DEVELOPING COST-COMPETITIVE AND SCALABLE MINING PROJECTS

Bushveld Minerals Limited

Annual Report 2014

About Us

Bushveld Minerals Limited (Bushveld Minerals) is an AIM-listed multi-commodity mineral development company with a portfolio of vanadium-and titanium bearing iron ore and tin assets in Southern Africa. Our portfolio comprises the Bushveld Iron Ore Project, Bushveld Vanadium Project, Mokopane Tin Project and Marble Hall Tin Project, all located on the northern limb of the Bushveld Complex, South Africa. In addition, Bushveld has a controlling 52.22% interest in Lemur Resources (ASX: LMR), that owns the Imaloto coal project in Madagascar. The Company's vision is to open a new frontier for mining on the Bushveld Complex.

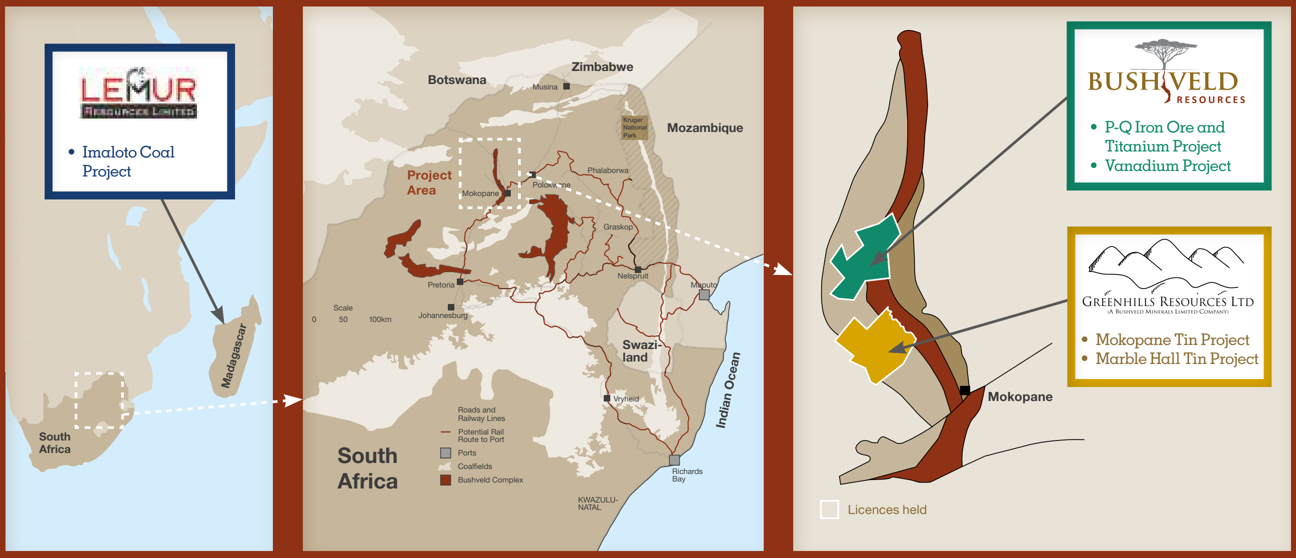
Highlights

During the period:

+ Cash of £9,177,158 at 28 February 2014 on a consolidated basis
+ £1,082,351 million spent on exploration work in the period
+ Joint pyro-metallurgy test work programme with CREC No. 10 launched on P-Q Deposit
+ Scoping Study released for P-Q (Iron and Titanium) Project with positive economics
+ Licence extension for P-Q Project and Bushveld Vanadium Project areas, extending P-Q Project strike by >2.3 km
+ Bushveld Vanadium Project platform established with initial 52 Mt resource
+ Mokopane Tin Project resource upgrade to 18,447t tin resource
+ 50% of Marble Hall Tin Project acquired with potential 18,000t contained tin
+ 52.22% ownership of ASX Listed Lemur Resources finalised

Post period end:

+ P-Q Project resource upgraded to 939 Mt
+ Maiden 442 Mt JORC phosphate resource established with positive metallurgy
+ Scoping Study released for Bushveld Vanadium Project with compelling economics



Facts and Figures

52 Mt
JORC-compliant Vanadium-rich magnetite deposit

939 Mt
JORC-compliant Titanium-rich magnetite deposit

18,447 t
JORC-compliant Tin resource on two deposits

BUSHVELD MINERALS

A Group with commodity-focused subsidiaries, structured to deliver maximum value.

BUSHVELD RESOURCES

Developing a multi-commodity Iron Ore, Vanadium, Titanium and Phosphate company

P-Q Iron Ore Project

Project location:
Bushveld Complex, Limpopo, South Africa (12,012 hectares)
Highlights:
+ Multi-commodity iron ore and titanium resource
+ Large phosphate resource upgradeable to a premium P_2O_5 concentrate

Vanadium Project

Project location:
Bushveld Complex, Limpopo, South Africa (10,073 hectares)
Highlights:
+ World class vanadium project with compelling economics
+ Sizeable vanadium-rich magnetite deposit confirmed in one of three identified distinct horizons
+ Solid market fundamentals, underpinned by demand from energy storage and steel sectors

GREENHILLS RESOURCES LTD
(A BUSHVELD MINERALS LIMITED COMPANY)

Developing a standalone pan-African tin portfolio with a near-term production profile

Mokopane Tin Project

Project location:
Bushveld Complex, Limpopo, South Africa (13,422 hectares)
Highlights:
+ Stand alone brownfields tin portfolio with near term production profile
+ Open castable resource

Marble Hall Tin Project

Project location:
Bushveld Complex, Limpopo, South Africa (6,723 hectares)
Highlights:
+ Potential of up to 18,000 tonnes contained Sn resource
+ Historically explored by Goldfields in the 1980's

LEMUR RESOURCES LIMITED

Leveraging strong balance sheet to develop new opportunities

Imaloto Coal Project

Project location:
South West Madagascar (16,900 hectares)
Highlights:
+ One of only three thermal coal plays in Madagascar
+ Negotiations underway for IPP licence

New Investments

Project location:
Focused on Southern Africa
Highlights:
+ US$15.4 million cash on balance sheet for development of existing and new projects
+ Targeting developed near term production assets with positive cash flow as well as early-stage exploration projects

Geology

+ World class 939 Mt titano-magnetite deposit (open-pittable along 6 km of a proven 10 km)
+ High TiO_2 grade in concentrate gives scope for economic titanium extraction
+ 442 Mt phosphate resource, at an average grade of 3.6% P_2O_5 upgradable to >37% P_2O_5 concentrate and positioned close to input material sources for integrated downstream production

Processing

+ Excellent magnetite liberation at 500 µm with concentrate grades of ~55% Fe, 19.0% TiO_2 and 0.33% V_2O_5 (>80% recovery)
+ High-grade Q2 unit of the P-Q Zone amenable to beneficiation at coarse grain sizes: 6 mm fraction concentrate product grade achieved
+ Simple plant design: crush, mill, magnetic separation
+ Flexible plant design to accommodate all ore types

Geology

+ Open-castable Vanadium resource comprising three mineralised horizons combining >80 m in thickness
+ Initial resource on one horizon (MML): 52 Mt JORC Indicated resource grading 45% Fe, 1.48% V_2O_5 and 9.7% TiO_2
+ MML Hanging Wall Zone: ~60 m thick with estimated 1.5%-1.7% V_2O_5 calculated grade in concentrate
+ Footwall Zone ('AB Zone'): ~11 m with a 2.38% V_2O_5 grade in concentrate (based on Davis Tube test)

Processing

+ Proven technology using the salt roast process as utilised by Rhovan Mine (Glencore) and Vanchem (Duferco)
+ Simple Flowsheet to produce 10,350 tonnes of V_2O_5 flakes: Concentration ♦ Salt Roasting ♦ Leach Milling and purification ♦ AMV Precipitation ♦ De-ammoniation and Fusion ♦ Flaking ♦ V_2O_5 Flake Product

Geology

+ Contains 18,447 tonnes of tin inventory with an average grade of 0.12% tin (Sn) contained in two adjacent deposits out of a total of five targets:
  - Groenfontein deposit: 5,995 tonnes of Sn with an average grade of 0.15% Sn
  - Zaaiplaats deposit: 12,452 tonnes of Sn with an average grade of 0.11% Sn

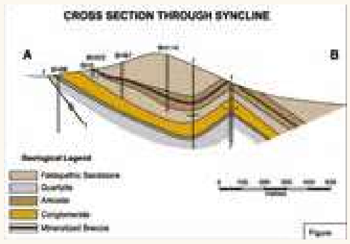
Processing

+ Three combined processing options being investigated for the processing of the Zaaiplaats and Groenfontein tin deposits: Gravity Separation; Enhanced Gravity and Flotation

Geology

+ Mineralisation occurs in breccia zone (1-7 m thick)
+ A number of boreholes intersected significant mineralisation at relatively shallow depths (<200 m)
+ A potential (non-JORC-compliant) resource of 3,750,000 tonnes at 0.32% Sn (i.e. 12,000 tonnes of Sn) was historically calculated

+ Bushveld Minerals technical team estimates, based on reinterpretation of Goldfields data (including historical drilling data) a potential resource of 18,000 tonnes of contained tin at ~0.5% Sn from 3.6 million tonnes of ore



Geology

+ Significant thermal coal JORC resource in Madagascar of 136 Mt with 91.6 Mt in Measured category
+ Scope for opencast mining in first eight years of operation

Processing

+ Main Seam raw coal suitable for power generation or beneficiation to export quality

+ Phase 1: RAW product with an average calorific value (CV) of 5,504 kcal/kg net as received (NAR)
+ Phase 2: primary products yielding >62% with average CV of 5,689 kcal/kg NAR and 16.5% Ash, and a secondary product yielding 33% with an average CV of 3,627 kcal/kg NAR for a combined yield >95%

Project Economics

+ Scoping Study presented in April 2013
+ Low capital expenditure phase 1 designed for early cash flow: US$126m capital expenditure producing 2.2 Mtpa of product
+ Positive economics: US$188m post-tax net present value (NPV) at 10% discount rate and 34% internal rate of return (IRR)
+ Scoping Study on Phosphate resource in the P-Q hanging wall underway

Priorities

+ Low risk market testing initiatives
+ Strategic partnerships to unlock scalability and potential integrated downstream development for all commodities
+ Prefeasibility study to be completed in 2015
+ Market studies to secure off-take partnerships

see page 8

Project Economics

+ Scoping Study presented in July 2014
+ Modest capital expenditure requirements of US$262 million for a primary vanadium production plant
+ Attractive economics showing (at a 10% discount rate):
  - Pre-tax NPV of US$562 million and an IRR of 36%
  - Post-tax NPV of US$236 million and an IRR of 24%

Priorities

+ Pre-feasibility study to be completed in 2015, focused on primary vanadium production with iron and titanium credits
+ Strategic partnerships for accelerated project development to production
+ Priority given to low capex, early production scenario
+ Resource upgrade along vertical depth
+ Exploring significant potential upside in resource due to two additional identified zones of mineralisation

see page 7

Project Economics

Scoping Study due in third quarter of 2014

Priorities

+ Initiate accelerated path to production post Scoping Study
+ Acquire and consolidate South African brownfield tin assets with a combined more than 50,000 tonnes contained tin resource

see page 9

Project Economics

JORC-compliant resource to be defined in 2015

Priorities

+ Drilling programme to commence in fourth quarter of 2014, pending licence granting with Mineral Resource Estimate expected by second quarter of 2015

see page 9

Project Economics

+ Scoping Study presented in September 2013
+ LOM of 19 years (Phase 1 & 2) for total ROM production of 21 million tonnes
+ Phase 1: Low capital expenditure of <US$12 million to commence open pit operations
+ Post-tax NPV of US$36 million at real discount rate of 10%

Priorities

+ Negotiations underway for IPP licence and partnership with Malagasy government
+ Strategic partnerships being pursued

see page 5

+ Strong balance sheet provides capacity to consider new acquisitions with initial targets being reviewed

Focus:

+ Broad commodity spectrum underpinned by sound market and asset fundamentals
+ Early stage exploration projects with potential for scale and favourable cost-curve positioning

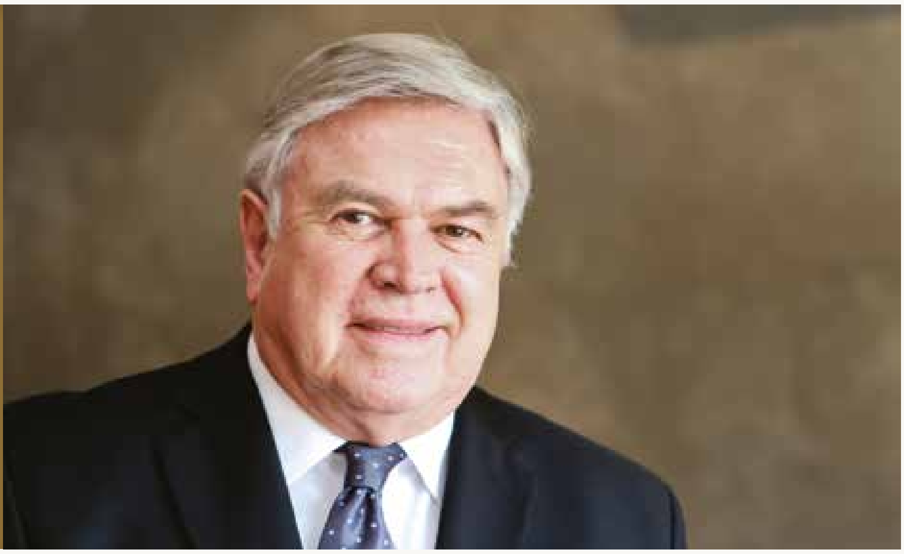
see page 5

Business Review

Governance

Financial Statements

Chairman's Statement
Ian Watson



Achieving scale and diversification

"WE PLACE A HIGH PRIORITY ON MAINTAINING TRANSPARENT CHANNELS OF COMMUNICATION WITH OUR INVESTORS."

In 2014, Bushveld extended its track record of delivery against the stated strategic objectives. During the year, the Company expanded its strategy, and reorganised its projects into four distinct commodity platforms with cost-competitive, scalable propositions with a realistic scope for near term production. Separating our projects into the distinct platforms (see page 4), has afforded us the dual benefits of providing risk diversification between the various commodities while adopting a distinct project development programme per commodity with measurable outcomes for each platform.

I believe that we have made good progress, entrenching Bushveld's standing as a company that delivers on its commitments. Bushveld's management has judiciously accrued world-class assets that belie the small size of the Company and I am confident that these will be brought to account for the benefit of all stakeholders, including our investors.

Bushveld's progress in 2014 has once again been achieved with modest budgets, as we maintained our disciplined approach to all expenditure. We have been responsible in our use of the funds entrusted to us by our loyal shareholders, supplementing the skills of our highly experienced management and technical team with specialised external consultants, enabling us to maintain a rapid pace of progress against our project milestones.

The past year has been an eventful one for the South African operating environment. Labor unrest remains a risk factor for mining in general, with several significant strike actions having taken place. We hope that the multi-year resolutions reached on wages go a long way to bringing back much needed stability and trust to the industry. One of the results of this is a move towards greater mechanisation in the mining industry. With its thick-layered ore-bodies, Bushveld's projects are well positioned for any future such shift in mining methodology. Notwithstanding, there remains an inescapable need for all stakeholders to find a lasting sustainable solution to repair relations among all stakeholders and to put the mining industry on a path of sustained growth and shared success. Such a solution will need to address productivity, building shared ownership of the industry's success and to comprehensively deal with the several concomitant challenges that influence the economic livelihoods of employees. This is all-the-more important considering the significant contribution to the country's GDP and growth of the mining industry and associated downstream beneficiation industries. Although these socio-economic issues have no immediate impact on Bushveld given that our platforms are still in the project development phase, we continue to monitor these as they could have a bearing on us in the longer term.

More positively, we are pleased to see an increased emphasis by the South African Government on beneficiation and its potential in stimulating industrial development. The country is well endowed with world-class mineral deposits and natural enablers for the development of a downstream beneficiation industry. In the iron ore and steel sectors, for example, South Africa has significant mineable resources in abundance, access to ports for logistics, rail infrastructure undergoing significant expansion and an established iron ore and steel skills base which, combined with the right government incentives and policies, could make for a thriving and growing iron and steel industry. A recently commissioned study by the Department of Trade & Industry and the Industrial Development Corporation, to investigate the viability of setting up a steel and titanium complex based on the Bushveld Complex magnetite deposits, thus couldn't be more timely.

In the year under review, the Bushveld management team maintained its momentum vis-à-vis its communication with the investment community. Having refined our focus on four separate commodity platforms, we believe that our value proposition has become clearer. We place a high priority on maintaining transparent channels of communication with our investors, whether we have good or bad news to share and despite the factors that can impact our timelines. To this end, in June 2014, we disclosed to the market that, informed by several developments across our platforms, we had adjusted our timetable for the milestones. We believe that in the longer term, this candid approach will reap benefits for the Company as well as for our shareholders.

Bushveld's management and technical team has a diverse blend of complementary skills that have been key in its ability to make the significant progress we present in this report. I wish to thank each member of the team for their continued support and tireless efforts during the year, as much has been achieved. I look forward to working with them in the year ahead as we move into the feasibility stage for our projects.

I also thank my fellow directors for continuing on this exciting journey with us and for your contribution to the successes of Bushveld to date.

Ian Watson
Non-Executive Chairman

Bushveld Strategy

Developing cost-competitive and scalable propositions

+ Commodity focused platforms developing cost-competitive, scalable propositions with a realistic scope for near term production
+ Leveraging Lemur's balance sheet and Bushveld's core project origination and development capabilities to develop new platforms and enhance existing ones
+ Deepen links with capital markets for risk sharing, capital raising as well as M & A currency
+ Industry linkages and strategic partnerships to leverage operational competencies and deepen capital capacity to realise the production and operational potential of projects

+ Low capital requirements at group level, which is run with a lean overhead structure
+ Diversified portfolio with near term production profile
+ Strategic partner introduction in a way to minimise value leakages

CEO's Statement
Fortune Mojapelo

A cost-competitive proposition, with appropriate infrastructure in place

"WE TARGET LOW COST, SCALABLE PROJECTS WITH NEAR TERM VISIBILITY TO PRODUCTION."

I am pleased to report on the year ended February 28, 2014, during which Bushveld Minerals has made excellent progress in advancing its projects across all of the Company's platforms during the reporting period.

During the past year, we articulated a platform-based strategy for developing the Company's diversified portfolio of projects, targeting low cost, scalable projects with a near term visibility to production and first cash flow generation. We adopted this approach to ensure that each project received the necessary focus in terms of skills, strategic relationships and capital. Today, our four key platforms are:

+ Bushveld Vanadium;
+ P-Q Iron Ore and Titanium;
+ Greenhills Resources – Mokopane Tin Project & Marble Hall Tin Project; and
+ Lemur Resources (coal and power).

Bushveld has released three scoping studies on these platforms each presenting robust economics:

+ The Bushveld Vanadium Project (July 2014);
+ Lemur Resources' Imaloto Coal Project (September 2013) (acquisition completed post scoping study); and
+ The P-Q (Iron Ore and Titanium) Project (April 2013).

A scoping study for Greenhills Resources' Mokopane Tin Project is underway and expected in Q3 2014. Following the maiden JORC-compliant Mineral Resource for the phosphate mineralisation associated with the P-Q Zone deposit, released on 3 June, 2014, a scoping study is also underway.

We are particularly excited about our Bushveld Vanadium Project for which a scoping study report was announced on 21 July 2014, just eight months after the Project was established as a standalone platform.

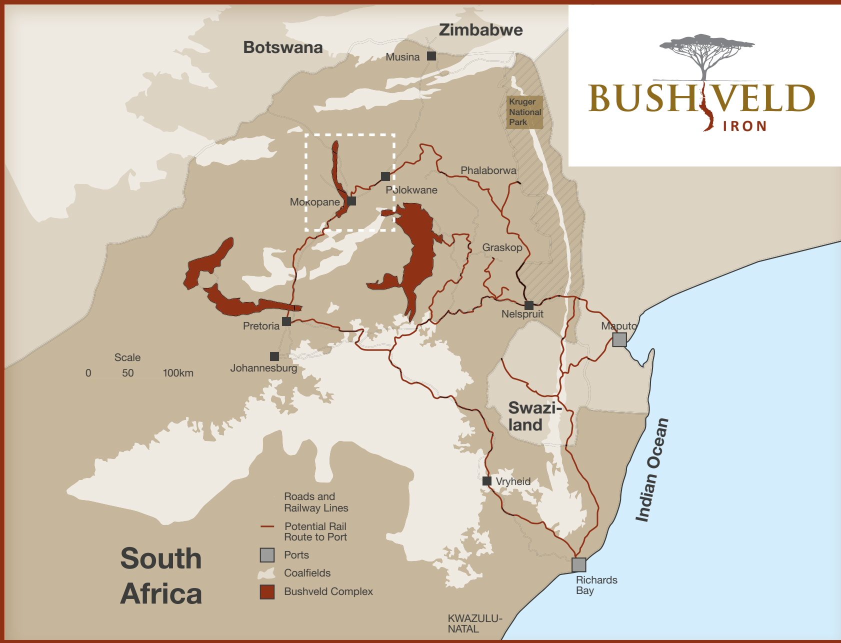
The Vanadium Project Scoping Study, based on a modest 1 million tonne per annum run-of-mine operation to produce 10,350 tonnes of V_2O_5 flakes showed, for US$260 million capital expenditure, a post-tax NPV of US$264 million at a 10% discount rate and a post tax IRR of 24%. On a pre-tax basis the project presents a compelling NPV (at 10%) of US$562 million and an IRR of 36%. With a potentially world-class open-castable vanadium resource base and a first quartile cost of production of US$5.99/kg of V_2O_5, the project enjoys robust economics that underpinned our decision to move to an accelerated

Pre-Feasibility Study and to prioritise the project within the Bushveld Group.

Beyond the scoping studies completed, much work has gone into identifying value enhancers that could materially improve the economics of the overall P-Q Project, and take advantage of its multi-commodity layered mineral endowment. In respect of the P-Q Project, for example, defining a 440 Mt JORC-compliant maiden phosphate resource in the immediate hanging wall of the P-Q Deposit – shown to be upgradeable to a premium phosphate concentrate (>37% P_2O_5) – could greatly enhance the future value proposition of the whole P-Q Project.

Today, we are ready to take our projects to the next stage and have a solid basis for constructive engagements with potential strategic partners. Strategic partnerships have always represented an important part of the Bushveld strategy for its platforms with the potential to expand the Bushveld Group's capital, technical or marketing capabilities. We look forward to pursuing such opportunities to allow for the accelerated development of our assets towards production.

Lemur Resources Limited (BMN 52.22%)
During the reporting period, we launched and completed the partial takeover of Lemur Resources Limited, an ASX-listed company with a 136 Mt thermal coal deposit in Madagascar and US$15.4 million cash. The transaction added to Bushveld a highly synergistic platform on the ASX, with significant coal and cash resources. The management teams of Bushveld and Lemur continue to work closely to develop Lemur's Imaloto Coal Project, and deploy the Company's capital accordingly, in tandem with the Bushveld Group's portfolio.



Supportive Infrastructure

Existing mining-supportive infrastructure in the Bushveld Complex

Rail and Port

+ Rail: project located 45 km from a rail line with potential immediate access to ~1-2 million tonnes per year achievable, upgradable to ±5 million tonnes
+ Port options: Maputo and Richard's Bay, both undergoing significant capacity expansions targeting magnetite and coal exports
+ Transnet's ZAR300 billion (~US $30 billion) capital investment programme: expected to expand rail and port infrastructure capacity over next 7 years

Power

+ Project is in close proximity to coal fields and advanced stage IPP projects
+ Project is 150 km from new Medupi power station
+ Existing transmission infrastructure within a 20 km radius of the project requiring minimal transmission capex that is potentially available for projects' power requirements
  – Matimba/Witkop dual 400kV lines from Matimba power station
  – Witkop/PPRust 132kV line
  – PPRust 132kV substation

Water

+ Ground water resources available to support project requirements
+ Advanced study to pipe required water to project area, ~9-company consortium, currently underway and engaged in feasibility studies for ~140ML/day pipeline from Flag Boshielo Dam, 80 km from project site

Coal

+ Thermal and metallurgical coalfields located in close proximity to the project area

Capital and Project Development

The Company maintains a lean overhead structure and a strong exploration-spend discipline to keep our cost base low. The significant developments in the Company's projects during the financial year were all achieved with a total exploration expenditure of £1,082,351 (2013: £2,100,284).

Bushveld's cash position at 28 February 2014 was £685,504. On a consolidated basis, the Group had cash resources of £9,177,158 at 28 February 2014.

Financing

The Company anticipates that the accelerated programmes on its projects will increase the Company's cash burn rate, which will be funded from one or more of several options at the Company's disposal:

a) Darwin Strategic facility

In April 2014, the Company entered into a financing arrangement with Darwin Strategic ('Darwin') in terms of which Darwin subscribed for 50,000,000 ordinary shares of one penny each at a price of 5.7 pence each, the aggregate issue price of £2,850,000 being satisfied by the issue of 2,850,000 redeemable subscription notes of £1 each by Darwin to Bushveld. This innovative funding scheme was attractive to us on account of three key features:

+ Bushveld retains total discretion on the sale of the shares (volumes, timing and prices);
+ The sale of shares is done at market prices allowing the Company to take advantage of any rises in the Company's share price; and
+ Shares can be sold in high liquidity windows, ensuring that the financing does not create an unnecessary overhang in the shares of Bushveld.

Additionally, Darwin is restricted from shorting Bushveld shares. We believe the structure continues to align the interests of both Darwin and Bushveld on account of both parties benefitting from a rising Bushveld share price, Darwin carrying no downside equity risk to the Bushveld shares, as well as the fact that 3,000,000 warrants were issued to Darwin exercisable at a price of 8p.

b) Warrants

In addition to the Darwin structure, the Company has approximately 27,000,000 warrants, most of which have an exercise price of 5p, whose exercise would provide Bushveld with significant funding, broadening the options of the Company.

c) Lemur Resources cash position

Lemur Resources Limited has a cash balance of US$15.4 million and presents another favourable value option for Bushveld, and the Company remains mindful of the regulatory requirements of ASX and ASIC and its fiduciary responsibility to all Lemur shareholders, that would govern any deployment of these funds.

d) Strategic Partnerships

In line with the Company's strategy to build strategic partnerships for its platforms post completion of scoping studies, the Company will consider partnerships that can provide synergies, including funding options, for the Company's projects.

In combination, the aforementioned funding avenues at Bushveld's disposal are expected to ensure that the Company is able to satisfy its funding requirements.

The Company meanwhile retains its lean operational structure and low overhead cost base, which is aided by the consolidation of the Group's operational activities at its Johannesburg offices, including the relocation of Lemur's head office to the Group's offices in Johannesburg and the appointment of Mr Anthony Viljoen as the CEO of Lemur Resources.

Market Outlook

Bushveld has exposure to a highly strategic suite of commodities, namely coal, iron ore, vanadium, titanium, phosphate and tin. A number of these commodities occur in a multi-commodity geological setting, which provides the Company with scope for the commodities to cross-subsidise each other in a single operation while benefitting from multiple revenues.

While commodity markets have generally been subdued on the back of the global financial crisis, from which the world economy is yet to fully recover, several of our commodities have performed well and are expected to continue to do so, notably vanadium, titanium and tin.

We note the subdued iron ore prices, largely on account of a potential supply surplus as a result of significant additional production from major iron ore producers that has recently come on stream. We are confident that the multiple-commodity nature of our projects with world-class vanadium and titanium grades means that the projects are not as vulnerable to subdued iron ore prices and the general price volatility that pure iron ore plays would be. Moreover, as demonstrated by the Bushveld Vanadium Project Scoping Study, the high grade speciality commodities present scope for a viable low capex route to developing the Bushveld P-Q Project.

According to CRU, vanadium demand is forecast to growth 6.5% year-on-year. This is unlikely to be matched by an equivalent increase in supply, setting a positive scene for future vanadium price increase. Demand is underpinned by the growing steel market, which now accounts for more than 90% of global vanadium consumption, and outlook is further improved by growth expected from the energy storage industry where vanadium increasingly plays an important role through vanadium redox flow batteries. While that market is relatively small, supply is concentrated in three countries and South Africa, as the world's second largest producer by country, is well placed to increase its role as a major supplier.

The Company also has exposure to titanium through the P-Q Project, which hosts some of the world's best titanium-in-magnetite grades (~20% TiO_2). Titanium has enjoyed a positive performance on the markets, with demand growing at a compound annual growth rate of 2.4% since 2000, from 4 Mt per annum to 6.1 Mt per annum. At US$3,500 per tonne of high purity TiO_2, it is, as with vanadium, a high value commodity.

Vanadium Market

Vanadium is a grey and soft ductile metal, the main uses of which are in the steel and chemicals industries.

Supply is geographically concentrated with ~90% of a total 76,000 tons of global vanadium production coming from China (53%), South Africa (26%) and Russia (10%).

Vanadium Demand
While vanadium has several applications, two are dominant and significant in driving demand for vanadium.

Steel:
Approximately 90% of vanadium produced today is consumed in the steel sector, where it is used as a strengthening and anti-corrosive additive, on account of having one of the highest strength to weight ratio of all metals. It is used as an additive in high strength rebar for the construction industry, as well as high-strength, low weight steel alloys used in the automotive and aerospace industries, among others. Approximately 0.2% vanadium content increases steel strength up to 100% and reduces final product weight by up to 30%.

Steel growth continues to be supported by ongoing urbanisation and associated construction activities in China and emerging markets with large infrastructure build programmes. Vanadium-enhanced rebar provides buildings with the improved structural support necessary to better withstand the higher magnitude earthquakes so frequently seen in China.

Recent policy directives in favour of high strength steels in the construction industry in China are expected to further bolster demand in the future.

Energy Storage:
Vanadium is also a key material in the production of high-capacity batteries in the mass energy storage industry. Vanadium redox batteries are the only batteries capable of connecting directly to power grids and streamlining intermittent flow of energy from wind turbines and solar cells. They have very long life span (>20 years), offer almost unlimited capacity, can store power for long periods of time without losing any charge, and have one of the fastest response times.

"ACCORDING TO LUX RESEARCH, THE GLOBAL ENERGY STORAGE MARKET IS FORECAST TO GROW TO US$114 BILLION BY 2017."

Company Outlook
Bushveld remains firmly focused on developing each of its platforms beyond the scoping studies, which now provide increased levels of confidence in our projects and development approach.

a) Bushveld Vanadium Project
The Company will prioritise and accelerate the Bushveld Vanadium Project following the positive Scoping Study that was recently announced, with a view to completing a Pre-Feasibility Study (during 2015), for which several parts of the work programme have already commenced. The Pre-Feasibility Study will evaluate a number of upside opportunities which have already been identified. These include the options to monetise the iron-rich calcine dump and the potential to realise greater revenues for the higher-grade premium vanadium product (>99% purity V_2O_5) than is currently priced in our scoping study (98% V_2O_5).

b) Mokopane Tin Project *(Greenhills)*
We look forward to completing a Scoping Study for the Mokopane Tin Project, incorporating the adjacent Groenfontein and the Zaaiplaats deposits. Efforts to consolidate a critical mass of JORC-compliant tin resource inventory will continue, focusing on another three targets in the Mokopane license area as well as our Marble Hall Tin Project. The Company also remains committed to advancing its tin portfolio to a position from which an accelerated path to near term production can be pursued, and will continue to explore ways to achieve this, including the current evaluation of the Zaaiplaats tailings dump.

Iron Ore Market

The titano-magnetite market is driven, much like the conventional iron ore market, by demand from steel production. Although the global economy is still to fully recover from recession, crude steel production is still expected to accelerate during this time. After all, steel growth between 2007 and 2012 at 3.9% per year was partially constrained by recession.

Iron ore prices have however been under significant downward pressure in 2014 due to a combination of rising production, surplus supply, and high stocks among other factors. While demand growth for iron ore is expected to remain robust, new production capacity continues to come online, ensuring no shortage of supply in the short term, which will most likely continue to weigh on prices.

Bushveld has exposure to titanium through the P-Q Iron and Titanium Project. The vast majority (~95%) of titanium concentrates are processed into titanium dioxide for use as a pigment, which is subsequently used in the paint, plastics and rubber, and paper industries.

Future consumption of titanium pigment can be linked to GDP growth rates. Strong GDP growth is predicted for developing regions, pointing to continued growth in demand for titanium pigments. In developed regions, notably Japan and the USA, demand for titanium metal from the aerospace industry can also be expected to provide growth prospects.

"SINCE OUR ADMISSION TO AIM, WE HAVE SIGNIFICANTLY ADVANCED OUR PROJECTS, EVOLVING INTO A DIVERSIFIED NATURAL RESOURCES COMPANY."

c) P-Q Iron Ore and Titanium Project

Bushveld is continuing with its pyro-metallurgical test-work designed to evaluate the investment case for an integrated pig iron and titanium product. Collaboration on pyro-metallurgy test work with China Railway & Engineering Corporation No. 10 (or 'CREC') is ongoing. Simultaneously, we will investigate options for a primary titanium production route with an iron by-product if it is shown to present a rapid path to production with attractive economics. We will also investigate the viability of processing the phosphate resource in the hanging wall of the P-Q Deposit. Throughout these work programmes, we will continue to explore possible synergies with the adjacent Bushveld Vanadium Project.

d) Lemur Resources Limited

Lemur's near-term focus will continue to be on acquiring an IPP license to complement its Imaloto Coal Project. Achieving this would be a useful catalyst for the development of the Imaloto Coal Project, while Lemur continues to be on the lookout for new value-accretive acquisition opportunities.

Capital Markets Strategy

The period under review also saw significant changes to the Company's capital structure. In October 2013, as much as 33% of the company's ordinary shares were sold in a matter of days due to stock exits made by two significant shareholders. The Company notes that this resulted in a significant fall in its share price from which the Company is yet to fully recover. The exits also resulted in the Company's share liquidity changing substantially from approximately 6% of shares in free float to more than 50%, and an average of 41,763 shares traded a day during the preceding six months to an average 6.4 million shares traded a day during the following six months. The increasing retail interest in our share register is certainly welcome. The Company is now of the view that an institutional anchor shareholder would complement its healthy retail shareholder base.

Concluding Remarks

It has been nearly 18 months since Bushveld was admitted to the AIM market in March 2012. We listed as a Company with a 633 Mt JORC-compliant vanadium- and titanium-bearing iron ore resource and a 5,995 tonne tin resource. Since then the Company has significantly advanced its projects, evolving into a diversified natural resources company of attractive commodity focused platforms, each of which has a defined economic proposition, supported by scoping studies that have been completed.

We are pleased with the significant progress made with a modest spend. To reiterate these achievements, our notable project development milestones since listing are included below.

a) **P-Q Project**
+ 28 January 2013: Positive metallurgy test work
+ 22 April 2013: Positive Scoping Study (US$188m NPV, 34% IRR)
+ 9 December 2013: MoU with CREC No. 10 signed – joint pyro-metallurgy programme underway
+ 21 February 2014: License extension approved and executed adds phosphate, and increasing strike by >2.3 km
+ 31 March 2014: Resource upgrade to 939 Mt on the P-Q Deposit

b) **Phosphate**
+ 3 June 2014: 442 Mt maiden JORC resource established
+ 3 June 2014: Positive metallurgy – >37% concentrate at 53% recoveries confirmed

c) **Bushveld Vanadium Project**
+ 27 November 2013: Bushveld Vanadium Project platform established on initial resource of 52 Mt on one of three adjacent layers

d) **Mokopane Tin Project**
+ 19 September 2013: Resource upgrade increasing tin resource to 18,447 tons
+ 26 September 2013: Acquired 50% Marble Hall project with potential 18,000 tons contained Sn – confirmatory drilling programme underway

e) **Lemur Resources**
+ 5 November 2013: Acquired 54% interest in ASX listed Lemur Resources (subsequently diluted to 52.22% on account of share issues to management)

Tin Market

The market for tin is mature and well-established. Total consumption in 2012 totalled 358,300 tonnes, up from 356,100 tonnes in 2011.

Tin has enjoyed a steady, albeit small growth in consumption over the years, with a long term growth trend from 1980 to 2012 of ~2% p.a.

Currently, the major use for tin is for solder alloys for electrical/electronic and general industrial applications; this use accounts for about 52% of the tin produced and is growing with the introduction of lead-free soldering technology. A further 15 – 20% of tin is used as a protective coating for other metals, especially for food containers.

The tin market has been recently characterised by consecutive supply deficit in refined tin, which is projected to increase significantly from a shortfall of 2,500 tonnes in 2013 to 80,000 tonnes by 2020.

This is driven in large part by a declining production rate amidst growing tin. The recent regulatory ban of the use of lead in solders has increased the usage of tin in solders, which, coupled with a growing electronics market, points to significantly increased tin demand not matched by anticipated production growth.

Total output of tin from the top three producing countries has flatlined in the past three years – Peru's production (from high grade tin mines) is in structural decline, with the world's largest mine, San Rafael of Minsur, depleting rapidly while alluvial mining has been in a steady decline across the world in recent years.

Bushveld is now poised to accelerate the development of each of our platforms through their feasibility study phases. We are excited about this new stage in our journey and are grateful to our staff and shareholders for their continued support. We look forward to recounting our progress one year from now.

Fortune Mojapelo
Chief Executive Officer

A balanced approach

In order to manage the risks that are inherent in the exploration and development of our natural resource projects, we have conducted a detailed analysis, together with mitigation measures. The risks and uncertainties that are described below are the material risk factors which could impact our ability to deliver on our long-term strategic objectives. As such, we have put significant efforts into analysing these risks and put in place initiatives to manage them.

Category and Risk	How we mitigate the risks that impact us
Mineral Rights and Tenure Security Obtaining and maintaining mineral (prospecting and mining) rights	Secure mineral titles are at the heart of every mining enterprise. Accordingly, it is a key priority for Bushveld to make sure that the mineral rights (prospecting and/or mining) that we hold are in good standing at all times. We employ a dedicated mineral rights tenure manager who is responsible for this. Additionally, delivering on our growth strategy is partially dependent on our ability to secure additional prospecting rights on properties, and this is an area of continual focus. Threats to mineral title security that we proactively manage are a) Political risk and b) Regulatory compliance. **a) Political risk** Until the recent economic downturn, the global boom in commodity prices has attracted the attention of the governments of resource rich countries, most of which have sought to increase state benefits in the mining sector. This has taken different forms, including the imposition of increased taxes (e.g. windfall taxes) and discussions in South Africa about an increased role of government in the mining sector. While South Africa has not escaped this to date, we believe the South African government will continue to recognise the importance of a vibrant commodity and mining sector to the prosperity of all South Africans and its duty to uphold the constitution (which protects private property ownership). Based on our analyses, we have no reason to doubt the South African government. Notwithstanding this we believe it is prudent for Bushveld to develop a geographically diverse portfolio of assets to mitigate political risks in one geography. To this end, we actively investigate value-adding projects that meet our criteria of scope for scale and favourable cost curve positioning. The acquisition of a majority stake in Lemur Resources is in line with this diversification strategy. **b) Regulatory compliance** ***i) BEE/communities partnerships*** South Africa has a robust World Bank-compliant mineral law that is underpinned by a sound constitution and independent functional judiciary that lends much to the security of mineral title. The following are examples of regulatory compliance risks we manage: + BEE partnerships: The South African government has adopted a Mining Charter that requires economic participation in mining projects by historically disadvantaged South Africans ('HDSA'). The Mining Charter outlines several metrics spanning from equity participation, management representation and preferential procurement, among others. Bushveld has entered into several BEE partnerships to ensure its compliance + Community involvement: Beyond the equity participation of the BEE partners in the projects, Bushveld adopts a holistic approach that includes local communities who live in the areas we operate. Bushveld proactively and continually engages with its BEE partners and communities to realise the objectives of the Mining Charter in a sustainable manner ***ii) Environmental and safety legislation*** Bushveld continually monitors the environmental and safety legislation as it relates to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection, among others, to ensure that we quickly adapt to all relevant legislative changes. Although our projects are still in the scoping phase, our executive team has adopted a proactive approach to make sure that the processes and procedures pertaining to sustainable development are integrated into the development plans.
Infrastructure Dependence on local utilities and logistics infrastructure	We recognise that our ability to achieve our exploration and mine development goals depends on adequate infrastructure, including but not limited to rail, power sources and water supply. While the electricity supply in South Africa has been under pressure, the significant investments by Eskom, the domestic power utility, to increase its power generation capacity, will alleviate these issues in the medium-term. In addition, Bushveld's projects are located in close vicinity to thermal coal deposits, providing an alternative opportunity to produce our own power.

Category and Risk	How we mitigate the risks that impact us
Infrastructure Dependence on local utilities and logistics infrastructure *continued*	A number of multinational mining companies operate successfully in the Bushveld Complex, using the existing road and rail infrastructure network. It is widely recognised that further investment is required in the rail network to optimise the local railway lines and ports to create sufficient capacity to effectively transport minerals in the volumes anticipated. Transnet has budgeted an investment of more than ZAR300 billion over the next seven years to upgrade its logistics infrastructure, a significant portion of which is earmarked for a bulk commodity rail network. With several bulk commodity projects under development in Limpopo, a sizable proportion of this investment will invariably be spent upgrading infrastructure that can be utilised by Bushveld. An increasing focus on niche, high value metals within the Bushveld commodity basket reduces the dependence on bulk-commodity infrastructure. For example, the Bushveld Vanadium Project's anticipated 10,350 tpa production can be adequately transported using existing road and/or rail infrastructure.
Metallurgy Commercially viable resources	Key to unlocking the value of our projects is viable and established processing routes to produce saleable products. The Company's processing choices are a function of cost and simplicity, with preference given to low capex, proven processing routes with minimal complexity. A crucial consideration in each project design is the extent to which we go downstream – the preferred option being the one that adds the most value for the least marginal cost and increase in complexity. Thus, as the projects develop, we continually assess this trade-off between going further downstream and the incremental cost and complexity. Additional key mitigation measures include: + Project designs that seek to be bankable on the basis of primary products alone, with any by-products being an additional economic bonus + Applying learned expertise from similar existing operations that have similar mineralisation, and gaining a clear understanding of the geology and mineralogy of project orebodies – this assists the Company to mitigate any risks involved in processing the ore + Employing best-in-class metallurgical personnel with reputable experience to lead the design and implementation of metallurgical processing plants + Where possible, conducting metallurgical testwork in excess of that required for the current project development phase
Funding Raising capital to fund development of projects	As our projects progress beyond the Scoping Study stage towards production, the funding requirements will invariably increase. At the same time, the economic proposition of the projects becomes clearer, as do the funding options. We have a number of funding options as outlined on page 6 of this report. We are also building optionality into our development plans, including modular alternatives for the roll out of our projects. We will continue to evaluate opportunities to develop strategic partnerships that have the potential to provide alternative sources of funding for our projects.
Skills Retention of skilled personnel	As a new company with a small management team, we are aware of the potential impact of losing a key member of our team. We have attracted a highly experienced team with multi-disciplinary skills who all share our long-term vision. Following our admission to AIM, we are now planning a share incentive scheme whereby our key members of the management team will share directly in the successes of the Company which should assist in the retention of key skills. In addition, by following established processing routes that are used by existing operations in South Africa, such as the salt roast process for vanadium, we have local access to world class expertise to supplement our internal skills.

Board and Management

Ian Watson (aged 71)
Non-Executive Chairman

Ian trained as a mining engineer and has considerable experience in the African mining sector. His previous roles include Managing Director of Northam Platinum, CEO of Platmin Limited, CEO of International Ferro Metals (SA) and Consulting Engineer at Gold Fields Limited. Currently, he is a Non-Executive Director on the board of Shaft Sinkers (Pty) Ltd.

Fortune Mojapelo (aged 38)
Chief Executive Officer and Non-Executive Director of Lemur Resources

Fortune is a mining entrepreneur and founding shareholder of VM Investment Company (Pty) Ltd, a principal investments and advisory company focusing on mining projects in Africa. He has played a leading role in the origination, establishment and project development of several junior mining companies in Africa. Fortune graduated from the University of Cape Town with a B.Sc (Actuarial Science). He previously worked at McKinsey & Company as a strategy consultant, where he worked on corporate strategy and organisational development in several sectors in South Africa and Nigeria. He is a Non-Executive Director of Lemur Resources.

Anthony Viljoen (aged 38)
Non-Executive Director and Chief Executive Officer of Lemur Resources

Anthony is a mining entrepreneur and founding shareholder and director of VM Investment Company (Pty) Ltd, a principal investments and advisory company focusing on mining. He has been involved in the establishment and project development of a number of junior mining companies across Africa. Anthony graduated from the University of Natal with a Bachelor of Business and Agricultural Economics and a Post Graduate Diploma in Finance Banking and Investment Management. Anthony previously worked at Deutsche Bank, Barclays Capital in London and Loita Capital Partners.

Technical Team

Professor Richard Viljoen

Richard has more than 30 years' experience in the mining industry including 15 years as chief consulting geologist for Gold Fields of South Africa. Notable past experience includes the development of significant mines including Northam Platinum and the Leeudoorn and Tarkwa gold mines, identifying and development of a significant platinum deposit in the Bushveld Complex for Akanani Resources as well as, acting as consultant for exploration and mining companies in Canada, Mexico, Venezuela, India and China in the fields of base metals, gold and platinum. He has also completed a number of Competent Persons Reports for projects including the Witwatersrand South Reef Project, Doornkop mine project and the Uramin Uranium Project.

Geoff Sproule (aged 72)
Finance Director

Geoff is a chartered accountant with more than 40 years experience in various financial management roles. He is a former partner of auditing firm Deloitte & Touche, South Africa. His directorships include the property related J H Issacs Group of Companies.

Jeremy Friedlander (aged 59)
Non-Executive Director

Jeremy has a BA LLB from the University of Cape Town and practiced as an attorney after completing his Articles in Cape Town. He joined Old Mutual as a legal advisor and in 1993 established McCreedy Friedlander, which became one of the premier property agencies in South Africa and negotiated an association with Savills. In 1998 he listed McCreedy Friedlander as part of a financial services group on the JSE and shortly afterwards relocated to London. In the United Kingdom, Jeremy has been involved in a number of property transactions. More recently Jeremy was a director of Onslow Resources (oil and gas). He is business development director of a number of Avana companies involved in uranium, coal, gold, oil and gas and industrial minerals.

Professor Morris Viljoen
Morris has more than 30 years' experience in the mining industry following a role with JCI in base metals (including nickel, copper antimony, gold and platinum) exploration and mining in southern Africa and as consulting geologist for Rustenburg Platinum Mines (part of Anglo Platinum Limited). Moreover, he has held the position of Professor of Mining Geology at the University of Witwatersrand for the last 13 years and established the Centre for Applied Mining and Exploration Geology that identifies and develops mineral projects including the Amalia and Blaaubank lode gold deposits, the Akanani/Afri Ore Platinum Project and the Uramin Uranium Project.

Directors' Report

The Directors of Bushveld Minerals Limited ('Bushveld' or the 'Company') hereby present their report together with the consolidated financial statements for the period from incorporation from 1 March 2013 to 28 February 2014.

Principal activities, business review and future developments

The principal activity of the Group is mineral project development focused on exploring and developing mineral its portfolio of vanadium and titanium bearing iron ore and tin assets in Southern Africa. A review of the Group's progress, key performance indicators and prospects is given in the CEO's Statement on pages 6 to 9.

A review of the risks and uncertainties impacting on the Group's long-term performance will be included in the Corporate Governance Report. Details of the Group's exposure to foreign exchange and other financial risks are included in Note 20.

Exploration costs

The Group continues to devote considerable resources to exploration and resource development costs.

Results and dividend

The Group results show a loss for the period attributable to the equity holders of the Company of £0.4 million (2013: £2.3 million). The Directors are unable to recommend a dividend.

Share capital and funding

Full details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Note 17. The Company has one class of Ordinary Shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

Directors

The Directors who served the Company since 1 March 2013 are as follows:

Fortune Mojapelo	Chief Executive Officer
Geoffrey Sproule	Chief Financial Officer
Anthony Viljoen	Non-Executive Director
Ian Watson	Chairman and Independent Non-Executive Director
Jeremy Friedlander	Independent Non-Executive Director

Directors' interests

The Directors' beneficial interests in the shares of the Company at 28 February 2014 were:

	Ordinary Shares of 1p each 28 February 2014	Ordinary Shares of 1p each 28 February 2013
Fortune Mojapelo	8,160,000	8,160,000
Geoffrey Sproule	nil	nil
Anthony Viljoen	8,160,000	8,160,000
Ian Watson	nil	nil
Jeremy Friedlander	nil	nil

None of the Directors have been awarded share options of the Company since inception to 28 February 2014.

Directors' indemnity insurance

The Group has maintained insurance throughout the year for its Directors and officers against the consequences of actions brought against them in relation to their duties for the Group.

Employee involvement policies

The Group places considerable value on the awareness and involvement of its employees in the Group's exploration and development activities. Within bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group and that are of interest and concern to them as employees.

Creditors payment policy and practice

The Group's policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment policy to abide by the terms of payment agreed with suppliers when agreeing the terms of each transaction. Suppliers are made aware of the terms of payment. The number of days of average daily purchases included in trade payables at 28 February 2014 was 30 days.

Related party transactions

Details of related party transactions are detailed in Note 22.

Post balance sheet events

Post balance sheet events are detailed in Note 21 to the financial statements.

Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The Company's auditor, Baker Tilly UK Audit LLP, has indicated its willingness to continue in office.

Electronic communications

The maintenance and integrity of the Group's website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Group's website is maintained in compliance with AIM Rule 26.

By order of the Board

G N Sproule
Director
21 August 2014

Statement of Directors' Responsibilities

The Companies (Guernsey) Law 2008, as amended (the '2008 Law') requires the Directors to ensure that the financial statements are prepared properly and in accordance with any relevant enactment for the time being in force. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The financial statements are required by IFRS as adopted by the EU to present fairly the financial position and the financial performance of the Group. Applicable law provides in relation to such financial statements that references to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing the Group financial statements, the Directors are required to:

i. select suitable accounting policies and then apply them consistently;
ii. make judgements and accounting estimates that are reasonable and prudent;
iii. state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
iv. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Group 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 Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm they have discharged their responsibilities as noted above.

Corporate Governance Report

As an AIM-quoted Company, Bushveld is not required to produce a Corporate Governance Report that satisfies all the requirements of the Combined Code. However, the Directors are committed to providing information on an open basis and present their Corporate Governance Report as follows:

+ the Group Board will conduct a review (at least annually) of the effectiveness of the Group's systems of internal controls. A review should cover all material controls, including financial, operational and compliance controls and risk management systems. The review will also incorporate an analysis of the regulatory and fiscal position in the countries in which the Group operates;
+ the roles of chairman and chief executive are not exercised by the same individual;
+ the Group has two independent Non-Executive Directors and the Group Board is not be dominated by one person or group of people; and
+ all Directors will be submitted for re-election at regular intervals subject to continued satisfactory performance. The Group Board will ensure planned and progressive refreshing of the Group Board.

The Board of Directors

The Board currently is comprised as follows:

Executive Directors	
Fortune Mojapelo	Chief Executive Officer
Geoffrey Sproule	Chief Financial Officer
Anthony Viljoen	Chief Operations Officer
Non-Executive Directors	
Ian Watson	Chairman and Independent Non-Executive Director
Jeremy Friedlander	Independent Non-Executive Director

Operational management in South Africa is led by Fortune Mojapelo as operations Director supported by a senior Geologist and two assistants. Operational Management is also supported technically through the consultancy agreement with VM Investment Company (Proprietary) Limited.

Group Board meetings

The Group Board meets quarterly and more often if required. Group Board meetings may be held via teleconference although whenever practically possible the Directors will endeavour to attend in person.

The Group Board has taken professional international tax advice as to maintaining the tax residency of the Company in Guernsey. The Company is managed and centrally controlled in Guernsey. All Group Board meetings are held outside the UK.

The matters reserved for the attention of the Group Board include, inter alia:

+ the approval of financial statements, dividends and significant changes in accounting practices;
+ Group Board membership and powers including the appointment and removal of Group Board members, determining the terms of reference of the Group Board and establishing the overall control framework;
+ stock exchange related issues including the approval of the Company's announcements and communications with both shareholders and the Stock exchange;
+ senior management and subsidiary Board appointments and remuneration, contracts and the grant of share options;
+ key commercial matters;
+ risk assessment;
+ financial matters including the approval of the budget and financial plans, changes to the Group's capital structure, the Group's business strategy, acquisitions and disposals of businesses and capital expenditure; and
+ other matters including health and safety policy, insurance and legal compliance.

The Audit Committee

The Audit Committee meets at least twice a year and comprises exclusively Non-Executive Directors, Mr Watson (Chairman) and Mr Friedlander. Finance Director, Mr Sproule attends Audit Committee meetings by invitation. This committee is responsible for:

+ review of the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, Stock Exchange and legal requirements;
+ receive and consider reports on internal financial controls, including reports from the auditors and report their findings to the Board;
+ consider the appointment of the auditors and their remuneration including reviewing and monitoring of independence and objectivity;
+ meet with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise; and
+ develop and implement policy on the engagement of the external auditor to supply non-audit services.

The Audit Committee is provided with details of any proposed related party transactions in order to consider and approve the terms and conditions of such transactions.

The Remuneration Committee

The Remuneration Committee comprises exclusively Non-Executive Directors and has the following key duties:

+ reviewing and recommending the emoluments, pension entitlements and other benefits of the Executive Directors and, as appropriate, other senior executives; and
+ reviewing the operation of share option schemes and the granting of such options.

Remuneration Report

As an AIM-quoted Company, Bushveld Minerals is not required to produce a Remuneration Report that satisfies all the requirements of the Companies Act.

However, the Directors are committed to providing information on an open basis and present their Remuneration Report as follows:

Remuneration Committee

The Remuneration Committee comprises exclusively Non-Executive Directors, Mr Watson (Chairman) and Mr Friedlander. The CEO, Mr Mojapelo attends Remuneration Committee meetings by invitation. The Committee has the following key duties:

+ reviewing and recommending the emoluments, pension entitlements and other benefits of the Executive Directors and as appropriate other senior executives; and
+ reviewing the operation of share option schemes and the granting of such options.

Remuneration policy

The Company's policy is that the remuneration arrangements, including pensions, for subsequent financial years should be sufficiently competitive to attract, retain and motivate high quality executives capable of achieving the Company' objectives, thereby enhancing shareholder value.

Directors' service contracts

Set out below are summary details of the Company's current terms of appointment with each Executive Director:

+ on 20 March 2012, Fortune Mojapelo entered into a service agreement with the Company under the terms of which he agreed to act as the Chief Executive Officer. The service agreement shall be terminable by either party giving to the other not less than six months' written notice. Mr Mojapelo may also be entitled to a bonus at the absolute discretion of the Company's Remuneration Committee;
+ on 20 March 2012, Anthony Viljoen entered into a service agreement with the Company under the terms of which he agreed to act as an Executive Director. The service agreement shall be terminable by either party giving to the other not less than six months' written notice. Mr Viljoen may also be entitled to a bonus at the absolute discretion of the Company's Remuneration Committee; and
+ on 20 March 2012, Geoff Sproule entered into a service agreement with the Company under the terms of which he agreed to act as the Chief Financial Officer. The service agreement shall be terminable by either party giving to the other not less than six months' written notice. Mr Sproule may also be entitled to a bonus at the absolute discretion of the Company's Remuneration Committee.

Incentive schemes/share option schemes

The Company intends to enter into share options agreements granting options to several people, including employees, management and Directors, subject to the terms that:

(a) the total number of options shall not exceed 10% of the Enlarged Share Capital;
(b) the options are exercisable at an option price of 30 pence per Ordinary Share;
(c) half of the number of Ordinary Shares comprised in each option will vest two years from Admission and the remaining half of the Ordinary Shares comprised in the option will vest three years following Admission;
(d) the options will lapse five years following Admission (unless exercised earlier); and
(e) if the option is granted to an employee of the Group and that employee leaves their employment, the option will lapse immediately if that employee is dismissed for cause, and after six months of the termination of employment otherwise.

All such options will be granted at the discretion of the Board and may include options granted to employees of the Group in the ordinary course of business as part of remuneration arrangements with employees.

Directors' emoluments

The remuneration of the individual Directors who served in the year to 28 February 2014 was:

	Salary and fees £	Bonus £	Share-based payment £	Total £
Fortune Mojapelo	108,333	–	–	108,333
Geoffrey Sproule	97,500	–	–	97,500
Anthony Viljoen	100,000	–	–	100,000
Ian Watson	40,000	–	–	40,000
Jeremy Friedlander	25,000	–	–	25,000
	370,833	**–**	**–**	**370,833**

The remuneration of the individual Directors who served in the year to 28 February 2013 was:

	Salary and fees £	Bonus £	Share-based payment £	Total £
Fortune Mojapelo	94,920	–	–	94,920
Geoffrey Sproule	72,000	–	–	72,000
Anthony Viljoen	94,920	–	–	94,920
Ian Watson	37,620	–	–	37,620
Jeremy Friedlander	22,917	–	–	22,917
	322,377	**–**	**–**	**322,377**

The aggregate fees of all of the Directors for their services (excluding any amounts payable as salary) shall not exceed £500,000 per annum, or such higher amount as may be determined by ordinary resolution (excluding amounts payable under any other provision of the Articles). Any Director who performs services, which in the opinion of the Board, goes beyond the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may, in its discretion, determine.

Independent Auditor's Report to the Members of Bushveld Minerals Limited

We have audited the group financial statements of Bushveld Minerals Limited for the year ended 28 February 2014 on pages 22 to 43. 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 section 262 of The Companies (Guernsey) Law 2008. 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 auditor's 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 16, 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 and express an 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 (APB's) Ethical Standards for Auditors.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements within them.

Scope of the audit

A description of the scope of an audit of financial statements arising from the requirements of International Standards on Auditing (UK and Ireland) is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

+ give a true and fair view of the state of the Group affairs as at 28 February 2014 and of the Group's loss for the period then ended;
+ the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
+ the Group financial statements have been prepared in accordance with the requirements of The Companies (Guernsey) Law 2008.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 28 of the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net loss for the period ended 28 February 2014 of £416,743 and is currently in a process of raising additional capital funding. These conditions, along with the other matters explained on page 26 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the The Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

+ proper accounting records have not been kept by the company; or
+ the company individual financial statements are not in agreement with the accounting records; or
+ we have not received all the information and explanations we require for our audit.

BAKER TILLY UK AUDIT LLP, Auditor
Chartered Accountants and Registered Auditors
25 Farringdon Street
London
EC4A 4AB

21 August 2014

Consolidated Income Statement
For the year ended 28 February 2014

	Note	28 February 2014 £	5 January 2012 to 28 February 2013 £
Continuing operations			
Administrative expenses	7	(1,376,292)	(2,358,639)
Operating loss		**(1,376,292)**	**(2,358,639)**
Bargain purchase on acquisition		900,540	–
Investment income	8	59,009	104,700
Loss before tax		(416,743)	(2,253,939)
Tax	9	–	–
Total loss for the period		**(416,743)**	**(2,253,939)**
Attributable to:			
Owners of the Company		(375,050)	(2,253,939)
Non-controlling interests		(41,693)	–
		416,743	**(2,253,939)**
Loss per Ordinary Share			
Basic and diluted loss per share (in pence)	10	(0.11)	(0.96)

All results relate to continuing activities.

The notes on pages 26 to 43 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 28 February 2014

	28 February 2014 £	5 January 2012 to 28 February 2013 £
Loss for the period	(416,743)	(2,253,939)
Currency translation differences on translation of foreign operations	(910,139)	(234,021)
Fair value loss on available for sale investments	–	(138,628)
Total comprehensive loss for the period	**(1,326,882)**	**(2,626,588)**
Attributable to:		
Owners of the Company	(1,285,189)	(2,626,588)
Non-controlling interests	(41,693)	–
	(1,326,882)	**(2,626,588)**

Consolidated Statement of Financial Position
As at 28 February 2014

	Note	28 February 2014 £	28 February 2013 £
Assets			
Non-current assets			
Intangible assets: exploration activities	11	53,981,390	53,313,928
Investments	12	–	248,854
Property, plant and equipment	13	225,191	74,487
Total non-current assets		**54,206,581**	**53,637,269**
Current assets			
Trade and other receivables	14	140,859	50,157
Cash and cash equivalents	15	9,177,158	1,305,089
Total current assets		**9,318,017**	**1,355,246**
Total assets		**63,524,598**	**54,992,515**
Equity and liabilities			
Current liabilities			
Trade and other payables	16	(344,187)	(199,142)
Total current liabilities		**(344,187)**	**(199,142)**
Net assets		**63,180,411**	**54,793,373**
Equity			
Share capital	17	4,020,041	2,839,691
Share premium	17	57,933,792	53,811,401
Accumulated deficit		(2,628,989)	(2,253,939)
Revaluation reserve		(138,628)	(138,628)
Warrant reserve	18	370,715	–
Foreign exchange translation reserve		(1,144,160)	(234,021)
Equity attributable to the owners of the Company		**58,412,771**	**54,024,504**
Non-controlling interests		**4,767,640**	**768,869**
Total equity		**63,180,411**	**54,793,373**

The notes on pages 26 to 43 form part of these financial statements.

The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 21 August 2014.

G N SPROULE
Director
21 August 2014

Consolidated Statement of Changes in Equity
For the year ended 28 February 2014

	Attributable to owners of the parent company								
	Share capital £	Share premium £	Accumulated deficit £	Revaluation reserve £	Warrant reserve £	Foreign exchange translation reserve £	Total £	Non-controlling interests £	Total equity £
Loss for the period	–	–	(2,253,939)	–	–	–	(2,253,939)	–	(2,253,939)
Other comprehensive income:									
Currency translation differences	–	–	–	–	–	(234,021)	(234,021)	–	(234,021)
Fair value loss on available for sale investments	–	–	–	(138,628)	–	–	(138,628)	–	(138,628)
Total comprehensive loss for the period	–	–	(2,253,939)	(138,628)	–	(234,021)	(2,626,588)	–	(2,626,588)
Transactions with Owners:									
Non-controlling interests	–	–	–	–	–	–	–	768,869	768,869
Issue of shares	2,839,691	53,954,131	–	–	–	–	56,793,822	–	56,793,822
Less issue costs	–	(142,730)	–	–	–	–	(142,730)	–	(142,730)
Balance at 28 February 2013	**2,839,691**	**53,811,401**	**(2,253,939)**	**(138,628)**	**–**	**(234,021)**	**54,024,504**	**768,869**	**54,793,373**
Loss for the year	–	–	(375,050)	–	–	–	(375,050)	(41,693)	(416,743)
Other comprehensive income:									
Currency translation differences	–	–	–	–	–	(910,139)	(910,139)	–	(910,139)
Total comprehensive loss for the year	–	–	(375,050)	–	–	(910,139)	(1,285,189)	(41,693)	(1,326,882)
Transactions with Owners:									
Acquisition of subsidiary undertakings	–	–	–	–	–	–	–	4,040,464	4,040,464
Issue of shares	1,180,350	4,406,713	–	–	–	–	5,587,063	–	5,587,063
Issue of warrants	–	–	–	–	370,715	–	370,715	–	370,715
Less issue costs	–	(284,322)	–	–	–	–	(284,322)	–	(284,322)
Total Equity at 28 February 2014	**4,020,041**	**57,933,792**	**(2,628,989)**	**(138,628)**	**370,715**	**(1,144,160)**	**58,412,771**	**4,767,640**	**63,180,411**

Consolidated Statement of Cash Flows
For the year ended 28 February 2014

	Note	28 February 2014 £	Period ended 28 February 2013 £
Loss after taxation		(416,743)	(2,253,939)
Adjustments for:			
Bargain purchase		(900,540)	–
Expenses settled with shares and warrants		164,146	273,000
Interest income	8	(59,009)	(104,700)
Operating cash flows before movements in working capital		(1,212,146)	(2,085,639)
Increase/Decrease in receivables		(29,923)	33,487
Increase in payables		54,369	199,142
Net cash used in operating activities		**(1,187,700)**	**(1,853,010)**
Cash flows from investing activities			
Interest received	8	59,009	104,700
Purchase of exploration and evaluation assets	11	(1,082,351)	(2,100,284)
Purchase of tangible fixed assets	13	(42,128)	(62,975)
Cash acquired on acquisition of subsidiary	19	8,721,284	266,267
Cost of acquisition		(395,912)	–
Purchase of available for sale investments	12	–	(386,053)
Net cash used in from investing activities		**7,259,902**	**(2,178,345)**
Cash flows from financing activities			
Proceeds from issue of shares and warrants	17	1,874,391	5,460,000
Costs of issue of shares		(77,753)	(142,730)
Net cash generated from financing activities		**1,796,638**	**5,317,270**
Net increase in cash and cash equivalents		7,868,840	**1,285,915**
Cash and cash equivalents at the beginning of the period		1,305,089	–
Effect of foreign exchange rates		3,229	19,174
Cash and cash equivalents at end of the period	15	**9,177,158**	**1,305,089**

The notes on pages 26 to 43 form part of these financial statements.

Notes to the Consolidated Financial Statements
For the year ended 28 February 2014

1. Corporate information and principal activities

Bushveld Minerals Limited ('Bushveld') was incorporated and domiciled in Guernsey on 5 January 2012, and admitted to the AIM market in London on 26 March 2012.

The Bushveld Group comprises Bushveld Minerals Limited and its wholly owned subsidiaries headed by Bushveld Resources Limited ('BRL') and Greenhills Resources Limited ('GRL'), companies registered and domiciled in Guernsey together with their South African subsidiaries.

The wholly owned Guernsey subsidiaries BRL and GRL were acquired by Bushveld under the terms of a Share Exchange Agreement entered into on 15 March 2012.

BRL is an investment holding company formed to invest in resource-based iron ore exploration companies in South Africa. The South African subsidiaries are Pamish Investments No. 39 (Proprietary) Limited ('Parish 39') in which BRL holds a 64% equity interest, Amaraka Investments No. 85 (Proprietary) Limited ('Amaraka 85') in which BRL holds 68.5% and Frontier Platinum Resources (Proprietary) Limited in which BRL holds 100% equity interest. The minority shareholder in Pamish 39 is Izingwe Capital (Proprietary) Limited and the minority shareholders of Amaraka 85 is Afro Multi Minerals (Proprietary) Limited.

GRL is an investment holding company formed to invest in resource-based tin exploration companies in South Africa. The South African subsidiaries are Mokopane Tin Company (Proprietary) Limited in which GRL holds 100% equity interest and Renetype (Proprietary) Limited ('Renetype') in which GRL holds a 74% equity interest. The minority shareholders in Renetype are African Women Enterprises Investments (Proprietary) Limited and Cannosia Trading 62 CC who own 10% and 16% respectively.

On 13 May 2013, the company announced the launch of an off-market take-over bid for Lemur Resources Limited ('Lemur') which closed on 1 November 2013. Following the closure, Bushveld had a relevant interest in 54.39% of Lemur's issued share capital of 192,500,001 ordinary fully paid shares. Effective control of the Board of Directors of Lemur Resources was deemed to be 1 January 2014.

Lemur is a coal project development company listed on the ASX. Through it's wholly owned subsidiaries as detailed below, the Group is the holder of 11 concession blocks in South West Madagascar covering the Imaloto Coal Basin, known as the Imaloto Coal Project and Extension. In addition, the Group is in the final stages of acquiring two further blocks contiguous to the existing holdings subject to ministerial approval of the transfer. This project is known as the Imaloto Project Extension. Lemur holds two further projects known as the Ianapera Coal Project and Sakaraha Coal Project.

As at 28 February 2014, the Bushveld Group was comprised as follows:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
Bushveld Minerals Limited	N/A	Guernsey	Ultimate Holding Company
BRL[1]	100%	Guernsey	Holding Company
Pamish 39[2]	64%	South Africa	Iron Ore Exploration
Amaraka[2]	68.50%	South Africa	Iron Ore Exploration
Frontier Platinum[2]	100%	South Africa	Group Support Services
GRL[1]	100%	Guernsey	Holding Company
Mokopane[3]	100%	South Africa	Holding Company
Renetype[4]	74%	South Africa	Tin Exploration
Lemur Resources Limited[1]	52.22%	Australia	Holding Company
Coal of Madagascar Limited[5]	52.22%	Guernsey	Holding Company
Coal Mining Madagascar SARL[5]	51.70%	Madagascar	Coal Exploration
Pan African Drilling Limited[5]	52.22%	British Virgin Islands	Coal Exploration
Imaloto Power Project Limited[5]	52.22%	Mauritius	Power Generation Company
Lemur Investments Limited[5]	52.22%	Mauritius	Holding Company
Lemur Exploration SARL[5]	51.70%	Madagascar	Coal Exploration

1 Held directly Bushveld Minerals Limited.
2 Held by BRL.
3 Held by GRL.
4 Held by Mokopane.
5 Held by Lemur Resources Limited.

These financial statements are presented in pounds sterling because that is the currency the Group has raised funding on the AIM market and in the United Kingdom.

2. Adoption of new and revised standards

Accounting standards adopted during the year

IFRS 10	Consolidated Financial Statements. The standard re-defines control (which is the basis of determining which entities are consolidated). The standard also provides additional guidance on how to apply the control principle.
IFRS 11	Joint Arrangements. This new standard replaces IAS 31 'Interests in Joint Ventures' and SIC 13 'Jointly Controlled Entities – Non-monetary contributions by Venturers' and establishes consistent principles for financial reporting for all types of jointly controlled arrangements.
IFRS 12	Disclosure of Interests in Other Entities. This new standard applies to entities that have interests in subsidiaries, joint arrangements, associates and other unconsolidated structured entities and aims to make those disclosures consistent.
IFRS 13	Fair Value Measurement.
IAS 27	Separate Financial Statements. The revised standard contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity presents separate financial statements.
IAS 28	Interests in Associates and Joint Ventures. The amendments to this standard provide that the equity method of accounting should be used to account for investments in associates and joint ventures in consolidated financial statements and thus, eliminates the choice to proportionately consolidate joint ventures that was previously available under IAS 31 (revised 2008). In addition, the equity method must also be used in the individual financial statements of an investor that does not have any subsidiaries.

Following the adoption of these standards there has adopted the following standards there has been no change to the group accounting policies and has had no material impact on the financial statements of the Group.

Accounting standards and interpretations not applied

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group that have not been applied in these financial statements were in issue but not yet effective or endorsed (unless otherwise stated):

		Effective date
IAS 16 and IAS 38	Property, Plant and Equipment and Intangible Assets. Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation).	1 July 2014
IAS 24	Related Party Disclosures. Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities).	1 July 2014
IAS 32	Offsetting Financial Assets and Financial Liabilities. The amendments provide additional guidance in respect of offsetting financial instruments and therefore changes have also been made to IFRS 7 as noted below.	1 January 2014
IFRS 3	Business Combinations. Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures.	1 July 2014
IFRS 8	Operating Segments. Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets).	1 July 2014
IFRS 12	Disclosure of interests in other entities. Amendments for investment entities.	1 January 2014
IFRS 9	Financial Instruments. IAS 39 will be replaced by this standard over 3 phases. IFRS 9 specifies how an entity should classify and measure financial assets, including some hybrid contracts plus requirements on accounting for financial liabilities.	1 January 2015**
IFRS 14	Regulatory Deferral Accounts Issued.	1 January 2016**
IFRS 15	Revenues from contracts with customers.	1 January 2017**

** Not yet endorsed by the EU.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

3. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively 'IFRS') issued by the International Accounting Standards Board ('IASB') as adopted by the European Union ('adopted IFRSs'), and are in accordance with IFRS as issued by the IASB.

The consolidated financial statements have been prepared under the historical cost basis, except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies are set out below.

Going concern

In preparing the financial statements, the directors have considered the current financial position of the Group and the likely future cash flows for the period to 31 August 2015. As with all exploration groups at this stage of the resource development cycle and with no cash-flow from production, funding is derived through equity financing.

The cash flow forecasts to 31 August 2015 incorporate the expected a cash injection of circa £2.8m As described in Note 21 from the Darwin transaction which is due to receive over the period to March 2015, The quantum of these funding payments is determined by the future share price of the Company, which can be difficult to predict.

The purpose of the cash injections is to focus on the Group's strategy is to create commodity focused platforms that can attract project specific funding post a Scoping Study. With the Scoping Study for the Iron Ore Project complete, as announced to the market the Group is now in discussions with several potential strategic partners for funding the project to completion of feasibility studies.

The Tin and Vanadium Projects are currently in a resource definition and metallurgical studies stage with a scoping study expected to be completed within Q2 2014, after which a strategic partner will be sought for the further development of the project.

While Lemur Resources Limited has a cash balance of £8.6 million the directors remain mindful of the regulatory requirements of ASX and ASIC and its fiduciary responsibility to all Lemur shareholders, that would govern any deployment of these funds.

The directors are therefore confident the cash injection of circa £2.8 will be successful and that this will ensure that the Group will have adequate cash resources to pay debts as they fall due and to continue its operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the Group's financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 28 February. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of the subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition. Where necessary, the adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of the net assets upon liquidation are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Foreign currencies

Functional and presentational currency

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which they operate (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pound sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

3. Significant accounting policies (continued)

Foreign currencies (continued)

Transactions and balances

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currency are translated into the reporting currency at the rate prevailing on that date. Non-monetary assets and liabilities are carried at cost and are translated into the reporting currency at the rate prevailing on the reporting date.

Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income when the changes in fair value are recognised directly in other comprehensive income.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into the Group's presentational currency at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates have fluctuated significantly during the period, in which case the exchange rate at the date of the transaction is used. Exchange differences arising, if any, are taken to other comprehensive income and the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Finance income

Interest revenue is recognised when it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax charge is based on taxable profit for the year. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

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 bases used in the computation of taxable profit, and is accounted for using the 'balance sheet liability' method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Intangible exploration and evaluation assets

All costs associated with mineral exploration and evaluation including the costs of acquiring prospecting licences, mineral production licences and annual licences fees, rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource, are capitalised as intangible exploration and evaluation assets and subsequently measured at cost.

If an exploration project is successful, the related expenditures will be transferred at cost to property, plant and equipment and amortised over the estimated life of the commercial ore reserves on a unit of production basis (with this charge being taken through profit or loss). Where a project does not lead to the discovery of commercially viable quantities of mineral resources and is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are recognised in profit or loss.

The recoverability of deferred exploration costs is dependent upon the discovery of economically viable ore reserves, the ability of the Group to obtain necessary financing to complete the development of ore reserves and future profitable production or proceeds from the extraction or disposal thereof.

3. Significant accounting policies (continued)

Impairment of exploration and evaluation assets

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the asset is reviewed for impairment. Assets are also reviewed for impairment at each balance sheet date in accordance with IFRS 6. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying value. Impairment losses are recognised in profit or loss.

An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:

+ unexpected geological occurrences that render the resources uneconomic; or
+ title to the asset is compromised; or
+ variations in mineral prices that render the project uneconomic; or
+ variations in the foreign currency rates; or
+ the Group determines that it no longer wishes to continue to evaluate or develop the field.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation.

Depreciation is provided on all plant and equipment at rates calculated to write each asset down to its estimated residual value, using the straight-line method over their estimated useful life of the asset as follows:

+ Geological Equipment over 1-3 years;
+ Motor Vehicles over 3 years; and
+ Office Equipment and Computers over 2 years.

The estimated useful lives, residual values and depreciation methods are reviewed at each period end and adjusted if necessary.

Gains or losses on disposal are included in profit or loss.

Impairment of property, plant and equipment

At each Statement of Financial Position date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where there has been a change in economic conditions that indicate a possible impairment in a cash-generating unit, the recoverability of the net book value relating to that field is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future oil prices and future costs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any depreciation that would have been charged since the impairment.

Warrants

The warrants issued by the company are recorded at fair value on initial recognition net of transaction costs.

Financial assets and liabilities

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. Financial instruments are classified into specified categories dependent upon the nature and purpose of the instruments and are determined at the time of initial recognition. All financial assets are recognised as loans and receivables or available for sale investments and all financial liabilities are recognised as other financial liabilities.

3. Significant accounting policies (continued)

Financial assets and liabilities (continued)

Trade and other receivables

Trade and other receivables are stated initially recognised at the fair value of the consideration receivable less any impairment. Impairment provisions are recognised when there is objective evidence that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Trade and other receivables are subsequently measured at amortised cost, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and deposits on a term of not greater than three months.

Trade and other payables

Trade and other payables are initially recognised at fair value. They are subsequently measured at amortised cost using the effective interest rate method.

Available for sale financial assets

Listed shares held by the Group that are traded in an active market are classified as being available for sale and are stated at fair value. The fair value of such investments is determined by reference to quoted market prices.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available for sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Financial liabilities and equity

Financial liabilities (including loans and advances due to related parties) and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. When the terms of a financial liability are negotiated with the creditor and settlement occurs through the issue of the Company's equity instruments, the equity instruments are measured at fair value and treated as consideration for the extinguishment of the liability. Any difference between the carrying amount of the liability and the fair value of the equity instruments issued is recognised in profit or loss.

4. Use of estimates and judgements

In the application of the Group's accounting policies, which are described in Note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and in future periods if the revision affects both current and future periods.

Management's critical estimates and judgements in determining the value of assets, liabilities and equity within the financial statements relate to the valuation of intangible exploration assets of £54.0 million and the going concern assumptions.

The valuation of intangible exploration assets is dependent upon the discovery of economically recoverable deposits which, in turn, is dependent on future iron ore and tin prices, future capital expenditures and environmental and regulatory restrictions.

5. Segmental reporting

The reporting segments are identified by the directors of the Group (who are considered to be the chief operating decision makers) by the way that Group's operations are organised. As at 28 February 2014 the Group operated within three operating segments, mineral exploration activities for Iron Ore, for Tin and Coal. Exploration activities take place in South Africa and Madagascar.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment.

	Iron Ore exploration £	Tin exploration £	Coal exploration £	Total £
As at 28 February 2014				
Revenue				
External sales	–	–		–
Results				
Operating profit/(loss)	(13,634)	4,641	(87,260)	(96,253)
Bargain purchase on acquisition	–	–	900,540	900,540
Segmental profit/(loss)	**(13,634)**	**(4,641)**	**813,280**	**804,287**

	Iron Ore exploration £	Tin exploration £	Total £
As at 28 February 2013			
Revenue			
External sales	–	–	–
Results			
Operating profit/(loss)	15,813	(182,497)	(166,684)

The reconciliation of segmental gross loss to the Group's loss before tax is as follows:

	Year ended 28 February 2014 £	Period ended 28 February 2013 £
Segmental loss	(804,287)	(166,684)
Unallocated administration expenses	(1,280,039)	(2,191,955)
Finance income	59,009	104,700
Loss before tax	**(416,743)**	**(2,253,939)**

Other segmental information

Segmental assets and liabilities disclosed in the reports to the Board of Directors for the purpose of resource allocation and assessment of segmental performance consist of the amounts capitalised as intangible exploration expenditure. All other assets and liabilities are classified as unallocated.

	Iron Ore exploration £	Tin exploration £	Coal exploration £	Consolidated Group £
Year ended 28 February 2014				
NBV of capitalised exploration expenditure	36,450,544	17,530,836	–	53,981,390
Total reportable segmental net (liabilities)/assets	(14,891)	172,809	8,606,052	8,763,970
Unallocated net assets				435,050
Total consolidated net assets				**63,180,411**

The Group's exploration operations are based in South Africa and Madagascar.

5. Segmental reporting (continued)

	Iron Ore exploration £	Tin exploration £	Consolidated Group £
Period ended 28 February 2013			
NBV of capitalised exploration expenditure	16,950,113	36,363,815	53,313,928
Total reportable segmental net assets	(6,599)	94,757	88,158
Unallocated net assets			1,391,287
Total consolidated net assets			**54,793,373**

The Group's exploration operations were based in South Africa during 2013.

6. Loss for the period

The loss for the period has been arrived at after charging:

	28 February 2014 £	Period ended 28 February 2013 £
Foreign exchange loss	12,725	171,795
Staff costs (see Note 7)	292,632	250,377

No depreciation charge has been recognised in the consolidated income statement. The whole charge has been capitalised as part of intangible exploration expenditure.

7. Administrative expenses by nature

	28 February 2014 £	Period ended 28 February 2013 £
AIM listing expenses	–	1,443,097
Professional fees	432,960	322,815
Employee benefits expense	292,632	250,377
Travelling expenses	37,701	20,586
Foreign exchange loss	12,725	171,795
Other costs	600,274	149,969
	1,376,292	**2,358,639**

Key management personnel have been identified as the Board of Directors. Details of key management remuneration are shown in Note 22.

8. Investment revenue

Interest revenue:

	28 February 2014 £	Period ended 28 February 2013 £
Bank interest	59,009	104,700

9. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax charge is based on taxable profit for the year. The Bushveld Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the reporting date.

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 bases used in the computation of taxable profit, and is accounted for using the 'balance sheet liability' method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The provision for income taxes is different to the expected provision for income taxes for the following reasons:

Factors affecting tax for the period:	28 February 2014 £	Period ended 28 February 2013 £
The tax assessed for the period at the Guernsey corporation tax charge rate of 0%, as explained below:		
Loss before taxation	(416,743)	(2,253,939)
Loss before taxation multiplied by the Guernsey corporation tax charge rate of 0%		
Effects of:		
Non-deductible expenses	–	–
Deferred tax assets not recognised	–	–
Tax for the year	**–**	**–**

10. Loss per share

From continuing operations

The calculation of a basic loss per share of 0.11 (2013: 0.96) pence, is calculated using the total loss for the period attributable to the owners of the company of £375,050 (2013: £2,253,939) and the weighted average number of shares in issue during the period of 330,448,596 (2013: 235,900,175). There are no potentially dilutive shares in issue.

11. Intangible assets

	Exploration activities – Iron Ore £	Exploration activities – Tin £	Exploration activities – Coal £	Total £
As at 5 January 2012	–	–	–	–
Acquired on acquisition of a subsidiary	34,932,526	16,415,872	–	51,348,398
Additions	1,593,370	625,090	–	2,218,460
Foreign exchange translation	(162,081)	(90,849)	–	(252,930)
As at 28 February 2013	36,363,815	16,950,113	–	53,313,928
Additions	675,204	887,999	–	1,563,203
Foreign exchange translation	(588,465)	(307,276)	–	(895,741)
As at 28 February 2014	**36,450,554**	**17,530,836**	**2,141,022**	**53,981,390**

The Company's subsidiary, Bushveld Resources Limited has a 64% interest in Pamish Investment No 39 (Proprietary) Limited ('Pamish') which holds an interest in Prospecting right 95 ('Pamish 39'). Bushveld Resources Limited also has a 68.5% interest in Amaraka Investment No 85 (Proprietary) Limited ('Amaraka') which holds an interest in Prospecting right 438 ('Amaraka 85').

11. Intangible assets (continued)

Under the agreements to acquire the licenses within Bushveld Resources, the group is required to fully fund the exploration activities up to the issue of the corresponding mining licenses. As the non-controlling interest party retains their equity interest, the funding of their interest is accounted as deemed purchased consideration and is included in the additions in the period to exploration activities. A corresponding increase is credited to non-controlling interest.

The Company's other directly owned subsidiary, Greenhills Resources Limited, has a 74% interest in Renetype (Proprietary) Limited ('Renetype') which holds an interest in Prospecting right 2205 ('Renetype 2205').

Through Lemur Resources Limited's wholly owned subsidiary Coal Mining Madagascar Limited, Lemur is the holder of 11 concession blocks in South West Madagascar covering the Imaloto Coal Basin, known as the Imaloto Coal Project and Extension. In addition, the company is in the final stages of acquiring two further blocks contiguous to the existing holdings subject to ministerial approval of the transfer. This project is known as the Imaloto Project Extension. Lemur holds two further projects known as the Ianapera Coal Project and Sakaraha Coal Project.

12. Investments

	Available for sale investments £
Cost and fair value at 5 January 2012	–
Additions	386,053
Fair value loss	(138,628)
Foreign exchange movement	1,429
Cost and fair value at 28 February 2013	248,854
Disposal of investment with acquisition of subsidiary	(248,854)
Cost and fair value at 28 February 2014	**–**

On 8 November 2012, the Group acquired 5,150,000 shares in Lemur Resources Limited for a consideration of £386,053. This holding represents a strategic non-controlling interest of 2.67%. This investment is not held for trading and accordingly is classified as an available for sale investment.

The fair value of this holding as at 28 February 2013 is based on the quoted market price as at that date resulting in a fair value loss to be recognised in the statement of comprehensive income of £138,628.

The Group acquired a controlling interest in Lemur Resources Limited during the year. For details, see Note 19.

Notes to the Consolidated Financial Statements
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13. Property, plant and equipment

	Motor vehicles £	Geological equipment £	Fixtures and fittings £	Total £
Cost				
As at 5 January 2012	–	–	–	–
Additions	40,961	7,676	2,700	51,337
Acquisition of subsidiary	26,078	27,069	9,828	62,975
Exchange differences	(1,491)	(773)	(279)	(2,543)
At 28 February 2013	65,548	33,972	12,249	111,769
Additions	–	36,777	5,351	42,128
Acquisition of subsidiary	–	159,421	5,134	164,555
Disposals	–	–	(689)	(689)
Exchange differences	(15,490)	(11,884)	(5,432)	(32,806)
At 28 February 2014	**50,058**	**218,286**	**16,613**	**284,957**
Depreciation				
As at 5 January 2012	–	–	–	–
Charge for the year	22,374	8,079	7,678	38,131
Exchange differences	(498)	(180)	(171)	(849)
At 28 February 2013	21,876	7,899	7,507	37,282
Charge for the year	18,639	16,250	2,774	37,663
Exchange differences	(7,123)	(3,570)	(4,486)	(15,179)
At 28 February 2014	**33,392**	**20,579**	**5,795**	**59,766**
Net book value				
At 28 February 2014	**16,666**	**197,707**	**10,818**	**225,191**
At 28 February 2013	43,672	26,073	4,742	74,487
At 5 January 2012	–	–	–	–

Depreciation of £37,663 (2013: £38,131) has been capitalised as exploration activities in the period.

14. Trade and other receivables

	28 February 2014 £	28 February 2013 £
Advances & deposits	112,753	–
Other receivables	28,106	50,157
	140,859	**50,157**

The directors consider that the carrying amount of trade and other receivables approximates to their fair value due to their short term nature. As at the period end, no receivables are past their due date, hence no allowance for doubtful receivables is provided.

The amount of trade and other receivables denominated in South African Rand amounts to £120,140 (2013: £27,976) and denominated in Australian Dollars amounts to £20,718 (2013: nil).

15. Cash and cash equivalents

	28 February 2014 £	28 February 2013 £
Cash at hand and in bank	9,177,158	1,305,089

Cash and cash equivalents (which are presented as a single class of assets on the face of the Statement of Financial Position) comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less. The director's consider that the carrying amount of cash and cash equivalents approximates their fair value. The amount of cash and cash equivalents denominated in South African Rand amount to £73,946 (2013: £723,078) and £8,491,654 (2013: nil) is denominated in Australian Dollars.

16. Trade and other payables

	28 February 2014 £	28 February 2013 £
Trade payables	119,408	107,383
Other payables	22,344	23,846
Accruals	202,435	67,913
	344,187	**199,142**

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is 30 days.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-arranged credit terms. No interest has been charged by any suppliers as a result of late payment of invoices during the period.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

The amount of trade and other payables denominated in South African Rand amount to £96,804 (2013: £79,333) and £70,875 (2013: nil) is denominated in Australian Dollars.

17. Share capital and share premium

	Date of issue	Number of shares issued and fully paid	Issue price per share £	Share capital £	Share premium £
Balance at 5 January 2012		–	–	–	–
Shares issued in respect BRL and GRL	15 March 2012	255,304,110	0.2000	2,553,041	48,507,781
Admission to AIM	26 March 2012	28,665,000	0.2000	286,650	5,446,350
Expenses of issue of equity shares		–	–	–	(142,730)
Balance at 28 February 2013		283,969,110		2,839,691	53,811,401
Shares issued in respect of Lemur all scrip offer:					
First tranche	20 August 2013	16,456,888	0.0433	164,569	547,645
Second tranche	09 September 2013	31,742,400	0.0548	317,424	1,422,638
Third tranche	27 September 2013	9,574,924	0.0526	95,749	408,194
Fourth tranche	16 October 2013	1,127,631	0.0465	11,276	41,146
Fifth tranche	24 October 2013	568,980	0.0476	5,690	21,388
Sixth tranche	04 November 2013	257,435	0.0358	2,574	6,631
Total Shares issued in respect of Lemur scrip offer		59,728,258		597,283	2,447,642
Shares issued for services rendered	27 September 2013	9,054,211	0.0737	90,542	577,205
Shares issued in respect of Capital Raise	05 November 2013	36,764,702	0.0340	367,647	882,353
Warrants exercised		12,487,823	0.0500	124,878	499,513
Less Share issue expenses		–	–	–	(284,322)
Balance at 28 February 2014		**402,004,104**		**4,020,041**	**57,933,792**

The Board may, subject to Guernsey Law, issue shares or grant rights to subscribe for or convert securities into shares. It may issue different classes of shares ranking equally with existing shares. It may convert all or any classes of shares into redeemable shares. The Company may also hold treasury shares in accordance with the law. Dividends may be paid in proportion to the amount paid up on each class of shares. Of the shares issued in respect of services rendered £442,500 was in respect of consulting services for the tin exploration activities and £225,247 in respect of consulting fees in respect of the Lemur acquisition.

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18. Warrants

The following warrants were granted during the year ended 28 February 2014:

Warrants granted				
Date of grant	22/07/13	01/10/13	05/11/13	05/11/13
Number granted	850,000	3,507,975	1,838,235	36,764,702
Contractual life	2 years	5 years	2 years	2 years
Estimated fair value per warrant	£0.120	£0.044	£0.034	£0.050

The estimated fair values were calculated by applying the Black Scholes pricing model. The model inputs were:

Warrant scheme				
Date of grant	22/07/13	01/10/13	05/11/13	05/11/13
Share price at grant date	£0.070	£0.050	£0.034	£0.034
Exercise price	£0.120	£0.050	£0.034	£0.050
Expected life	2 years	2 years	2 years	2 years
Expected volatility	60.0%	60.0%	58.4%	58.4%
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate	0.34%	0.51%	0.54%	0.54%

The assumed volatility rate was based on an average of comparable listed companies over a period commensurate to the terms of the warrants.

The warrants in issue during the year are as follows:

	Number of warrants	Weighted average exercise price £
Outstanding at 1 March 2013	–	–
Granted during the year	42,960,912	0.05
Exercised during the year	(12,487,823)	0.05
Outstanding at 28 February 2014	30,473,089	0.05
Exercisable at 28 February 2014	30,473,089	0.05

The warrants outstanding at the year end have an exercise price of £0.05, with a weighted average remaining contractual life of 4.5 years.

The group has recognised an incurred charge of £370,715 in the year (2013: nil) of which £206,569 has been charged against share premium as issue costs and £164,146 is charged with administration costs in respect of advisory fees.

19. Acquisition of subsidiaries

On 13 May 2013, the company announced the launch of an off-market take-over bid for Lemur Resources Limited ('Lemur'), a coal project development company listed on the ASX. This bid follows the acquisition of Bushveld Minerals Limited ('Bushveld') of 5.15 million shares in Lemur (for the sum of £386,053), which was announced on 8 November 2012.

The all-scrip offer of three Bushveld shares for every five Lemur shares value Lemur at A$19.1 million or A$0.099 per share, which was a 65.5% premium to Lemur's closing price on Friday May 10, 2013. Lemur has a 136 million tonne thermal coal project in Madagascar, known as the Imaloto Coal Project, as well as A$17.5m in cash.

The take-over offer by Bushveld for all the ordinary shares in Lemur closed on 1 November 2013. Following the closure, Bushveld had a relevant interest in 54.39% of Lemur's issued share capital of 192,500,001 ordinary fully paid shares.

At the Lemur General Meeting held on 2 February 2014, shareholders approved the issue of 8,000,000 shares to two Directors thereby increasing the issued capital to 200,500,001 ordinary fully paid shares.

At 28 February 2014, Bushveld's relevant interest in the issued share capital of Lemur is 52.22%.

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19. Acquisition of subsidiaries (continued)

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

	Fair value acquired £
Intangible assets acquired – Prospecting licences	–
Cash	8,721,284
Receivables	60,779
Property, plant and equipment	164,555
Payables	(90,676)
Net assets	**8,855,942**
Non-controlling interest	(4,040,464)
Total net assets	**4,815,478**
Satisfied by:	
Shares issued in respect of all scrip offer	3,044,925
Transfer from available for sale investment	248,854
Associated acquisition costs	621,159
Fair value uplift on acquisition	900,540
	4,815,478

Effective control of the Board of Directors of Lemur was deemed to be 1 January 2014 following various appointments and resignations of the Lemur directors and expiry of some of the Lemur share options in issue. Lemur contributed £87,260 to the Group loss before allocating minority interests of £41,693 between the deemed date of acquisition and the Statement of Financial Position date.

If the acquisition had been completed on the first day of the financial period, Group revenues for the period would have been £nil and the Group loss for the period would have increased by £334,098.

The non-controlling interest relates to the interest held by the minority shareholders of Lemur.

On 15 March 2012 the Company acquired a 100 per cent shareholding in Bushveld Resources Limited ('BRL') and Greenhills Resources Limited ('GRL') obtaining control of these companies. Both BRL and GRL are mineral development groups which hold various prospecting licences in South Africa. The acquisitions have been accounted for as asset acquisitions as they do not meet the definition of a business combination set out in IFRS3.

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

	28 February 2013 £
Intangible assets acquired – Prospecting licences	51,348,398
Cash	266,267
Other receivables	83,644
Property, plant and equipment	51,337
Non-controlling interest	(688,824)
Net assets acquired	**51,060,822**
Satisfied by:	
Equity instruments (issue of 255,304,110 ordinary shares of 1 pence each)	**51,060,822**

The fair value of the ordinary shares issued as the consideration for the acquisitions of 20 pence per share was determined on the basis of the value of the shares of the Company issued on admission to the AIM Market on 26 March 2013.

Acquisition related costs included in administrative expenses amount to £1,443,097.

Notes to the Consolidated Financial Statements

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19. Acquisition of subsidiaries (continued)

Neither of the acquired Companies contributed any revenue to the Group for the period between the date of acquisition and the Statement of financial position date. Bushveld Resources Limited contributed £15,813 of profit and Greenhills Resources Limited contributed £182,497 of loss to the Group's loss for the period between the date of acquisition and the Statement of Financial Position date.

If the acquisition of both Companies had been completed on the first day of the financial period, Group revenues for the period would have been £nil and the Group loss for the period would have remained at £2,392,567.

The non-controlling interest relates to the interest held by the minority shareholders of the South African subsidiaries as set out in Note 1.

20. Financial instruments

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders. In order to maintain or adjust the capital structure, the Group may issue new shares or arrange debt financing. Currently the Group has £nil net debt.

The capital structure of the Group consists of cash and cash equivalents and equity, comprising issued capital and retained losses.

The Group is not subject to any externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

+ Trade and other receivables;
+ Cash at bank;
+ Trade and other payables; and
+ Available for sale investments.

Categories of financial instruments

At 28 February 2014, the Group held the following financial assets:

	28 February 2014 £	28 February 2013 £
Loans and receivables		
Trade and other receivables	140,858	50,157
Cash and cash equivalents	9,177,158	1,305,089
	9,318,016	1,355,246
Available for sale		
Investments	–	248,854
Total financial assets	**9,318,016**	**1,604,100**

20. Financial instruments (continued)

At 28 February 2014, the Group held the following financial liabilities:

	28 February 2014 £	28 February 2013 £
Other financial liabilities		
Trade and other payables	344,187	199,142
Total financial liabilities	**344,187**	**199,142**

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set polices that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

The Group's principal financial assets are bank balances, trade and other receivables and available for sale investments. Credit risk arises principally from the Group's cash balances with further risk arising due to its other receivables and available for sale investments. Credit risk is the risk that the counterparty fails to repay its obligation to the Group in respect of the amounts owed. The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Group has no sales hence credit risk relating to other receivables is minimal. There are no formal procedures in place for monitoring and collecting amounts owed to the Group. A risk management framework will be developed over time, as appropriate to the size and complexity of the business.

The concentration of the Group's credit risk is considered by counterparty, geography and by currency. The Group has a significant concentration of cash held on deposit with large banks in South Africa, Australia and the United Kingdom with A ratings and above (Standard and Poors). At 28 February 2014 the concentration of credit risk was as follows:

Currency	28 February 2014 £	28 February 2013 £
Sterling	327,561	1,216,250
South African Rand	73,946	88,839
Australian Dollar	8,775,651	–
	9,177,651	**1,305,089**

There are no other significant concentrations of credit risk at the balance sheet date.

At 28 February 2014, the Group held no collateral as security against any financial asset. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. At 28 February 2014, no financial assets were past their due date. As a result, there has been no impairment of financial assets during the year. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Management considers the above measures to be sufficient to control the credit risk exposure.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The board manages liquidity risk by regularly reviewing the Group's gearing levels, cash flow projections and associated headroom and ensuring that excess banking facilities are available for future use. The Group maintains good relationships with its banks, which have high credit ratings and its cash requirements are anticipated via the budgetary process. At 28 February 2014, the Group had £9,177,158 (2013: £1,305,089) of cash reserves.

20. Financial instruments (continued)

Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates.

Interest rate risk

With the exception of cash and cash equivalents, the Group has no interest bearing assets or liabilities. The Group was therefore exposed to minimal interest rate risk during the period. For this reason, no sensitivity analysis has been performed regarding interest rate risk.

Foreign exchange risk

As highlighted earlier in these financial statements, the functional currency of the Group is £Sterling. The Group also has foreign currency denominated assets and liabilities. Exposures to exchange rate fluctuations therefore arise. The carrying amount of the Group's foreign currency denominated monetary assets and liabilities, all in £Sterling, are shown below in the Group's functional currency:

	28 February 2014 £	28 February 2013 £
Cash and cash equivalents	9,177,158	722,540
Other receivables	140,858	27,967
Trade and other payables	(344,187)	(103,135)
	8,973,829	**647,372**

The Group suffers from a level of foreign currency risk. Due to the minimal level of foreign transactions; the directors currently believe that foreign currency risk is at an acceptable level.

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The following table details the Group's sensitivity to a 10% increase and decrease in £Sterling against the Rand. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The table below shows the effect of a 10% weakening and strengthening of £Sterling against the Rand:

2014	Rand currency impact strengthening £	Rand currency impact weakening £
Assets	228,819	187,215
Liabilities	(117,593)	(96,213)
	111,226	**91,002**

2014	Australian currency impact strengthening £	Australian currency impact weakening £
Assets	9,458,191	7,738,520
Liabilities	(78,750)	(64,432)
	9,379,441	**7,674,088**

Maturity of financial liabilities

All of the Group's financial liabilities and its financial assets in the period to 28 February 2014 are either payable or receivable within one year.

21. Events after the balance sheet date

In order to provide the Company with finance, the Company issued 50,000,000 ordinary shares of 1 pence each, the Subscription Shares to Darwin Strategic Limited (Darwin) at a price of 5.7 pence per Subscription Share, the Subscription Price, in total £2,850,000, the aggregate Subscription Price on the 24 April 2014.

Darwin will satisfy the consideration for the Subscription Shares by the issue to the Company of redeemable subscription notes having a principal amount equal to the aggregate Subscription Price of the Subscription Shares.

In terms of the Agreement with Darwin, for the twelve months following the completion of the Subscription, the Company will be entitled to serve notices on Darwin requiring it to sell a specified number of the Subscription Shares and upon such Subscription Shares being sold, Darwin is to transfer the proceeds of the sale to the Company and a portion of the notes will be treated as redeemed.

Darwin is to receive an initial commission of 3% of the aggregate Subscription Price and 5% of the gross proceeds of the Subscription Shares being sold.

Darwin will also be issued with warrants to subscribe for 3,000,000 Ordinary Shares in the Company at a price of 8 pence per Ordinary Share.

22. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

VM Investments is a related party due to two of the Executive Directors of Bushveld Minerals Limited being majority shareholders of VM Investments. At the period end, the Group owed VM Investments Ltd £7,387 (2013: £23,261). During the period, VM Investments charged the Group £115,475 (2013: £112,771) for office accommodation and other office services.

Oak Trust is also a related party. During the year, £27,040 (2013: £29,981) was paid to Oak Trust for secretarial fees. The Group did not owe Oak Trust any monies at 28 February 2014.

The remuneration of the directors, who are the key management personnel of the Group, is set out below. Further information about the remuneration of individual directors is provided in the Directors' Remuneration Report.

	28 February 2014 £	28 February 2013 £
Fees for services as directors	65,000	60,538
Short-term employee benefits	305,833	261,839
	370,833	**322,377**

Included within the above figure of short-term employee benefits is an amount of £97,500 (2013: £72,000) which has been capitalised as part of intangible exploration expenditure.

Notes

Company Information

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Chief Executive Officer and Non-Executive Director of Lemur Resources

Anthony Viljoen
Executive Director and Non-Executive Director of Lemur Resources

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