

30 March 2023

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

Interim results for the six months ended 31 December 2022

Ironveld plc, the owner of a High Purity Iron ("HPI"), Vanadium and Titanium project located on the Northern Limb of the Bushveld Complex in Limpopo Province, South Africa (the "Project") is pleased to announce its interim results for the six months ended 31 December 2022 ("the period").

Highlights

- A transformative period for the Company saw the acquisition and commencement of refurbishment of the smelter facility at Rustenburg, from August 2022 onwards;
- Acquisition and refurbishment funded by an equity Placing of £4.50 million, which completed in August 2022;
- First mining activities also commenced prior to period end, to ensure consistent supply of magnetite ore to the smelter; and
- Post period end saw first production from the smelter, an additional £2.0 million fundraising from shareholders and the smelter acquisition becoming unconditional.

Outlook

- First sales on track for Q2 2023 in line with original plans;
- Smelter anticipated to ramp up to full production capacity by mid 2023 with strong demand for Ironveld's suite of speciality metal products; and
- Additional revenues expected from DMS Magnetite joint venture, also due around mid 2023.

Martin Eales, CEO, said: *“I am very pleased with the progress we made over the half year period to December 2022 and have already made so far this year. The coming months are due to bring many more positive developments as we build up production at the smelter and make progress with our other projects.”*

For further information, please contact:

Ironveld plc

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Notes to Editors:

Ironveld (IRON.LN) is the owner of Mining Rights over approximately 28 kilometres of outcropping Bushveld magnetite with a SAMREC compliant ore resource of some 56 million tons of ore grading 1,12% V₂O₅, 68,6% Fe₂O₃ and 14,7% TiO₂.

In 2022 Ironveld agreed to acquire and refurbish a smelter facility in Rustenburg, South Africa, in which it can process its magnetite ore into the marketable products of high purity iron, titanium slag and vanadium slag. This transaction became unconditional in March 2023.

Ironveld is an AIM traded company. For further information on Ironveld please refer to www.ironveld.com.

Chairman's Statement:

This was a transformational period for the Company. In July 2022, Ironveld announced that it had conditionally raised gross proceeds of £4.50 million via a Placing of new ordinary shares at 0.30 pence per share and the transaction was approved by shareholders in August 2022. The net funds from the Placing were applied to the acquisition out of Business Rescue and refurbishment of the smelter facility in Rustenburg, South Africa, previously owned by Ferrochrome Furnaces (Pty) Limited ("FCF"), for which the Company had agreed purchase terms in May 2022. The Sale and Purchase Agreement in respect of the acquisition was signed on 31 August 2022 and the Debt Purchase Agreement with the sole creditor was signed on 1 November 2022. The acquisition became unconditional on 29 March 2023.

In mid-August 2022, Ironveld's team commenced its six to nine month work programme to refurbish the smelter and the Company was able to announce that production from the first of three planned operating furnaces had been achieved in January 2023. Alongside the rapid progress at the smelter, Ironveld's subsidiary, Ironveld Mining (Pty) Limited ("Ironveld Mining"), commenced preparatory work for mining activities in the fourth quarter of 2022, and operations are now underway to provide required magnetite ore to the smelter on a continuous basis.

The total number of employees across the Ironveld Group reflected this rapid expansion in activities, increasing from 9 South Africa based employees as at 30 June 2022 to 130 as at 31 December 2022, a development of which we are justifiably proud.

We remain committed to operating responsibly, working closely with stakeholders and local communities at grassroots level to improve standards of living. Under the terms of the 'Social and Labour Plans' ("SLPs") that Ironveld Mining has had approved by the South African Department of Mineral Resources and Energy alongside our existing mining rights, Ironveld Mining has undertaken to fund and address local infrastructure requirements in the areas in which we operate. These improvements include: water supply to local municipalities; electrification and electricity upgrades; and roads and stormwater infrastructure. In addition, Ironveld Mining has committed to provide training, bursaries and employment to the various host communities.

Financial

Administrative expenses totalling £581,000 (H1 2021: £384,000) were incurred in the period reflecting a return to normalised levels of expenditure compared to the comparable period, the commencement of operational activities in the fourth quarter of 2022 and the costs associated with a General Meeting requisitioned by a shareholder.

The Group recorded a loss before tax of £522,000 (H1 2021: loss of £382,000), broadly in line with Administrative expenses. The Company does not plan to pay a dividend for the six months ended 31 December 2022.

There were no borrowings at the period end (30 June 2022: borrowings of £499,000) as all outstanding balances were settled either in cash or by the issue of new shares in August 2022.

Post Period End Events

As noted above, first production was achieved at the Rustenburg smelter in January 2023.

In February 2023, the Company announced an equity Placing to raise gross proceeds of £2.0 million at a price of 0.30p, and this was approved by shareholders in March 2023.

In March 2023 the Company announced that the acquisition of FCF had become unconditional.

Transactions with Grosvenor

Ironveld announced two agreed investment transactions with Grosvenor Resources (Pty) Limited (“Grosvenor”) in late 2021. Company updates since that date have noted that Grosvenor was in talks to finalise its own funding to complete the agreed transactions, and that Grosvenor has also been in regular and open dialogue with the Company. As at today’s date, the Company is aware that talks with potential funders remain ongoing and the Board believes that a financing offer has a good chance of being made however, given the changes in Ironveld’s position since the original agreements with Grosvenor were signed, any financing offer will be assessed on its merits and its potential to create value for all shareholders.

Going concern

Given the recent cash inflow from the equity Placing and the commencement of sales from the smelter, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future being 12 months from the date of the approval of these interim financial statements in the absence of any further funding and therefore present these accounts on a Going Concern basis.

Outlook

There is a great deal to look forward to in 2023. We anticipate securing first sales from the smelter in the second quarter and reaching full operational production capacity around the middle of the year, with the Company now fully funded to achieve this. There is strong demand from customers for all of our three products of high purity iron, vanadium slag and titanium slag. In addition, Ironveld Mining will benefit from its joint venture with Pace SA to produce and sell DMS grade magnetite from the mine in mid 2023.

In due course the Company also anticipates investing in further equipment at the smelter to upgrade the high purity iron product to powder form, which will significantly enhance revenues, and is seeking innovative ways to finance this expansion.

We would like to thank all of our shareholders for their continuing support for both the Company and the Project and we look forward to providing further updates in the near future.

Giles Clarke
Chairman
30 March 2023

IRONVELD PLC
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2022

	6 Months ended 31.12.22 £'000	6 Months ended 31.12.21 £'000	12 Months ended 30.06.22 £'000
Administrative expenses	(581)	(384)	(798)
Operating loss	<u>(581)</u>	<u>(384)</u>	<u>(798)</u>
Other gains and losses	47	-	-
Investment revenues	23	2	4
Finance costs	(11)	-	(17)
Loss before taxation	<u>(522)</u>	<u>(382)</u>	<u>(811)</u>
Taxation	-	-	-
Loss for the period	<u>(522)</u>	<u>(382)</u>	<u>(811)</u>
Attributable to owners of the company	(520)	(379)	(806)
Non-controlling interests	(2)	(3)	(5)
	<u>(522)</u>	<u>(382)</u>	<u>(811)</u>
Loss per share (pence)			
Basic	(0.02p)	(0.03p)	(0.06p)
Diluted	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

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

IRONVELD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022

	6 Months ended 31.12.22 £'000	6 Months Ended 31.12.21 £'000	12 Months ended 30.06.22 £'000
Loss for the period	(522)	(382)	(811)
Exchange differences on the translation of foreign operations	(576)	(1,795)	(199)
Total comprehensive loss for the period	<u>(1,098)</u>	<u>(2,177)</u>	<u>(1,010)</u>
Attributable to:			
Owners of the company	(1,015)	(1,894)	(974)
Non-controlling interest	(83)	(283)	(36)
	<u>(1,098)</u>	<u>(2,177)</u>	<u>(1,010)</u>

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

IRONVELD PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	As at 31.12.22 £'000	As at 30.06.22 £'000
Non-current assets		
Exploration and evaluation	26,634	26,350
Property, plant and equipment	1,212	2
Other receivables	6	3
	<u>27,852</u>	<u>26,355</u>
Current assets		
Trade and other receivables	507	198
Cash and bank balances	779	17
	<u>1,286</u>	<u>215</u>
Total assets	<u>29,138</u>	<u>26,570</u>
Current liabilities		
Trade and other payables	(508)	(619)
Borrowings	-	(499)
	<u>(508)</u>	<u>(1,118)</u>
Non-current liabilities		
Lease liabilities	(46)	-
Deferred tax liabilities	(4,616)	(4,730)
	<u>(4,662)</u>	<u>(4,730)</u>
Total liabilities	(5,170)	(5,848)
Net assets	<u>23,968</u>	<u>20,722</u>
Equity		
Share capital	12,013	10,453
Share premium	24,101	21,379
Other reserve	74	12
Retained earnings reserve	(8,941)	(8,421)
Foreign currency translation reserve	(6,540)	(6,045)
	<u>20,707</u>	<u>17,378</u>
Equity attributable to owners of the company	20,707	17,378
Non-controlling interests	3,261	3,344
	<u>23,968</u>	<u>20,722</u>

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

IRONVELD PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Other reserve £'000	Attributable to the owners of the company £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 July 2021	10,436	21,261	(7,618)	(5,877)	15	18,217	3,380	21,597
Loss for the year	-	-	(806)	-	-	(806)	(5)	(811)
Exchange differences on translation of foreign operations	-	-	-	(168)	-	(168)	(31)	(199)
Issue of shares	17	118	-	-	-	135	-	135
Exercise of share warrants	-	-	3	-	(3)	-	-	-
Balance at 30 June 2022	10,453	21,379	(8,421)	(6,045)	12	17,378	3,344	20,722
Loss for the period	-	-	(520)	-	-	(520)	(2)	(522)
Issue of shares and warrants	1,560	2,722	-	-	62	4,344	-	4,344
Exchange differences on translation of foreign operations	-	-	-	(495)	-	(495)	(81)	(576)
Balance at 31 December 2022	12,013	24,101	(8,941)	(6,540)	74	20,707	3,261	23,968

IRONVELD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2022

	6 Months Ended 31.12.22 £'000	6 Months Ended 31.12.21 £'000	12 Months Ended 30.06.22 £'000
Net cash from operating activities	(799)	(48)	(337)
Investing activities			
Interest received	23	2	4
Purchase of property, plant and equipment	(1,172)	-	(1)
Purchase of exploration and evaluation assets	(917)	(198)	(396)
Net cash used in investing activities	(2,066)	(196)	(393)
Financing activities			
Proceeds on issue of equity (net of costs)	4,031	-	-
Proceeds from new loans	-	-	482
Repayment of loans	(403)	-	-
Net cash generated in financing activities	3,628	-	482
Net increase/ (decrease) in cash and cash equivalents	763	(244)	(248)
Cash and cash equivalents at the start of the period	17	270	270
Effect of foreign exchange rates	(1)	(2)	(5)
Cash and cash equivalents at end of period	779	24	17
Note to the cash flow statement			
Operating loss	(581)	(384)	(798)
Depreciation on property, plant and equipment	6	1	1
Foreign exchange differences	(50)	-	-
Share based payments	60	-	100
Operating cash flows before movements in working capital	(565)	(383)	(697)
Movement in receivables	(316)	27	(8)
Movement in payables	82	308	368
Net cash from operating activities	(799)	(48)	(337)

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

IRONVELD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Basis of preparation and accounting policies

The results for the six months to 31 December 2022 have been prepared under International Financial Reporting Standards (IFRS) as adopted by the EU and International Accounting Standards Board.

The accounting policies are consistent with those of the annual financial statements for the year ended 30 June 2022, 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 2022 on which the Auditors gave an unqualified report, have been delivered to the Registrar of Companies.

2 Loss per share

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

	6 Months	6 Months	12 Months
	to 31.12.22	to 31.12.21	to 30.06.22
	'000	'000	'000
Weighted average number of shares	2,628,958	1,316,440	1,322,832
Options/warrants – dilution	-	-	-
	<u>2,628,958</u>	<u>1,316,440</u>	<u>1,322,832</u>
	Pence	Pence	Pence
Basic loss per share – continuing	(0.02)	(0.03)	(0.06)
Diluted earnings per share	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

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

3 Registered office and copies of the report

The registered office is Ironveld plc, Unit D De Clare House Sir Alfred Owen Way, Pontygwindy Industrial Estate, Caerphilly, Wales, CF83 3HU and copies of this report are available from the registered office.

IRONVELD PLC

OFFICERS, ADVISORS AND AGENTS

Directors:	Giles Clarke Martin Eales Nick Harrison Peter Cox John Wardle	(Chairman) (Chief Executive Officer) (Non-Executive Director) (Technical Director) (Non-Executive Director)
Secretary:	Brian James	
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Joint Broker	Turner Pope 8 Frederick's Place London EC2R 8AB	
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