

29 August 2013

Ironveld plc ("Ironveld" or the "Company")

Successful completion of pilot plant campaign

Ironveld plc, the pig iron and vanadium company, is pleased to announce the completion of a successful large-scale pilot plant campaign at Mintek in South Africa on samples taken from the Company's pig iron and ferro-vanadium project (the "Project") on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa.

During the campaign, over 60 tons of iron was produced from 140 tons of Ironveld's titanomagnetite ore grading close to 50% Fe and containing 1.2% V₂O₅. The majority of iron produced during the campaign contained over 95% and close to 97% Fe with between 2.5% and 3.5% carbon. Sufficient carbon-containing iron has therefore been produced to use as material to test market acceptance.

The sample was taken from close to surface and did not require any beneficiation. The ore was merely crushed to less than 7mm for material handling requirements. The smelting operation was carried out at around 1,700 degrees C in a 2MW DC arc furnace in which the iron oxides in the titanomagnetite ore fines were reduced using fine low-ash anthracite.

High recoveries of iron in excess of 90% were achieved as a result of iron oxide levels of less than 5% being obtained in the slag during the campaign. The distribution of the vanadium into the metal increased significantly ranging from 1.1 to 1.5% as the iron level in the slag decreased. The resulting vanadium recovery at the higher vanadium levels obtained in the iron was over 70%.

Titania levels in the slag of over 50% and up to 65% were achieved at the higher levels of iron reduction. Samples of titania-rich slag will undergo further testwork to look at the possibility of recovering the titanium values.

In terms of mass and energy balances and operational parameters the results have provided the required process and equipment design criteria for the proposed industrial scale furnaces for the Ironveld project.

These results also conform to the previous laboratory-scale tests and support the parameters used in the pre-feasibility study announced in June 2013.

Two international furnace suppliers attended the testwork and expressed their satisfaction with the results of the campaign.

Dr Peter Cox, CEO of Ironveld, said: "We are very pleased that the results of the smelting work have met our expectations and confirmed the viability of smelting Ironveld ore to produce pig iron as outlined in our pre-feasibility study. The samples will be used in an active marketing campaign

as we look to secure indicative offtake agreements for the product from our proposed 12MW smelter project.

We remain very optimistic on the future for Ironveld as we continue to de-risk the Project and commercial parameters are established. Work will shortly commence on the definitive feasibility study for the design of the 12MW smelter due to be commissioned in 2015.”

The information in this announcement has been prepared by Dr N Barcza and approved by Mintek.

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