

IRONVELD PLC

("Ironveld" or the "Group")

Interim results for the six months ended 31 December 2013

Ironveld plc, the Pig Iron Developer located on the Northern Limb of the Bushveld Complex in Limpopo Province South Africa, is pleased to announce its interim results for the six months ended 31 December 2013

Highlights

- Completion of successful drilling campaign leading to an updated Mineral Resource Estimate
 - Total project mineral resource of 80.45 million tons at an average grade of 39.8 % Fe, equating to 32.05 million tons of Iron in-situ at a cut-off grade of 20% Fe
 - 1.58 million tons of Iron at 20% Fe cut off now in Measured Mineral Resource
- Successful completion of pilot plant smelting campaign confirming viability of the ore to produce marketable Pig Iron
- Good progress towards completion of Definitive Feasibility Study for initial smelter which is planned to be commissioned in 2015
- Sale of non-core wholly-owned trading subsidiary, Mercury Recycling Limited ("MRL"), for a total consideration of £1.6 million

For further information, please contact:

| | |
|--|-------------------------------------|
| Ironveld plc Peter Cox, Chief Executive | c/o FTI Consulting 020 3727 1535 |
| Shore Capital and Corporate Limited Stephane Auton / Toby Gibbs (corporate finance) Jerry Keen (corporate broking) | 020 7408 4090 |
| F T I Consulting Oliver Winters / Sara Powell | 020 3727 1535 |

Chairman's Statement

Since publication of the Pre-Feasibility Study ("PFS") which demonstrated the viability of the Ironveld Project (the "Project") delivering one million tons of pig iron and 9,670 tons of ferro vanadium ("FeV") per annum, the Company has focused on progressively de-risking the Project.

During the period the Company completed its drilling campaign on the farms La Pucella, Altona and Nonnenwerth (together the "Lapon properties") leading to 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 (V₂O₅). Importantly the Mineral Resource estimate includes the first portion of Measured Mineral Resource of 1.58 million tons of Iron with an additional 27.26 million tons of Iron declared in the Indicated Category.

In Q4 2013 the Group received the results from the pilot plant smelter campaign which validated the work produced in the PFS and demonstrated the viability of smelting the Ironveld ore to produce pig iron.

During the campaign, over 60 tons of iron were 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.

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%.

Following these positive results the Group commenced a thorough marketing campaign which has resulted in significant interest in our product. Discussions are continuing with a number of interested parties in relation to a potential offtake agreement for the Group's production from the first stage of the Project and we look forward to providing further information to shareholders in due course.

In addition a contract was awarded to Tenova/GLPS for the completion of the Definitive Engineering Study for the 12MW Smelter "the small smelter". This study is the key component of the company's Definitive Feasibility Study of the small smelter project.

The results of the work performed to year end reaffirm our confidence and belief in the Project's potential to be developed into a world class pig iron project with associated vanadium and titanium slag by product revenues. The increase in both the Iron and Vanadium grade within the MML together with the exceptional recoveries in the smelting campaign impact the Project's economics and margins **favourably**.

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.

Financials

The company recorded a loss before tax of £0.4m during the period (2012 - £0.1m) and had cash balances at the end of the period of £1.4m (2012 – £1.9m).

Summary

The progress made during 2013 means the Company is well positioned as it moves into the second half of the financial year. We have significantly de-risked the Project from an operational and technical perspective and look forward to providing further clarity following the publication of the forthcoming DFS.

Giles Clarke
Chairman

March 2014

IRONVELD PLC
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2013

| | 6 Months | <i>restated</i> 6 Months | 18 Months |
|--|-----------------|-----------------------------|-----------|
| | ended | ended | ended |
| | 31.12.13 | 31.12.12 | 30.06.13 |
| | £'000 | £'000 | £'000 |
| Administrative expenses | (354) | (223) | (860) |
| Operating loss | (354) | (223) | (860) |
| Investment revenues | 7 | 11 | 22 |
| Gain on acquisition | - | 97 | - |
| Finance costs | (47) | (12) | (48) |
| Loss before taxation | (394) | (127) | (886) |
| Taxation | (257) | - | (438) |
| Loss from continuing operations | (651) | (127) | (1,324) |
| Discontinued operations | 120 | (4,276) | (4,196) |
| Loss for the period | (531) | (4,403) | (5,520) |
| Attributable to owners of the company | (531) | (4,403) | (5,447) |
| Non controlling interests | - | - | (73) |
| | (531) | (4,403) | (5,520) |
| Earnings/(loss) per share | | | |
| Continuing - Basic (pence) | (0.23) | (0.06) | (0.69) |
| Discontinued - Basic (pence) | 0.04 | (1.93) | (2.32) |
| Continuing and discontinued- Basic (pence) | (0.19) | (1.99) | (3.01) |
| Discontinued - Diluted (pence) | 0.04 | n/a | n/a |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2013

| | £'000 | £'000 | £'000 |
|---|----------------|---------|---------|
| Loss for the period | (531) | (4,403) | (5,520) |
| Exchange differences on the translation of foreign operations | (1,719) | (819) | (2,028) |
| Total comprehensive income for the period | (2,250) | (5,222) | (7,548) |

IRONVELD PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

| | As at 31.12.13 £'000 | As at 31.12.12 £'000 | As at 30.06.13 £'000 |
|---|---|----------------------------|----------------------------|
| Non-current assets | | | |
| Exploration and evaluation | 22,310 | 26,081 | 24,749 |
| Property, plant and equipment | 24 | 1,165 | 4 |
| | 22,334 | 27,246 | 24,753 |
| Current assets | | | |
| Trade and other receivables | 235 | 549 | 179 |
| Cash and bank balances | 1,372 | 1,913 | 569 |
| Assets classified as held for sale | - | - | 1,837 |
| | 1,607 | 2,462 | 2,585 |
| Total assets | 23,941 | 29,708 | 27,338 |
| Current liabilities | | | |
| Trade and other payables | (237) | (309) | (246) |
| Bank overdrafts and loans | - | (44) | - |
| Liabilities directly associated with assets classified as held for sale | - | - | (505) |
| | (237) | (353) | (751) |
| Non-current liabilities | | | |
| Trade and other payables | - | (17) | - |
| Borrowings | (1,383) | (945) | (840) |
| Deferred tax liabilities | (6,214) | (6,978) | (6,891) |
| | (7,597) | (7,940) | (7,731) |
| Total liabilities | (7,834) | (8,293) | (8,482) |
| Net assets | 16,107 | 21,415 | 18,856 |
| Equity | | | |
| Share capital | 6,087 | 6,080 | 6,080 |
| Share premium | 14,097 | 14,062 | 14,097 |
| Other reserves | 21 | 21 | 21 |
| Retained earnings reserve | (7,791) | (3,491) | (5,600) |
| Equity attributable to owners of the company | 12,414 | 16,672 | 14,598 |
| Non-controlling interests | 3,693 | 4,743 | 4,258 |
| Total equity | 16,107 | 21,415 | 18,856 |

IRONVELD PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2013

| | Share Capital £'000 | Share Premium £'000 | Other Reserves £'000 | Retained Earnings £'000 | Total Equity £'000 |
|---|------------------------------------|------------------------------------|-------------------------------------|--|-----------------------------------|
| Balance at 1 July 2012 | 3,583 | 235 | 386 | 1,357 | 5,561 |
| Comprehensive income for the period | - | - | - | (5,222) | (5,222) |
| Transfer | - | - | (365) | 365 | - |
| Equity share based payments | - | - | - | 9 | 9 |
| Issue of share capital (net) | 2,497 | 13,827 | - | - | 16,324 |
| Balance at 31 December 2012 | 6,080 | 14,062 | 21 | (3,491) | 16,672 |
| Comprehensive income for the period | - | - | - | (2,182) | (2,182) |
| Issue of share capital (net) | - | 35 | - | - | 35 |
| Credit to equity for equity-settled share based payments | - | - | - | 73 | 73 |
| Balance at 30 June 2013 | 6,080 | 14,097 | 21 | (5,600) | 14,598 |
| Loss for the period | - | - | - | (531) | (531) |
| Exchange differences on the translation of foreign operations | - | - | - | (1,719) | (1,719) |
| Equity share based payments | - | - | - | 59 | 59 |
| Issue of share capital (net) | 7 | - | - | - | 7 |
| Balance at 31 December 2013 | 6,087 | 14,097 | 21 | (7,791) | 12,414 |

IRONVELD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2013

| | 6 Months ended 31.12.13 £'000 | 6 Months ended 31.12.12 £'000 | 18 Months ended 30.06.13 £'000 |
|--|--|--|---|
| Net cash from operating activities | (378) | (193) | (501) |
| Investing activities | | | |
| Interest received | 6 | 11 | 22 |
| Purchase of exploration and evaluation assets | (916) | (702) | (1,566) |
| Purchases of property, plant and equipment | (23) | (29) | (131) |
| Proceeds from disposal of property, plant and equipment | 16 | 4 | 9 |
| Loan advanced | (22) | (72) | (137) |
| Net cash inflow on disposal of subsidiary | 1,370 | - | - |
| Net cash inflow on acquisition of subsidiary | - | 4 | 4 |
| Net cash used in investing activities | 431 | (784) | (1,799) |
| Financing activities | | | |
| Repayment of borrowings | (79) | (31) | (87) |
| New loans received | 663 | 149 | 118 |
| Proceeds on issue of equity (net costs) | 7 | 2,621 | 2,657 |
| Net cash used in financing activities | 591 | 2,739 | 2,688 |
| Net increase in cash and cash equivalents | 644 | 1,762 | 388 |
| Cash and cash equivalents at the start of period | 748 | 101 | 343 |
| Effect of foreign exchange rates | (20) | 45 | 17 |
| Cash and cash equivalents at end of period | 1,372 | 1,908 | 748 |
| Note to the cash flow statement | | | |
| Operating loss - continuing | (354) | (223) | (860) |
| Operating profit (loss) - discontinued | 18 | (4,292) | (4,241) |
| Depreciation on property, plant and equipment | 43 | 97 | 282 |
| Impairment of goodwill | - | 4,122 | 4,122 |
| Share based payment expense | 59 | 9 | 82 |
| Decrease in deferred income | - | (4) | (14) |
| Loss on disposal of plant and equipment | (2) | 15 | 37 |
| Operating cash flows before movements in working capital | (236) | (276) | (592) |
| Movement in receivables | (15) | 177 | (154) |
| Movement in payables | (127) | (93) | 238 |

| | | | |
|---|--------------|--------------|--------------|
| Cash used in operations | (378) | (192) | (508) |
| Interest paid | - | (1) | (9) |
| Tax paid | - | - | 16 |
| Net cash from operating activities | (378) | (193) | (501) |

IRONVELD PLC
NOTES TO CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

1. Basis of preparation and accounting policies

The results for the six months to 31 December 2013 have been prepared under International Financial Reporting Standards (IFRS) as adopted by the EU and International Accounting Standards Board.

The accounting policies applied are consistent with those of the annual financial statements for the period ended 30 June 2013, as described in those financial statements.

The financial information does not constitute statutory accounts as defined by section 435 of the Companies Act 2006. Full accounts of the company for the year ended 30 June 2013 on which the Auditors gave an unqualified report, have been delivered to the Registrar of Companies.

2. Earnings/(loss) per share

The calculation of basic and diluted earnings/(loss) per share is based upon the loss for the period and the weighted average number of shares in issue during the period.

| | 6 months to 31.12.13 | 6 months to 31.12.12 | 18 months 30.06.13 |
|--|---------------------------------|-------------------------|-----------------------|
| | '000 | '000 | '000 |
| Weighted average number of shares | 285,840 | 221,784 | 181,021 |
| Options - dilution | 14,279 | - | - |
| | 300,119 | 221,784 | 181,021 |
| | Pence | pence | pence |
| Basic loss per share - continuing and discontinued | (0.19) | (1.99) | (3.01) |
| Basic loss per share - continuing | (0.23) | (0.06) | (0.69) |
| Basic profit (loss) per share - discontinued | 0.04 | (1.93) | (2.32) |
| Discontinued - Diluted earnings per share | 0.04 | N/a | N/a |

Where the Group reports a loss for any period, then in accordance with IAS 33, the share options and warrants in issue are not considered dilutive.

3. Disposal of subsidiary

In September 2013, the Group disposed of 100% of the issued share capital of Mercury Recycling Limited, a company involved in the recycling of lamps and batteries. The decision to dispose of the company was made in the six months to 30 June 2013 and was therefore classified as held for sale as at 30 June 2013. The comparative figures for the period to 31 December 2012 have been restated to reflect the subsidiary as a discontinued activity.

IRONVELD PLC
NOTES TO CONSOLIDATED ACCOUNTS
FOR THE PERIOD ENDED 31 DECEMBER 2012

4. Register office and copies of the report

The registered office is Ironveld Plc, Lakeside Fountain Lane, St Mellons, Cardiff, CF3 0FB and copies of this report are available from the registered office.

INDEPENDENT REVIEW REPORT

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

TO IRONVELD PLC

Introduction

We have reviewed the accompanying balance sheet of Ironveld Plc as at 31 December 2013 and the related statements of income, changes in equity, cash flows for the six month period then ended and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 31 December 2013, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as applicable in the United Kingdom.

UHY Hacker Young Manchester LLP
Chartered Accountants
Manchester

March 2014

**IRONVELD PLC (FORMERLY MERCURY RECYCLING GROUP PLC)
ADVISORS AND OTHER INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2013**

| | | |
|---|---|---|
| Directors | Giles Clarke Peter Cox Terry McConnachie Nicholas Harrison Rupert Fraser | (Chairman) (Chief Executive) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) |
| Secretary | Kirsti Jane Pinnell | |
| Company Number | 04095614 | |
| Registered Office | Ironveld Plc Lakeside Fountain Lane St Mellons Cardiff, CF3 0FB | |
| Nominated Advisor and Broker | Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU | |
| Solicitors | Kuit Steinart Levy 3 St Marys Parsonage Manchester M3 2RD | |
| Auditors | UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT | |
| Bankers | HSBC 97 Bute Street Cardiff CF10 5NA | |
| Registrars | Capita IRG Plc Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA | |