / (crediting):	Year ended 2014 £000	Period ended 2013 £000
Net foreign exchange losses	55	9
Depreciation on tangible assets	6	282
Impairment of goodwill	-	4,122
Government grants	-	(14)
Loss on disposal of tangible assets	-	37
Operating leases: -Land and buildings	19	105
-Other	-	49

Auditors remuneration

Fees payable to the company's auditors for the audit of the company's annual accounts	24	35
Fees payable to the company's auditors and its associates for other services:-		
The audit of the company's subsidiaries	9	26
Audit-related assurance services	-	18
Tax compliance services	5	2
Tax advisory services	-	13
Corporate finance services - long form reports	-	3
Other assurance services	12	49

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Staff costs

	Year Ended 2014 £000	Period Ended 2013 £000
Wages and salaries	729	1,687
Social security costs	6	163
Share based payments	189	82
	924	1,932
Directors remuneration and fees	353	453
The aggregate remuneration paid to the highest paid director was	173	181

The average monthly number of employees, including Directors, during the period was as follows:	2014 Number	2013 Number
Administration and management	13	14
Operational and sales	-	25
	13	39

In addition to directors remuneration and fees above, the Group was charged £Nil (2013: £10,821) by Westleigh Investments Holdings Limited for the services of G Clarke and N Harrison as Directors.

During the period directors exercised options over 475,965 shares on 25 April 2014 resulting in a gain of £45,888.

Further details of the Directors' remuneration are given in the Directors' Remuneration Report on pages 11 and 12.

7. Investment revenues

	Year Ended 2014 £000	Period Ended 2013 £000
Interest on bank deposits	10	22

8. Finance costs

	Year Ended 2014 £000	Period Ended 2013 £000
On bank loans and overdrafts	-	4
Interest on overdue taxation	-	5
Other finance costs	100	39
	100	48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Tax

a) Tax charge for the period	**Year Ended 2014 £000**	**Period Ended 2013 £000**
Corporation tax:		
Current period	-	-
Deferred tax (note 20)	409	438
	409	438

b) *Factors affecting the tax charge for the period*

Loss on ordinary activities for the period before taxation	(750)	(886)
Loss on ordinary activities for the period before taxation multiplied by effective rate of corporation tax of 20.75% (2013 - 24.8%)	(156)	(220)
Effects of :		
Non deductible expenses	39	33
Unused tax losses not recognised	526	625
Tax expense for the period	409	438

c) *Factors that may affect future tax charges* - The Group has estimated unutilised tax losses/expenses amounting to £3,750,000 (2013 - £3,100,000) the values of which are not recognised in the balance sheet. The losses represent a potential deferred taxation asset of £1,050,000 (2013 - £820,000) which would be recoverable should the Group make sufficient suitable taxable profits in the future.

10. Discontinued operations

On 20 September 2013 the group disposed of Mercury Recycling Limited, which carried out all of the Group's waste recycling operations. The disposal was effected in order to generate cash flow for the group's other operations. The operations of Mercury Recycling Limited have been recognised in these accounts as a discontinued operation having satisfied the criteria set out in IFRS 5 at the prior period end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Discontinued operations (continued)

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:-

	Year Ended 2014 £000	Period Ended 2013 £000
Revenue	454	3,043
Expenses	(436)	(3,162)
Impairment of goodwill	-	(4,122)
Net finance costs	-	(3)
Profit / (loss) before tax	18	(4,244)
Attributable tax expense	-	48
Profit on disposal of discontinued operation	102	-
Profit / (loss) attributable to discontinued operations (attributable to owners of the Company)	120	(4,196)

During the period, Mercury Recycling Limited contributed outflow £34,000 (2013 - inflow £44,000) to the group's net operating cash flows, paid £Nil (2013 - paid £121,000) in respect of investing activities and paid £79,000 (2013 - £87,000) in respect of financing activities.

The disposal proceeds (net of costs) are expected to be in excess of the book value of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as held for sale.

The major classes of assets and liabilities comprising operations as held for sale are as follows:-

	2014 £000	2013 £000
Property, plant and equipment	-	1,069
Trade and other receivables	-	580
Cash and bank balances	-	188
Total assets classified as held for resale	-	1,837
Trade and other payable	-	311
Bank overdrafts and loans	-	78
Tax liabilities	-	116
Total liabilities classified as held for resale	-	505
Net assets of the disposal group	-	1,332

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. (Loss)/earnings per share

	2014 £000	2013 £000
Loss attributable to the owners of the Company	(930)	(5,447)
Adjustment to exclude discontinued operations	120	(4,196)
Loss from continuing operations	(1,050)	(1,251)
(Loss)/earnings per share - Basic		
Continuing operations	(0.37p)	(0.69p)
Discontinued operations	0.04p	(2.32p)
Continuing and discontinued operations	(0.33p)	(3.01p)
(Loss)/earnings per share - Diluted		
Continuing operations	n/a	n/a
Discontinued operations	0.04p	n/a
Continuing and discontinued operations	n/a	n/a

The calculation of basic earnings per share is based on 286,168,781 (2013 - 181,021,123) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The number of shares considered to be diluting was 15,630,270 for the purposes of diluted earnings per share.

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 22.

Under IAS 33, the share warrants in issue during the period were not considered to be diluting as the market based vesting conditions of the warrants had not been met at the period end. Further details are provided in note 22.

12. 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 £487,000 (2013 period - £4,369,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. Goodwill

Group	**Goodwill £000**
Cost:	
At 31 December 2011 and at 30 June 2013	4,122
Disposal	(4,122)
At 30 June 2014	**-**
Accumulated impairment losses:	
At 31 December 2011	-
Impairment losses in the period	4,122
At 30 June 2013	4,122
On disposal	(4,122)
At 30 June 2014	**-**
Carrying amount:	
At 30 June 2014	-
At 30 June 2013	-

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the business combination. The Group reviews goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management and extrapolates cash flows based on estimated growth rates.

At 31 December 2012, the Group Directors re-assessed its overall operating strategy and focus. The Directors therefore re-assessed the carrying value of Mercury Recycling Limited and considered that the goodwill relating to that subsidiary is fully impaired at that date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Other intangible assets

Group	Exploration and evaluation assets £000	Computer software £000	Total £000
Cost:			
At 1 January 2012	-	4	4
Additions	1,436	-	1,436
Recognised on acquisition of a subsidiary	27,216	-	27,216
Exchange differences	(3,903)	-	(3,903)
At 30 June 2013	24,749	4	24,753
Additions	1,370	-	1,370
Disposals	-	(4)	(4)
Exchange differences	(4,332)	-	(4,332)
At 30 June 2014	21,787	-	21,787
Amortisation:			
At 1 January 2012 and at 30 June 2013	-	4	4
On disposal	-	(4)	(4)
At 30 June 2014	-	-	-
Net book value at 30 June 2014	21,787	-	21,787
Net book value at 30 June 2013	24,749	-	24,749

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 and in the absence of such indicators no impairment review was carried out.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Property, plant and equipment

Group	Plant and machinery £000	Total £000
Cost:		
At 1 July 2013	7	7
Additions	25	25
Exchange differences	(2)	(2)
Disposals	-	-
At 30 June 2014	30	30
Depreciation:		
At 1 July 2013	3	3
Charge for the period	6	6
Disposals	(1)	(1)
At 30 June 2014	8	8
Net book value at 30 June 2014	22	22

	Property alterations £000	Plant and machinery £000	Total £000
Cost:			
At 1 January 2012	85	2,328	2,413
Additions	-	131	131
Acquisition of subsidiary	-	7	7
Exchange differences	-	(1)	(1)
Reclassified as held for sale	(85)	(2,370)	(2,455)
Disposals	-	(88)	(88)
At 30 June 2013	-	7	7
Depreciation:			
At 1 January 2012	57	1,091	1,148
Acquisition of subsidiary	-	1	1
Charge for the period	13	269	282
Reclassified as held for sale	(70)	(1,316)	(1,386)
Disposals	-	(42)	(42)
			-
At 30 June 2013	-	3	3
Net book value at 30 June 2013	-	4	4

All non-current assets in 2014 and 2013 were located in South Africa.

16. Investments

Company	**Subsidiary undertakings £000**
Cost:	
At 1 January 2012	3,954
Additions	15,659
At 30 June 2013	19,613
Additions	703
Disposals	(3,954)
At 30 June 2014	16,362
Provisions for impairment	
At 1 January 2012	-
Impairment during the period	2,504
At 30 June 2013	2,504
On disposal	(2,504)
At 30 June 2014	-
Net book value at 30 June 2014	16,362
Net book value at 30 June 2013	17,109

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. 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 Limited***	Ordinary	100%	Holding Company
Ironveld Holdings (Proprietary) Limited**	Ordinary	100%	Holding Company
Ironveld Mining (Proprietary) Limited**	Ordinary	100%	Mining and exploration
Ironveld Smelting (Proprietary) Limited**	Ordinary	100%	Ore processing and smelting
HW Iron (Proprietary) Limited**	Ordinary	71%	Prospecting and mining
Lapon Mining (Proprietary) Limited**	Ordinary	74%	Prospecting and mining
Luge Prospecting and Mining (Proprietary) Limited**	Ordinary	74%	Prospecting and mining
Envirolite Limited* +	Ordinary	100%	Dormant
Envirolite Midlands Limited* +	Ordinary	100%	Dormant
WEEE Recycling Limited * +	Ordinary	100%	Dormant
Battnett Limited * +	Ordinary	100%	Dormant

* Incorporated in England and Wales

** Incorporated in South Africa

*** Incorporated in Mauritius

+ Held directly by Ironveld Plc

On 20 September 2013 the Group disposed of its investment in Mercury Recycling Limited, a wholly owned subsidiary incorporated in England and Wales.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Trade and other receivables

	Group		Company	
	2014	**2013**	**2014**	**2013**
	£000	**£000**	**£000`**	**£000**
Amounts owed from Group undertakings	-	-	11	-
Other debtors	203	174	44	20
Prepayments and accrued income	8	5	6	6
	211	179	61	26

Credit risk

The Group's principal financial assets are bank balances, cash balances, trade receivables and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

Include in other debtors is £110,000 (Rand 2,004,000) (2013 - £133,000 (Rand 2,000,000)) due from Zemkinkomo Holdings (Proprietary) Limited, a company registered in South Africa in which Z Mtshotshisa is the sole director and shareholder, and represents 52% of all continuing receivables. The comparative balance is due from Z Mtshotshisa personally. The amount is an unsecured, interest free loan with no fixed terms of repayment. Z Mtshotshisa is a director and minority shareholder in HW Iron (Proprietary) Limited.

Include in other debtors is £40,000 (Rand 734,000) (2013 - £Nil) due from Epibex (Pty) Limited (a company registered in South Africa) representing 19% of all continuing receivables. The amount is an unsecured, interest free loan and is due for repayment no later than 31 December 2014.

18. Trade and other payables

	Group		Company	
	2014	**2013**	**2014**	**2013**
	£000	**£000**	**£000**	**£000**
Trade payables	4	131	4	12
Taxation and social security costs	89	46	41	46
Other payables	5	6	5	5
Accruals and deferred income	136	63	122	54
	234	246	172	117
Due within 12 months	(234)	(246)	(172)	(117)
Due after more than 12 months	-	-	-	-

Included in deferred income for the Group are deferred government grants as follows:-

	2014	**2013**
	£000	**£000**
Brought forward at 1 January	-	33
Released to income statement during the period	-	(14)
Classified as held for sale	-	(19)
Carried forward	-	-
Due within 12 months	-	-
Due after more than 12 months	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Borrowings

	Group 2014 £000	2013 £000	*Company* 2014 £000	2013 £000
Other loans	1,465	840	-	-
	1,465	840	-	-

The borrowings are repayable as follows:	*Group* 2014 £000	2013 £000	*Company* 2014 £000	2013 £000
On demand or within one year	-	-	-	-
In the second year	1,465	-	-	-
In the third to fifth years	-	840	-	-
	1,465	840	-	-
Due for settlement within 12 months	-	-	-	-
Due for settlement after more than 12 months	1,465	840	-	-

Other loans represent loans agreed on the acquisition of the Ironveld Group. The first loan of £563,000 (2013 - £650,000) was interest free until 31 December 2013 (thereafter 1% over LIBOR). It is repayable no later than 31 December 2015. The second loan of £902,000 (2013 - £190,000) bears interest at the South Africa current prime rate and is repayable no later than 30 June 2016. This first loan is unsecured and the second loan is secured and further details are provided in note 22.

20. Deferred tax

	Group 2014 £000	2013 £000
Balance at 1 July	6,891	167
On acquisition of subsidiary	-	7,579
On classification as held for sale	-	(116)
Exchange differences	(1,231)	(1,126)
Income statement - tax charge	409	438
Income statement - assets held for sale	-	(51)
Balance at 30 June	6,069	6,891

The deferred tax liability is made up as follows:

	Group 2014 £000	2013 £000
Accelerated tax depreciation	6,069	6,891

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. 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 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 2013.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and 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 at both fixed and floating interest rates.

The Group's exposures to interest rates on financial assets and financial 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.

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 maintaining adequate 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 facilities that the group has at its disposal to manage liquidity are set out below:-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Financial instruments (continued)

Financial facilities	**2014**	**2013**
Secured bank overdraft facility	**£000**	**£000**
- amount used	-	9
- amount unused	-	141
Agreed facility	-	150
Secured bank loan facilities		
- amount used	-	69
- amount unused	-	-
Agreed facility	-	69

In addition to the bank facilities of £Nil (2013 - £150,000 and £69,000) the group also has two loan facilities of South African Rand 10m and Rand 15m that have been drawn at the period end.

Financial assets

The Group has no financial assets, other than short-term receivables and cash deposits of £738,000 (2013 - £757,000). The cash deposits attract variable rates of interest. At the period end of the effective rate was 1.34% (2013 - 0.07%). The cash deposits were held as follows:-

	2014	**2013**
	£000	**£000**
Sterling - United Kingdom banks	656	408
South African Rand - United Kingdom banks	62	13
South African Rand - South African banks	20	336
	738	757

Of the above financial assets, £Nil (2013 - £188,000) of the Sterling balance was classified as held for sale.

Financial liabilities

The Group's financial liabilities consist of bank loans, bank overdrafts and other loans. Interest rates charged on these are as follows:

	Weighted average effective interest %	**1-5 years £000**	**5+ years £000**	**Total £000**
30 June 2014				
Variable interest rates - SA	6.01	1,465	-	1,465
Variable interest rates - UK	n/a	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. Financial instruments (continued)

	Weighted average effective interest %	1-5 years £000	5+ years £000	Total £000
30 June 2013				
Fixed/variable interest rates - SA	n/a	650	-	650
Variable interest rates - SA	5.09	190	-	190
Variable interest rates - UK	3.16	69	-	156

Financial liabilities (continued)

The variable interest rates - UK loan was classified as held for sale. The fixed/variable interest rate loan is interest free until 31 December 2013 and then 1% thereafter over LIBOR (presently 4.09%).

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 2014	Assets £000	Liabilities £000
British Pound Sterling (£)	700	50
South African Rand (ZAR)	241	1,513
	941	1,563

As at 30 June 2013	Assets £000	Liabilities £000
British Pound Sterling (£)	1,025	500
South African Rand (ZAR)	491	975
	1,516	1,475

Of the above British Pound Sterling monetary amounts, £Nil (2013 - £768,000) assets and £Nil (2013 - £389,000) liabilities were classified as held for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Share capital

Group and Company

	2014 £000	2013 £000
Allotted, called up and fully paid		
287,249,120 ordinary shares of 1p each	2,873	2,856
322,447,158 deferred shares of 1p each	3,224	3,224
	6,097	6,080

During the year 1,670,298 ordinary shares of 1p each were issued on the exercise of share options. In December 2014, the company undertook a placing for the issue of 10,714,286 shares £700,000 (net of expenses).

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 interest 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.

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 period were as follows:

Date granted	Exercise price	As at 1 July 2013 No	Granted in year No	Exercised in year No	Lapsed/ Cancelled No	As at 30 June 2014 No
21 May 2010	10p	1,600,000	-	-	-	1,600,000
16 August 2012	1p	7,853,417	-	(904,333)	(190,386)	6,758,698
14 November 2012	1p	7,139,470	-	(475,965)	-	6,663,505
16 April 2013	1p	1,100,000	-	-	-	1,100,000
7 November 2013	1p	-	2,520,000	(290,000)	-	2,230,000
1 May 2014	1p	-	600,000	-	-	600,000

The exercise period of the above options is as follows:

Date granted	Expiry date	Exercise period
21 May 2010	21 May 2020	to 21 May 2020
16 August 2012	16 August 2022	These options are exercisable 1/3 on the first anniversary or 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	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Share capital (continued)

The group recognised a total share based payment expense of £189,000 (2013 - £82,000) in the period.

The aggregate of the estimated fair value of the options granted in the period amounts to £303,000 (2013 - £359,000). The inputs into the Black Scholes Model are as follows:-

	2014	2013
Weighted average share price	10.6 pence	3 pence
Weighted average exercise price	1 pence	1 pence
Expected volatility	60% to 68%	69% to 71%
Weighted average expected life	6 years	6 years
Risk free rate	2.88%	1%

Expected volatility was determined by calculating the historical volatility of the group's share price over the 3 years prior to the grant date. The expected life used in the model is based on managements best estimate.

Share warrants

As at 1 July 2013 and at 30 June 2014 the warrants in issue were; 8,399,966 issued at a price of 0.25p each with an expiry date of 24 September 2016.

The share warrants were issued as part of the Placing pursuant to the terms of a warrant instrument executed by the Company and dated 24 September 2010. Under the warrant Instrument, 8,399,966 warrants were created, with each Warrant granting the holder the right to subscribe for one Ordinary Share at a price of 10p per share (subject to adjustment in limited circumstances such as a subdivision or consolidation of the Company's share capital) payable in cash on exercise.

The warrants are exercisable within six years of being issued subject to the average closing market price of the Company's shares having been at least 15p per Ordinary Share over a period of at least 30 consecutive days (unless the Board waives this condition). The Company shall procure that the Ordinary Shares issued pursuant to the exercise of warrants are admitted to trading on AIM. The warrants themselves will not be dealt with or admitted to trading on any market and are only transferable in limited circumstances by their holders.

Warrants represent subscription rights for ordinary shares in Ironveld Plc.

Warrants may be exercised in whole or in part (and from time to time) prior to the final exercise date. The warrants are non-transferable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Share capital (continued)

In addition to the above warrants, Sylvania Metals Pty Limited entered into a loan facility of 15,000,000 South African Rand, in consideration for which the Company has undertaken to grant Sylvania warrants with effect from 16 August 2012 as a guarantee. Sylvania are entitled, pursuant to these warrants, to subscribe for such number of 1 pence Ordinary Shares as results from dividing £1,500,000 by the volume weighted average price of the Company's shares on AIM for the 90 business days ending on the business day immediately prior to the date of exercise, with such warrants being exercisable during the period commencing on 1 July 2016 and ending on the earlier of repayment in full of the loan facility monies or the fifth anniversary of Admission.

Such Warrants are only exercisable to the extent that any amount is then outstanding under the loan facility. The Company shall procure that any shares issued pursuant to the exercise of the warrants are admitted to trading on AIM. The proceeds derived from the exercise of the warrants will be used only to repay the associated loan.

23. Reserves

Group	**Warrant reserve £000**	**Share premium account £000**	**Retained earnings £000**
At 1 July 2013	21	14,097	(5,600)
Loss for the period	-	-	(930)
Exchange difference on translation of foreign operation	-	-	(2,294)
Credit for equity settled share based payments	-	-	189
At 30 June 2014	21	14,097	(8,635)

Company	**Warrant reserve £000**	**Share premium account £000**	**Retained earnings £000**
At 1 July 2013	21	14,097	(2,948)
Loss for the period	-	-	(487)
Credit for equity settled share based payments	-	-	189
At 30 June 2014	21	14,097	(3,246)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Reserves (continued)

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

The warrant reserve represents the estimated fair value of share warrants issued at issue.

24. Acquisition of subsidiary - prior period

On 16 August 2012 the Group acquired 100% of the issued share capital of Ironveld Mauritius Limited, a company incorporated in Mauritius. That company was the holding company of the Ironveld group registered in South Africa.

The amounts recognised in respect of the identifiable assets acquired and the liabilities assumed are set out in the table below:

	£000
Exploration and evaluation assets	27,216
Property, plant and equipment	6
Cash and bank balances	4
Other current assets	10
Borrowings	(808)
Other liabilities	(95)
Deferred taxation	(7,579)
Identifiable assets	18,754
Non-controlling interest (in sub-group)	(5,050)
Total consideration	13,704
Satisfied by :	
Ordinary shares of 1p in the parent company	13,704
Net cash inflow from acquisition	4

The fair value of the exploration and evaluation assets includes £26.146m in respect of the prospecting and mining rights which was estimated valued at US$30m (net of non controlling interest) during the acquisition.

The fair value of the shares issued as consideration was based on the equivalent intangible assets to be acquired and was calculated at the market price of 6.75p per share throughout the acquisition. The goodwill arising on purchase arose through exchange rates and the activity of the acquired entity during the acquisition.

Related acquisition costs of £202,000 were charged in administrative expenses. If the acquisition of Ironveld Mauritius Limited had been completed on the first day of the financial period Group loss for the period would have been decreased by £25,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Cash generated from operations

Group	2014 £000	2013 £000
Operating loss - continuing	(660)	(860)
Operating profit - discontinued	18	(4,241)
Depreciation on property, plant and equipment	47	282
Decrease in deferred income	-	(14)
Share based payment expense	189	82
Impairment of goodwill	-	4,122
Profit on disposal of subsidiary	(2)	-
Loss on disposal of property, plant and equipment	16	37
Operating cash flows before movements in working capital	(392)	(592)
Movement in receivables	17	(154)
Movement in payables	(164)	238
Cash used in operations	(539)	(508)
Interest paid	(100)	(9)
Income tax received	-	16
Net cash used in operations	(639)	(501)

Cash and cash equivalents

	2014 £000	2013 £000
Cash and bank balances	738	757
Bank overdrafts - held for sale	-	(9)
(Includes £Nil (2013 - £179,000) classed as held for sale)	738	748

Company	2014 £000	2013 £000
Operating loss	(494)	(4,386)
Share based payment expense	129	45
Investment impairment	-	2,504
Profit on disposal of subsidiary	(1)	-
Group loans waived	-	1,123
Operating cash flows before movements in working capital	(366)	(714)
Movement in receivables	(35)	92
Movement in payables	55	98
Cash used by operations	(346)	(524)
Interest paid	-	(5)
Net cash used in operations	(346)	(529)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Cash generated from operations (continued)

Cash and cash equivalents

	2014 £000	2013 £000
Cash and bank balances	718	232

26. Financial Commitments

(a) At the balance sheet date, the Group had outstanding operating lease arrangements for future minimum lease payments under-non cancellable operating leases, which fall due as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£000	£000	£000	£000
Within one year	15	102	-	122
In the second to fifth years inclusive	-	51	-	293
After five years	-	-	-	167

The above commitments includes those related to the subsidiary held for sale at the prior period end.

(b) The Group had no capital commitments contracted for but not provided for in the financial statements.

27. Related party transactions

Company

During the period the Company charged a management charge to Mercury Recycling Limited amounting to £Nil (2013 - £128,616).

The Company paid £Nil (2013 - £10,821) to Westleigh Investments Holdings Limited (in which G Clarke and N Harrison are materially interested) for the provision of services of non-executive directors. The Company has also paid £36,000 (2013 - £31,085) for accounting services, paid £Nil (2013 - £25,000) in relation to services provided for the acquisition of Ironveld and paid £25,000 (2013 - £Nil) in relation to services provided for the disposal of Mercury Recycling Limited.

All transactions are considered to be on terms equivalent to those that prevail in arm's length transactions.

28. Non-controlling interest

	2014 £000	2013 £000
At 1 July 2013	(4,258)	-
On acquisition	-	(5,050)
Exchange adjustments	739	719
Share of loss for the period	109	73
At 30 June 2014	(3,410)	(4,258)

29. Control

The Directors consider that there is no overall controlling party.