

**Stock Data**

Share Price:	0.83p
Market Cap:	£10.9m*
Shares in issue:	1,316m*
52-week high/low:	1.34/0.32p

\*Pre-Subscription figures

**Company Profile**

Sector:	Mining
Ticker:	IRON
Exchange:	AIM

**Activities**

Ironveld plc ('Ironveld' or 'the Group') 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.

[www.ironveld.com/](http://www.ironveld.com/)

**5-year share price performance**



Source: [LSE](https://www.lse.com)

Past performance is not an indication of future performance.

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TPI acts as joint broker to Ironveld plc.

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## Ironveld

Further to detailing in Interims published on 30 March 2021 that it was at an advanced stage of negotiations with a strategic investor to assist the Group with its next stage of development, Ironveld has today announced a proposed major new investment by Grosvenor Resources Pty Limited ('Grosvenor'). Conditional only on shareholder approval, Grosvenor will subscribe £5.6 million for 5,615 million new shares in Ironveld at 1.0p per share (the 'Fundraising'), representing 29.9% of the enlarged issued share capital at a premium of 90.5% to the mid-market price on 29 March 2021, being the last trading day prior to the disclosure that was in discussions that might lead to a material transaction. Having already seen the subscription proceeds deposited in an escrow account, it has been agreed that Grosvenor will nominate two Non-Executive Directors to the Group's Board following completion of the Fundraising. A circular together with a notice to convene a General Meeting is expected to be published in the coming days. In its announcement, Ironveld's Board notes that this investment represents an important opportunity for it to bring on board a credible partner to help drive its strategy. It also notes that the net proceeds from the subscription will provide a substantial proportion of the overall project funding required, as well as ensuring that all corporate overheads and costs associated with the new Mining Right application are covered for the foreseeable future.

### Grosvenor - A newly formed South African private company

Formed by young black entrepreneurs who wish to expand their investments and mining operations in South Africa, Grosvenor is a recently incorporated private South African company. Its shareholders have a background in the mining and selling of bulk commodities in South Africa and both offtake agreements and financing relationships with significant international mining and trading companies. The CEO of Grosvenor is Thembinkosi Ndlovu, who began his career in media and telecoms and is also a Director of privately held Susanoo Holdings in South Africa, which focuses on coal, manganese and iron ore mining projects.

### Net proceeds to provide a substantial proportion of required funding

The net proceeds from the Fundraising are expected to provide a substantial proportion of the overall project funding required, while also ensuring that all corporate overheads and costs associated with the new Mining Right application for Ironveld's subsidiary company, Luge Prospecting and Mining (Pty) Ltd ('Luge'), are covered for the foreseeable future.

The parties have agreed that the applicable exchange rate for the transaction is £1:ZAR 19.77 and that the Subscription Funds may be remitted in South African Rand at Grosvenor's election.

This follows news released on 1 June 2021 that Luge had had a Mining Right application accepted in respect of vanadiferous-titaniferous magnetite ('VTM') over the farms known as Luge 697 LR and Non Plus Ultra 683 LR. The area covered by the Farms has outcropping Main Magnetite Layer ore which is an extension of and identical to the VTM ore found on properties held by the Group's subsidiaries, Lapon (Pty) Ltd. and HW Iron (Pty) Ltd. Once the Mining Right is granted it will increase the Group's main magnetite mineral resource by about 20%, taking the outcrop length from approximately 28 kilometres to approximately 33 kilometres.

## High Purity Iron, Vanadium and Titanium project

Ironveld's focus is on its high purity iron, vanadium and titanium project located on the northern limb of the Bushveld complex in Limpopo, South Africa. Bushveld is a known metallogenic province covering approx. 66,000km<sup>2</sup>, which hosts various mineral deposits, including platinum group metals, Vanadium, Chrome, Palladium and Rhodium. The Project has the potential to become a vertically integrated vanadium mining and processing business serving the increasing demand for vanadium in steel alloys and vanadium redox batteries. The company holds unencumbered rights to:

- 80 million tonnes of magnetite ore - the JORC compliant mineral resources demonstrates that it holds 1.6 billion pounds of Vanadium, the equivalent to four times annual global demand.
- 32 million tons of 99.5% ('High Purity Iron', 'HPI') in situ.
- 9 million tonnes of Titanium.

The Project's 8 April 2013 JORC-compliant mineral resource provided the foundation for a subsequent Definitive Feasibility Study ('DFS') which was published on 23 April 2014. This confirmed its potential to deliver an exceptionally high-grade iron product at 99.5% Fe HPI which typically trades at a premium price in the market. The 56.4Mt ore grading at 1.12% Vanadium Oxide ('V<sub>2</sub>O<sub>5</sub>') represented almost twice the grade of other Vanadium resources that are currently being mined and processed within the Bushveld Complex.

The DFS concluded that the Project could potentially deliver annual turnover of £26.4 million along with an EBITDA of £8.1 million based upon the then current costs, forex and metal prices.

## Publication of Ironveld's Final Results to 30 June 2021

Ironveld released its Interim Results for the period ended 31 December 2020 on 30 March 2021 and expects to release Final Results to 30 June 2021 later in the year. There was no trading in the six months to 30 June 2021 and a normal level of operating overheads was incurred.

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