BUSHVELD MINERALS

ANNUAL REPORT 2015

ABOUT US

Bushveld Minerals Limited (Bushveld Minerals or Bushveld) is an AIM-listed mineral development company with a portfolio of vanadium-and titanium bearing iron ore and tin assets in Southern Africa. Our portfolio comprises the flagship Bushveld Vanadium Project, the P-Q Iron Ore and Titanium Project, and the Mokopane Tin Project, all located on the northern limb of the Bushveld Complex, South Africa. In addition, Bushveld Minerals has a controlling 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:

- The Vanadium Project resource upgraded to 285 million tonnes
- Positive metallurgical test results on main magnetite layer ore and concentrate
- Vanadium Project Scoping Study released on 21 July 2014 showing $264 million NPV and 24% IRR based on initial capex of $262 million
- Vanadium Project Prefeasibility Study launched on 20 November 2014
- Mining Right Application submitted on 16 March 2015
- £7.6 million cash at hand as at 28 February 2015
- £1.8 million spent on exploration during the period
- Continued discussions in relation to Lemur Resources' proposed independent power producer (IPP) licence and advancement of its technical aspects
- Original copy of the full judgement from the Tulear court received declaring null and void various historical sale agreements which resulted in Lemur Resources being granted permit 4578
- Imaloto Coal Project resource upgraded to 136 million tonnes

Post period end:

- Bushveld Minerals holds an interest in 96.4% of the ordinary shares of Lemur Resources pursuant to a takeover bid by the Company that has since been declared unconditional and closed

FACTS AND FIGURES

285Mt
JORC-compliant vanadium-rich magnetite deposit

939Mt
JORC-compliant titanium-rich magnetite deposit

~18,000t
JORC-compliant tin resource on two deposits

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For more information visit our website:
www.bushveldminerals.com

CORPORATE STRUCTURE

BUSHVELD MINERALS

BUSHVELD RESOURCES

DEVELOPING A WORLD-CLASS VANADIUM COMPANY WITH POTENTIAL UPSIDE FROM TITANIUM AND IRON ORE

GREENHILLS RESOURCES LTD
(A BUSHVELD MINERALS LIMITED COMPANY)

VANADIUM PROJECT

Project location: Bushveld Complex, Limpopo province, South Africa (10,073 hectares)

HIGHLIGHTS:

- World class vanadium project with compelling economics
- Large vanadium-rich magnetite deposit confirmed in three identified distinct horizons
- Solid market fundamentals, underpinned by demand from the steel sector, and potentially the energy storage sector

P-Q IRON ORE AND TITANIUM PROJECT

Project location: Bushveld Complex, Limpopo province, South Africa (12,012 hectares)

HIGHLIGHTS:

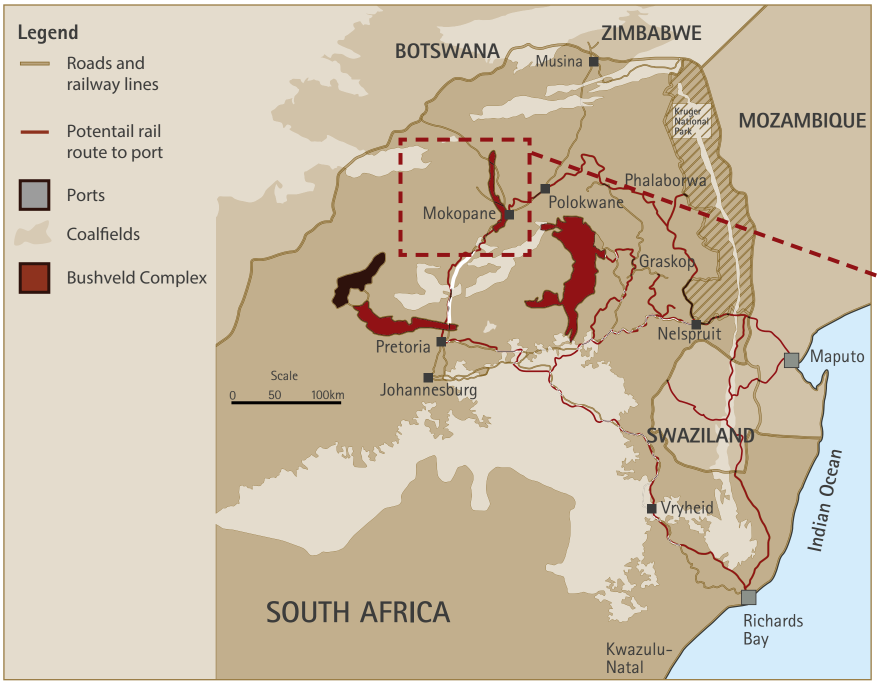
- Multi-commodity iron ore and titanium resource
- Large phosphate resource upgradeable to a premium P_2O_5 concentrate

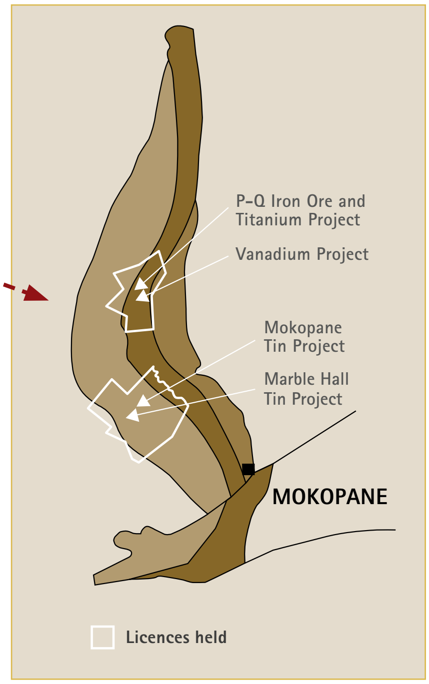
MOKOPANE TIN PROJECT

Project location: Bushveld Complex, Limpopo province, South Africa (3,422 hectares)

HIGHLIGHTS:

- Stand alone brownfields tin portfolio with near term production profile
- Open castable resource





A GROUP WITH COMMODITY-FOCUSED SUBSIDIARIES, STRUCTURED TO DELIVER MAXIMUM VALUE.

DEVELOPING A SIGNIFICANT STANDALONE PAN-AFRICAN TIN PORTFOLIO WITH NEAR-TERM PRODUCTION PROFILE

LEMUR RESOURCES LIMITED
ACN 147 241 361

UNLOCKING VALUE IN THE IMALOTO COAL PROJECT BY LEVERAGING ITS BALANCE SHEET, STRATEGIC PARTNERSHIPS AND AN IPP STRATEGY

MARBLE HALL TIN PROJECT

Project location: Bushveld Complex, Limpopo province, South Africa (6,723 hectares)

HIGHLIGHTS:

- Potential of more than 18,000 tonnes contained tin resource
- Historically explored by Goldfields in the 1980's

Since listing on AIM in 2012, the Company has substantially grown its resource base and completed three scoping studies on each of its three main platforms, namely the Vanadium Project, the P-Q Iron Ore and Titanium Project, and the Mokopane Tin Project.

IMALOTO COAL PROJECT

Project location: South West Madagascar (16,900 hectares)

HIGHLIGHTS:

- One of only three thermal coal plays in Madagascar
- 136Mt thermal coal resource, >90% in the measured and indicated resource category (JORC)
- Significant progress in IPP licence application
- A$12.0 million cash on balance sheet

PROJECT OVERVIEW

VANADIUM PROJECT

GEOLOGY

- Open-castable vanadium resource comprising three mineralised horizons combining >80m in thickness
- Resource increased significantly to 285Mt JORC-indicated and inferred resource
- MML Zone; ~10m thick, 52Mt (indicated resource) with grading ~45% Fe, ~1.48% V_2O_5 and ~9.7% TiO_2
- MML Hanging Wall Zone: ~60m thick with estimated 1.5%-1.7% V_2O_5 calculated grade in concentrate
- Footwall Zone ('AB Zone'): ~11m with a 2.01-2.65% 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 V_2O_5 flakes: Concentration; Salt Roasting; Leach Milling and purification; AMV Precipitation; De-ammoniation and Fusion; Flaking; V_2O_5 Flake Product
- Positive scoping study completed July 2014
- Prefeasibility study underway

P-Q IRON ORE AND TITANIUM PROJECT

GEOLOGY

- Large 939Mt titaniferous magnetite deposit (open-pittable along 6km of a proven 10km)
- High TiO_2 grade in concentrate gives scope for economic titanium extraction
- 442Mt 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 500µm 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: 6mm fraction concentrate product grade achieved
- Simple plant design for a concentrate product: crush, mill, magnetic separation

Greenhills Resources Ltd
(A Bushveld Minerals Limited Company)

MOKOPANE TIN PROJECT

GEOLOGY

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

PROCESSING

- Three combined processing options being investigated for the processing of the Zaaiplaats and Groenfontein tin deposits:
  - Gravity separation
  - Enhanced gravity
  - Flotation

MARBLE HALL TIN PROJECT

GEOLOGY

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

PROCESSING

- 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% tin from 3.6 million tonnes of ore

LEMUR
Resources Limited
ACN 147 241 361

IMALOTO COAL PROJECT

GEOLOGY

- Significant thermal coal JORC resource in Madagascar of 136Mt with 91.6Mt 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 5,504kcal/kg net as received (NAR)
- Phase 2: primary products yielding >62% with average CV of 5,689kcal/kg NAR and 16.5% Ash, and a secondary product yielding 33% with an average CV of 3,627kcal/kg NAR for a combined yield >95%

PROJECT ECONOMICS *

- 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$264 million and an IRR of 24%
- Prefeasibility study underway

* *Based on a scoping study completed in July 2014*

PRIORITIES

- Prefeasibility 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

PROJECT ECONOMICS

- Low capital expenditure phase 1 designed for early cash flow: US$126 million capital expenditure producing 2.2 Mtpa of product
- Positive economics: US$188 million post-tax net present value (NPV) at 10% discount rate and 34% internal rate of return (IRR) (based on a July 2013 scoping study)
- 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

PROJECT ECONOMICS

- Scoping Study completed in August 2014 yielding positive results

PRIORITIES

- Acquire and consolidate South African brownfield tin assets with a combined resource of more than 50,000 tonnes contained tin

PROJECT ECONOMICS

- To be defined through scoping study pursuant to finalisation of outstanding licensing matters

PRIORITIES

- Finalising the outstanding licensing to extend to exploration area, followed by a drilling programme to confirm JORC resource

PROJECT ECONOMICS

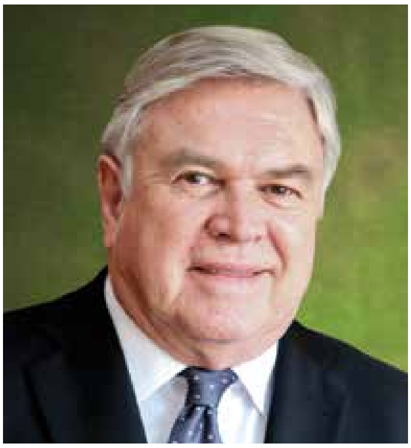
- Scoping Study presented in September 2013
- LoM of 19 years (Phase 1 & 2) for total ROM production of 21Mt
- Phase 1: Low capital expenditure of <US$12 million to commence open pit operations
- Post-tax NPV of US$36 million at real discount rate of 10%

PRIORITIES

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

CHAIRMAN'S STATEMENT

Vanadium, an important and crucial constituent of specialty steels and particularly of flexible steels needed in the construction sector, has been far less affected in recent months than iron ore itself.



IAN WATSON
Non-Executive Chairman

It is with considerable pleasure that I write this review of our Company's operations over the past financial year and of its future prospects. As a whole we have successfully progressed our various projects with the focus being on the Vanadium Project. And while we have not yet reached the point of developing any mines of the various minerals on which we are focused, the declines in the prices of virtually all commodities since the start of our 2015 financial year have affected our project planning. This is not a development to be taken amiss. We have responded by prioritising our plans so as to ensure the operating and cost flexibilities that will allow us to generate profits while minerals prices consolidate and as markets stabilise.

As a company at this early stage of its development, we are particularly conscious of the need for frugality, for making all money spent count. And I am encouraged by the manner in which my executive colleagues have managed our strategy as we proceed to the definitive studies of the mines we are planning. I am also particularly encouraged by our success at raising new finance at a time when many other junior mining companies have struggled.

Our operational and planning progress is detailed fully elsewhere in this report, and I will confine myself to discussing the economic environment in which we find ourselves at present and that in which we shall be operating in future.

Let me start, then, with metals markets and their outlooks. The commodities of most-immediate importance to us in South Africa are vanadium and tin. Somewhat further into the future, there is iron ore, titanium dioxide and thermal coal in Madagascar.

Vanadium is an important and crucial constituent of specialty steels and particularly of flexible steels needed in the construction sector and its price has been less affected in recent months when compared to, for instance, iron ore. Looking back five years, at the start of 2010, ferro-vanadium was trading in the region of $26/kg and, within a few months had reached a high of $34/kg. Since then, there has been something of a roller coaster ride, with the trend generally downwards to $24/kg at the end of our 2015 financial year and $22/kg as I write, showing some sign of stability.

While South Africa at one stage produced tin from three comparatively small mines, the combination of falling prices and ore depletion led to their closure more than two decades ago. However, those resources were not completely exhausted and, by using appropriate techniques, we

Our Madagascar Coal Project is viable despite the lower coal export prices this past year. Our plans are based on being awarded an independent power producer's permit by the Madagascan authorities to generate electricity and deliver power to the Madagascan national grid.

can again yield up their tin profitably. Our mineral resources are all on or around the old Zaaiplaats mine which closed a quarter of a century ago, but they are targets that had previously been explored and evaluated by the mining house, Gold Fields of South Africa (GFSA), and we have access to those exploration results.

Based on our own and on these earlier exploration results, we completed a scoping study in August 2014 of the Zaaiplaats property, its old residue dumps and the Groenfontein extension of the old mine's mineralisation. This yielded positive results showing, against a low capital expenditure of US$16.7 million, a post-tax net present value (NPV) of US$10 million (at a 10% discount rate) and post-tax real internal rate of return (IRR) of 34.6%. However, since the completion of this scoping study, tin prices have, in line with those of most other commodities, fallen from the region of $22,000/tonne to approximately $15,000/tonne. While this may be of concern to short-term traders, our planning is based on realistic price estimates and allows for the volatility that has characterised tin over the thirty decades since the collapse of the International Tin Council in 1985.

Though export coal prices have also fallen over the past year, this is not an issue that affects the viability of our Madagascar Coal Project. Our strategy is based on being awarded an independent power producer's permit by the Madagascan authorities to generate electricity and deliver power to the Madagascan national grid. The project's success and investment attractions do not then depend on international coal prices, but more on our ability to manage the proposed colliery efficiently.

While we await the permits which will allow us to develop and operate our project, we continue to refine our plans so as to be able to move quickly once the requisite licences have been granted. We have made considerable progress towards completing the Vanadium Project's Prefeasibility Study which will form the basis for raising development capital or for finding joint-venture partners for this project.

I have directed a large part of this review to the markets for the minerals on which the Company's future success will be built, but I am no less sensitive to the environment in which we shall be operating. In South Africa, I am encouraged by the government's support for domestic beneficiation of raw materials as this will provide support for our envisaged projects. The government is supportive of new mining ventures and the regulations on ownership, environmental responsibility, labour and taxation are transparent, and we remain confident of the future.

While our staff complement is not large, if we take into account the Company's stage of development, the team with whom I enjoy the privilege of working have again shown their competencies and their commitment. I extend my sincere thanks to each and every one of them and, in particular, to CEO Fortune Mojapelo, who has led the Company through a period in which mineral resources have been expanded and in which a firm base has been laid for future development. Also, to my colleagues on the board, I extend my appreciation for their wise counsel and the advice that I have received during the year.

Without the contributions of this team, Bushveld Minerals would not be, as it is, poised for future success.

IAN WATSON

Non-executive Chairman
26 August 2015

CHIEF EXECUTIVE OFFICER'S REVIEW

Since listing on AIM in 2012, the Company has substantially grown its resource base and completed three scoping studies on each of its three main platforms, namely the Vanadium Project, the P-Q Iron Ore and Titanium Project, and the Mokopane Tin Project.

FORTUNE MOJAPELO
Chief Executive Officer

I am pleased to present this report on the year ended 28 February 2015. We continue to make excellent progress in advancing the Company's projects, particularly our flagship Vanadium Project.

Since listing on AIM in 2012, the Company has substantially grown its resource base and completed three scoping studies on each of its three main platforms, namely the Vanadium Project, the P-Q Iron Ore and Titanium Project, and the Mokopane Tin Project. Additionally, we have made considerable progress towards the completion of the Vanadium Project Prefeasibility Study.

The past year has not been easy for junior minerals companies, but this has not prevented us from raising the funding required to progress our projects. During the reporting period, Bushveld Minerals raised a total of £2.2 million in support of its project development objectives and working capital requirements. These funds were mainly raised through the liquidation of the facility which the Company signed with Darwin Strategic Limited in May 2014. The facility provided for Darwin to be issued shares in our Company which it, in turn, sold into the market at the Company's instruction over a period of time. The proceeds, net of commissions, were regularly paid over to Bushveld Minerals. A placing of 16.6 million shares in October 2014 raised an additional £500,000 while execution of warrant instruments raised a further £165,000 during the same period.

With scoping studies completed on most of our platforms confirming the attractiveness of our assets, we are well placed to interest value-adding strategic partnerships that can add deeper funding and expertise to our platforms as they develop towards production.

BUSHVELD RESOURCES LIMITED

VANADIUM PROJECT

During the year's first half, a scoping study indicated that the Vanadium Project could generate a post-tax internal rate of return (IRR) of 24% and deliver a net present value (NPV) of $264 million when calculated using a discount rate of 10%. Again during the year, the size of the vanadium ore resource increased significantly to 285 million tonnes from 52 million tonnes. This tonnage increase derives from our new mining plan which envisages extraction of the main resource's hanging wall – material that was originally considered to be waste. Mining the hanging-wall material will not only deliver additional tonnages but will also deliver a substantial reduction in unit operating costs.

With completion of the scoping study, and drawing on the skills of consultants, we proceeded with the prefeasibility study which will itself be completed during the current financial year. At the same time we initiated a programme of additional exploratory drilling with the object of raising the vanadium resource in the main magnetite layer (MML) to the measured category as well as to delineate ore in the MML's AB Zone which can deliver concentrate grades that exceed 2% vanadium pentoxide (V_2O_5).

The Company's focus is increasingly on the Vanadium Project, therefore, Bushveld's efforts in respect of the P-Q Iron Ore and Titanium Project were focused on building support for the recognition of the Bushveld Complex's iron and titanium potential.

During the year under review we applied for mining rights for the Vanadium Project and initiated a search for a brownfield processing plant – a strategy designed to significantly restrain the capital costs of developing the Vanadium Project and bringing it on stream. There is processing capacity available at other existing and defunct vanadium operations.

P-Q IRON ORE AND TITANIUM PROJECT

With the Company's focus increasingly on the Vanadium Project, Bushveld's efforts in respect of the P-Q Project were focused on building support for the recognition of the Bushveld Complex's iron and titanium potential. In this context we welcome the study initiated by the IDC in July 2014 to investigate the potential of the establishment of a steel and titanium complex based on the Bushveld Complex.

The mining right application for the Vanadium Project described above will also include the P-Q Project, since both projects are based on the same prospecting right. Furthermore, efforts are ongoing to develop: markets for a high TiO_2 grading magnetite concentrate; and/or partnerships capable of developing the P-Q Project downstream, fully utilising its multi-commodity suite.

GREENHILLS RESOURCES

MOKOPANE TIN PROJECT

During the year we completed the scoping study on the Mokopane Tin Project, based on the two resources delineated on the Groenfontein and Zaaiplaats targets which contain an estimated 18,500 tonnes of contained tin. These are in geological structures that are well-understood and that are extensions to mineralisation that has previously provided tin for the South African domestic market.

The scoping study was completed in August 2014 and yielded positive results, indicating that, based on a capital spend of £10.7 million, the project could generate a post-tax NPV (using a discount rate of 10%) of £9.8 million and a post-tax IRR of 34.6%. Since the completion of this scoping study tin prices have, as noted in the Chairman's statement, fallen. However, we remain confident that the tin market will recover. There is continuing robust demand for the commodity and an uncertain supply outlook with some substantial high-grade producers set to run out of ore in the near future while few significant new producing assets are on the horizon.

Our aim is to increase our resource base to more than 50,000 tonnes contained tin and, with this in mind, we are awaiting finalisation of the Company's application for a licence 2371PR on properties adjacent to the Mokopane Tin Project which are known for tin and molybdenum mineralisation.

MARBLE HALL TIN PROJECT

The Company continues to actively pursue the finalisation of the application, in respect of the Marble Hall Tin Project licence, in terms of section 102 of the Mineral and Petroleum Resources Development Act (MPRDA) to extend the licence area to more fully cover the identified tin mineralisation. With potential for more than 18,000 tonnes contained tin with grades in excess of 0.5%, this project is an important part of the Company's tin strategy.

LEMUR RESOURCES LIMITED

IMALOTO COAL PROJECT

In Madagascar, the key to unlocking value in Lemur Resources' Imaloto Coal Project, with its 136 million tonnes thermal coal resource, is securing an independent power producer (IPP) licence to build a coal-fired power station targeting the several mining and agricultural activities developing in the southern part of the island. Significant progress was made in advancing the IPP licence application, including negotiation of a power purchase agreement with the Madagascan power regulatory authorities, in addition to the already completed feasibility studies. We are hopeful that these efforts will yield a positive outcome in the near future.

A series of transactions left Bushveld Minerals holding 58.5% of Lemur at the financial year's end and with the prospect of increasing the holding to 100% as a cash bid is completed. We believe that the bid's successful completion will enhance value for Bushveld Minerals, releasing cash in excess of AU$12 million to the Group and aligning the interests of Lemur with those of Bushveld Minerals' shareholders. Please see note 20 regarding the off-market takeover of Lemur Resources.

OUTLOOK

While our Company remains focused on exploration, we are confident that mining is within reach, with the Vanadium Project as our flagship venture. In the longer term we envisage using positive cash flows from the Vanadium Project to help finance our other projects. We shall also continue our efforts to find strategic partners for our projects and believe that these projects' qualities are sufficiently attractive to achieve this.

Key to the Vanadium Project's positioning as our flagship project is its distinctiveness across four important criteria we have set for our projects:

- **Commodity:** A commodity with sound market fundamentals in terms of supply, demand and price outlook
- **Low cost-curve position:** with a low first-quartile cost position making it one of the world's lowest cost producers of vanadium, owing largely to its high V_2O_5 in situ and concentrate grades, a large resource base and access to proven processing technologies
- **Pragmatic realisable path to production:** given options for limited production of concentrate product and scope to leverage in-country installed vanadium processing infrastructure, all of which entails a very modest capital expenditure
- **Scalability:** The project's prefeasibility study is based on less than 15% of the total resource, which is open ended at depth and along strike. This, combined with other resource acquisitions planned by the Company ensure the scalability of the project, which, combined with the other three criteria described above, make a compelling proposition for major strategic partners or suitors

Accordingly the Company will, going forward, implement a strategy focused on an accelerated development of the vanadium platform and a corporate restructuring to give effect to the vanadium focus.

The vanadium strategy is focused on the main pillars of:

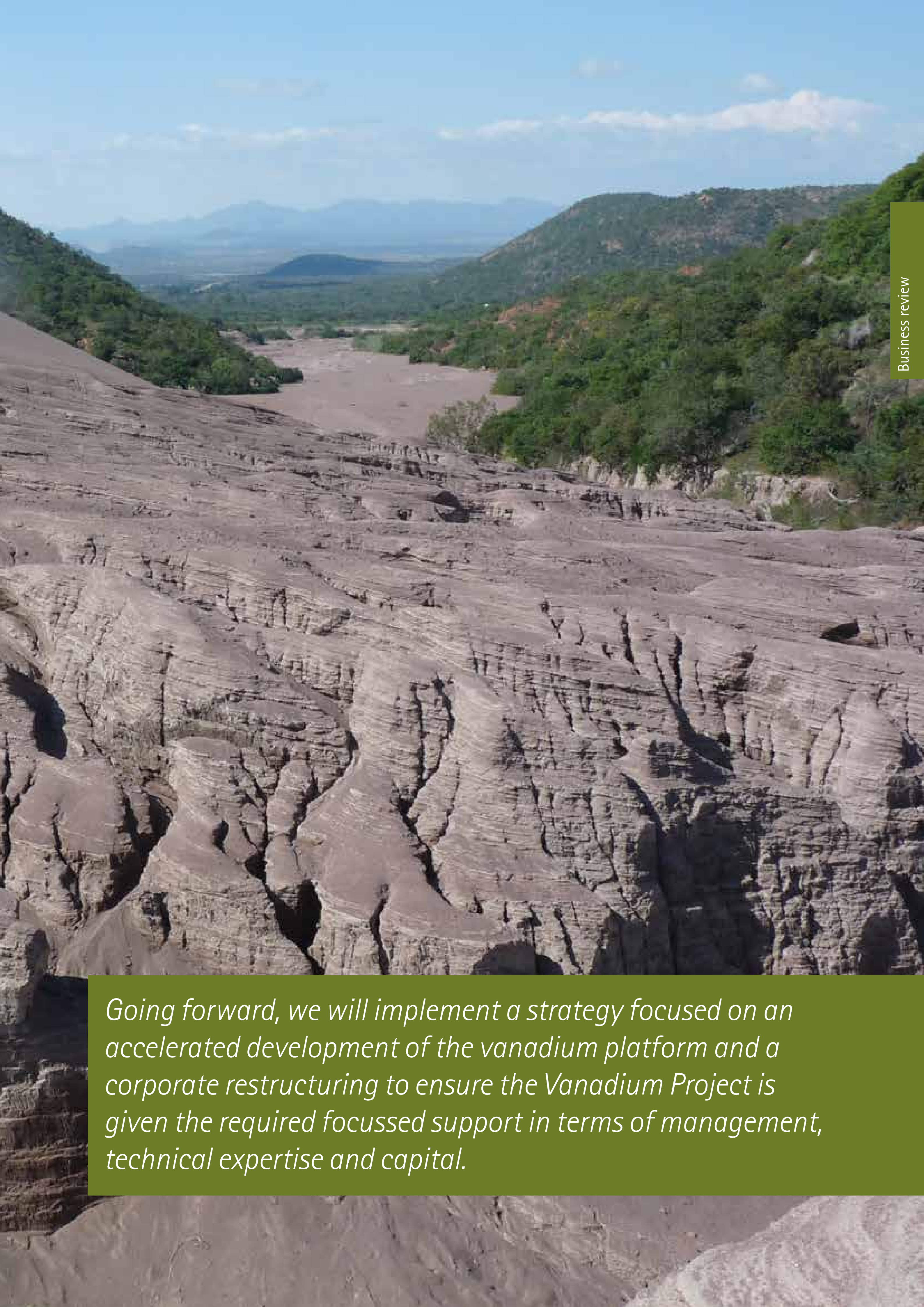
- Completing the Prefeasibility Study followed by a Bankable Feasibility Study in conjunction with a strategic partner
- Exploring opportunities for early cash flow by selling vanadium concentrate while simultaneously developing fully integrated mining and vanadium processing operations
- Reducing the timeline and capital expenditure required to execute a fully integrated vanadium-producing operation by using existing and under-utilised domestic processing capacity
- Supporting the development of additional vanadium demand beyond the steel sector through support for energy storage applications of vanadium
- Consolidating primary vanadium resources across the Bushveld Complex

APPRECIATION

I remain confident that the combination of skills and assets that are drawn together in Bushveld Minerals make the Company a potent developmental force. It remains for me to express my gratitude to my board colleagues, to the Bushveld Minerals executives and to the skilled personnel who have brought the Company to its current point and who will be central to its future progress. I have been ably supported by all these people – without them progress would have been less certain.

FORTUNE MOJAPELO
CEO

Although our focus remains on exploration, we are confident that mining is within reach, with the Vanadium Project as our flagship venture. We envisage using positive cash flows from the Vanadium Project to help finance our other projects in the longer term.



Going forward, we will implement a strategy focused on an accelerated development of the vanadium platform and a corporate restructuring to ensure the Vanadium Project is given the required focussed support in terms of management, technical expertise and capital.

RISK MANAGEMENT

During the year under review, we conducted a detailed analysis of the inherent risks in the exploration and development of our natural resource projects. This enabled us to develop mitigation measures to manage these risks within our defined risk limits. The risks described below are the material factors which could impact our ability to deliver on our long-term strategic objectives.

Category	Risk	How we mitigate the risks that impact us
Mineral rights and tenure security	Obtaining and maintaining mineral (prospecting and mining) rights	As secure mineral titles are at the heart of every mining enterprise, it is a key priority for Bushveld Minerals to ensure that our mineral rights (prospecting and/or mining) are in good standing. Accordingly, we have a dedicated mineral rights tenure manager responsible for this. In addition, as delivering on our growth strategy is partially dependent on our ability to secure additional prospecting rights on properties, this is an area of continual focus. The two threats to mineral title security that we proactively manage are political risk and regulatory compliance. **a) Political risk** Prior to the recent economic recession, the global boom in commodity prices attracted the attention of the governments of resource rich countries, most of whom 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 these have not been implemented in South Africa to date, we believe that the 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). Notwithstanding this we believe that 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 current bid for Lemur Resources, announced post year end, 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 titles. 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 (HDSAs). The Mining Charter outlines several metrics spanning 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 our projects, Bushveld adopts a holistic approach that includes local communities who live in the areas that 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 ensure that the processes and procedures pertaining to sustainable development are integrated into our development plans.

Category	Risk	How we mitigate the risks that impact us
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. A number of multi-national 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 six years to upgrade its logistics infrastructure, a significant portion of which is earmarked for 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.
Metallurgy	Commercially viable resources	The Main Magnetite Layer, which is the flagship deposit of the Vanadium Project, exhibits clear and consistent mineralisation with fairly well understood geological characteristics. This mineralisation consists of titaniferous magnetite, which contains vanadium, iron ore and titanium and needs some metallurgical processing to produce a saleable product(s). An inability to process this mineral resource or a processing approach that is too expensive would undermine the viability of the project. Extensive test work was conducted during the year, as part of the scoping study, and this confirmed the final vanadium pentoxide (V_2O_5) products that can be produced from Bushveld's Main Magnetite Layer. A process flow diagram (PFD) was proposed for the processing of the run-of-mine (RoM) ore which comprised concentration (crushing, milling, magnetic separation), salt roast (rotary kiln), leach milling and purification, precipitation, de-ammonisation and fusion, and flaking. This PFD produced a high-purity V_2O_5 flake product. The V_2O_5 product can be sold directly into the vanadium market or can be processed further into an 80% V FeV (ferrovanadium) product through a simple process using an aluminothermic reactor. To mitigate against the metallurgical risk of complex processing, we chose to adopt a proven processing technology that has been utilised at various operating mines in South Africa and worldwide. The prefeasibility studies began in November 2014. Additional mitigation measures include: • Project design that seeks to be bankable on the basis of vanadium flake products alone, with any iron ore and titanium credits considered a bonus • Applying learnings from other operations that have similar mineralisation. Sufficient processing precedents producing a vanadium product exist that have been applied to the same mineralisation type as Bushveld's. This will assist mitigate any risks involved in the processing of the ore. • Employing best practice metallurgical expertise with experience in designing and implementing metallurgical processes for vanadiferous magnetite, which South Africa has in abundance. The lower prices of iron ore worldwide mean that some of the producers that were also co-producers of vanadium (secondary production) have had to shut down or scale down operations and thus have reduced the vanadium production capacity. This bodes well for our Vanadium Project which is envisaged to be a low-cost primary vanadium producer.

RISK MANAGEMENT *continued*

Category	Risk	How we mitigate the risks that impact us
Funding	Raising capital to fund project development	We recognise that developing our Vanadium Project to production stage will entail significant capital investment. Our Scoping Study for the Bushveld Vanadium Project released in July 2014 provided a modest capital expenditure (US$262 million) and V_2O_5 product route at base case RoM of 1 Mtpa, underscoring the viability of the project. The study produced a post-tax NPV of US$264 million (10% discount rate) and 24.1% post-tax IRR (real) with a four-year payback from the start of mining. Our admission to AIM has given us access to the equity markets as an alternative funding mechanism for these projects. There is inherent risk in raising a significant amount of capital, which is linked to systemic issues such as the health of the global financial system. We are mitigating this risk by presenting a compelling business case and creating awareness in the investment community. 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 relatively 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. With our admission to AIM, we are now planning a share incentive scheme whereby key members of our management team will share directly in the successes of the Company which would assist in the retention of key skills.

DIRECTORS

IAN WATSON (72)

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.

FORTUNE MOJAPELO(39)

CHIEF EXECUTIVE OFFICER

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 BSc (Actuarial Science). He was previously at McKinsey & Company where he worked as a strategy consultant on corporate strategy and organisational development in several sectors in South Africa and Nigeria.

ANTHONY VILJOEN (39)

NON-EXECUTIVE DIRECTOR

CHIEF EXECUTIVE OFFICER, 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 projects in Africa. 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. He is a non-executive director of Lemur Resources.

GEOFF SPROULE (73)

CHIEF FINANCIAL OFFICER

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 (60)

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 in Namibia and Yemen). He is business development director of a number of Avana companies involved in uranium, coal, gold, oil and gas and industrial minerals. During the past six years, he has been involved in the establishment of a number of natural resource projects predominantly in Africa and South America.

DIRECTORS' REPORT

The directors of Bushveld Minerals Limited ("Bushveld" or the "Company") hereby present their report together with the consolidated financial statements for the year ended 28 February 2015.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group (Bushveld and its subsidiaries) is the exploration and development of projects in the Bushveld Complex in South Africa. A review of the Group's progress and prospects is given in the Chief Executive Officer's review on pages 08 to 10.

A review of the risks and uncertainties impacting on the Group's long-term performance are included in the Corporate governance report on pages 19 to 20. Details of the Group's exposure to foreign exchange and other financial risks are included in note 19.

EXPLORATION COSTS

The Group continues to devote considerable resources to exploration costs.

RESULTS AND DIVIDEND

The Group's results show a loss for the period attributable to the equity holders of the Company of £2.9 million (2014: £0.4 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 16. 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 2014 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 2015 were:

	Ordinary shares of 1p each 28 February 2015	Ordinary shares of 1p each 28 February 2014
Fortune Mojapelo	9,660,000	8,160,000
Geoffrey Sproule	1,500,000	Nil
Anthony Viljoen	9,826,667	8,160,000
Ian Watson	504,000	Nil
Jeremy Friedlander	1,250,000	Nil

None of the directors have been awarded share options of the Company since inception to 28 February 2015.

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 2015 was 30 days.

RELATED PARTY TRANSACTIONS

Details of related party transactions are detailed in note 21.

POST BALANCE SHEET EVENTS

Post balance sheet events are detailed in note 20 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
26 August 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Guernsey company law requires the directors to prepare Group financial statements for each financial year in accordance with generally accepted accounting principles. 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 of the Group are required by law to give a true and fair view and are required by IFRS as adopted by the EU to fairly present the financial position and performance of the Group.

In preparing the Group financial statements, the directors should:

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 IFRS 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 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 are properly prepared in accordance with The Companies (Guernsey) Law 2008. 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.

CORPORATE GOVERNANCE REPORT

As an AIM-quoted company, Bushveld is not required to produce a Corporate governance report that satisfies the requirements of the UK Corporate Governance Combined Code. However, the directors are committed to providing information on a transparent basis as far as is relevant for a company of this size and nature, 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 to be exercised by the same individual.
- The Group has three independent non-executive directors and the Group Board is not to be dominated by one person or group of people.
- 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 directors make no statement of compliance with the Code overall and do not explain in any detail aspects of the Code with which they do not comply.

THE BOARD OF DIRECTORS

The Board currently comprises:

EXECUTIVE DIRECTORS

• Fortune Mojapelo	Chief Executive Officer
• Geoffrey Sproule	Chief Financial Officer

NON-EXECUTIVE DIRECTORS

• Ian Watson	Chairman and Independent Non-executive Director
• Anthony Viljoen	Non-executive Director (CEO, Lemur Resources)
• 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;

CORPORATE GOVERNANCE REPORT *continued*

- 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 the 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, Ian Watson (Chairman) and Jeremy Friedlander. Chief Financial Officer, Geoff Sproule, attends Audit Committee meetings by invitation. This committee is responsible for:

- reviewing 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;
- receiving and considering reports on internal financial controls, including reports from the auditors and reporting their findings to the Board;
- considering the appointment of the auditors and their remuneration including reviewing and monitoring their independence and objectivity;
- meeting with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise; and
- developing and implementing 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.

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 a transparent basis and present their Remuneration report as follows:

REMUNERATION COMMITTEE

The Remuneration Committee comprises exclusively non-executive directors, Ian Watson (Chairman) and Jeremy Friedlander. The CEO, Fortune 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.
- 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/SHARE OPTION SCHEMES

The Company intends to enter into share option agreements granting options to 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 the date they were granted and the remaining half of the Ordinary Shares comprised in the option will vest one year later;

(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 2015 was:

£	Salary and fees	Fees	Bonus	Share-based payment	2015 Total	2014 Total
Fortune Mojapelo	108,333	–	–	47,000	155,333	108,333
Geoffrey Sproule	97,500	–	–	33,000	130,500	97,500
Anthony Viljoen	–	25,000	–	36,667	61,667	100,000
Ian Watson	–	40,000	–	–	40,000	40,000
Jeremy Friedlander	–	25,000	–	27,500	52,500	25,000
	205,833	**90,000**	**–**	**144,167**	**440,000**	**370,833**

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 2015 on pages 24 to 49. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) 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 Statement of directors' responsibilities set out on page 18, 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's affairs as at 28 February 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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
26 August 2015

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	28 February 2015 £	28 February 2014 £
Continuing operations			
Administrative expenses	7	(3,205,629)	(1,376,292)
Operating loss		**(3,205,629)**	**(1,376,292)**
Bargain purchase on acquisition	19	–	900,540
Investment income	8	317,063	59,009
Loss before tax		(2,888,566)	(416,743)
Tax	9	–	–
Total loss for the period		**(2,888,566)**	**(416,743)**
Attributable to:			
Owners of the Company		(2,503,071)	(375,050)
Non-controlling interests		(385,495)	(41,693)
		(2,888,566)	**(416,743)**
Loss per ordinary share			
Basic and diluted loss per share (in pence)	10	**(0.54)**	(0.11)

All results relate to continuing activities.

The notes on pages 30 to 49 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	28 February 2015 £	28 February 2014 £
Loss for the period		(2,888,566)	(416,743)
Currency translation differences on translation of foreign operations		(94,795)	(910,139)
Total comprehensive loss for the period		**(2,983,361)**	**(1,326,882)**
Attributable to:			
Owners of the Company		(2,597,866)	(1,285,189)
Non-controlling interests		(385,495)	(41,693)
		(2,983,361)	**(1,326,882)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 28 FEBRUARY 2015

COMPANY NUMBER: 54506

	Note	28 February 2015 £	28 February 2014 £
Assets			
Non-current assets			
Intangible assets: exploration activities	11	55,771,244	53,981,390
Property, plant and equipment	12	80,485	225,191
Total non-current assets		**55,851,729**	**54,206,581**
Current assets			
Trade and other receivables	13	146,711	140,859
Cash and cash equivalents	14	7,595,777	9,177,158
Total current assets		**7,742,488**	**9,318,017**
Total assets		**63,594,217**	**63,524,598**
Equity and liabilities			
Current liabilities			
Trade and other payables	15	(463,949)	(344,187)
Total current liabilities		**(463,949)**	**(344,187)**
Net assets		**63,130,268**	**63,180,411**
Equity			
Share capital	16	4,863,373	4,020,041
Share premium	16	59,927,541	57,933,792
Accumulated deficit		(5,109,965)	(2,628,989)
Revaluation reserve		(138,628)	(138,628)
Warrant reserve	17	422,386	370,715
Foreign exchange translation reserve		(1,238,955)	(1,144,160)
Equity attributable to:			
Owners of the Company		**58,725,752**	**58,412,771**
Non-controlling interests		**4,404,516**	**4,767,640**
Total equity		**63,130,268**	**63,180,411**

The notes on pages 30 to 49 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 26 August 2015.

G N SPROULE
Director
26 August 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Note	28 February 2015 £	28 February 2014 £
Loss after taxation		(2,888,566)	(416,743)
Adjustments for:			
Bargain purchase		–	(900,540)
Loss on disposal of tangible fixed assets		1,721	–
Expenses settled with shares		146,667	164,146
Interest income	8	(317,063)	(59,009)
Operating cash flows before movements in working capital		(3,057,241)	(1,212,146)
Increase/Decrease in receivables		(5,852)	(29,923)
Increase in payables		119,762	54,369
Net cash used in operating activities		**(2,943,331)**	**(1,187,700)**
Cash flows from investing activities			
Interest received	8	317,063	59,009
Purchase of exploration and evaluation assets	11	(1,623,999)	(1,082,351)
Purchase of tangible fixed assets	12	(22,870)	(42,128)
Cash acquired on acquisition of subsidiary	19	–	8,721,284
Cost of acquisition		–	(395,912)
Net cash used in/from investing activities		**(1,329,806)**	**7,259,902**
Cash flows from financing activities			
Net proceeds from issue of shares and warrants	17	2,786,551	1,796,638
Net cash generated from financing activities		**2,786,551**	**1,796,638**
Net (decrease)/increase in cash and cash equivalents		**(1,486,586)**	**7,868,840**
Cash and cash equivalents at the beginning of the period		9,177,158	1,305,089
Effect of foreign exchange rates		94,795	3,229
Cash and cash equivalents at end of the period	15	**7,595,777**	**9,177,158**

The notes on pages 30 to 49 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2015

	Attributable to owners of the parent company		
	Share capital £	Share premium £	Accumulated deficit £
Balance at 28 February 2013	**2,839,691**	**53,811,401**	**(2,253,939)**
Loss for the year			(375,050)
Other comprehensive income:			
Currency translation differences			
Total comprehensive loss for the year			(375,050)
Transactions with owners			
Acquisition of subsidiary undertakings			
Issue of shares	1,180,350	4,406,713	
Issue of warrants			
Less issue costs		(284,322)	
Total equity at 28 February 2014	**4,020,041**	**57,933,792**	**(2,628,989)**
Loss for the year			(2,503,071)
Other comprehensive income:			
Currency translation differences			
Total comprehensive loss for the year			(2,503,071)
Transactions with owners:			
Issue of shares	843,332	3,135,333	
Issue of warrants			
Warrants exercised this year			22,095
Less issue costs		(1,141,584)	
Non-controlling interest			
Total equity at 28 February 2015	**4,863,373**	**59,927,541**	**(5,109,965)**

	Attributable to owners of the parent company					
	Revaluation reserve £	Warrant reserve £	Foreign exchange translation reserve £	Total £	Non-controlling interests £	Total equity £
	(138,628)	**–**	**(234,021)**	**54,024,504**	**768,869**	**54,793,373**
				(375,050)	(41,693)	(416,743)
			(910,139)	(910,139)		(910,139)
			(910,139)	(1,285,189)	(41,693)	(1,326,882)
				–	4,040,464	4,040,464
				5,587,063		5,587,063
		370,715		370,715		370,715
				(284,322)		(284,322)
	(138,628)	**370,715**	**(1,144,160)**	**58,412,771**	**4,767,640**	**63,180,411**
				(2,503,071)	(385,495)	(2,888,566)
			(94,795)	(94,795)		(94,795)
			(94,795)	(2,597,866)	(385,495)	(2,983,361)
				3,978,665		3,978,665
		73,766		73,766		73,766
		(22,095)		–		–
				(1,141,583)		(1,141,583)
				–	22,371	22,371
	(138,628)	**422,386**	**(1,238,955)**	**58,725,752**	**4,404,516**	**63,130,268**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2015

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 ("Pamish 39") in which BRL holds a 64% equity interest, Amaraka Investments No. 85 (Proprietary) Limited ("Amaraka 85") in which BRL holds 68.5% equity interest 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 shareholder in 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.

Lemur is a coal project development company listed on the ASX. Through its 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 owns two additional projects known as the Ianapera Coal Project and Sakaraha Coal Project.

As at 28 February 2015, the Bushveld Group comprised:

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 85 [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]	58.5%	Australia	Holding company
Coal of Madagascar Limited [5]	58.5%	Guernsey	Holding company
Coal Mining Madagascar SARL [5]	57.9%	Madagascar	Coal exploration
Pan African Drilling Limited [5]	58.5%	British Virgin Islands	Coal exploration
Imaloto Power Project Limited [5]	58.5%	Mauritius	Power generation company
Lemur Investments Limited [5]	58.5%	Mauritius	Holding company
Lemur Exploration SARL [5]	57.9%	Madagascar	Coal exploration

[1] Held directly by 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 Pound Sterling (£) because that is the currency the Group has raised funding on the AIM market in the United Kingdom.

2. ADOPTION OF NEW AND REVISED STANDARDS

ACCOUNTING STANDARDS ADOPTED DURING THE YEAR

		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 January 2014
IAS 24	Related Party Disclosures. Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities).	1 January 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 January 2014
IFRS 8	Operating Segments. Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets).	1 January 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**

*** not yet endorsed by the EU*

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

ACCOUNTING STANDARDS AND INTERPRETATIONS NOT APPLIED

The following adopted IFRS have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

Standard	Description	Effective date
	Annual Improvements to IFRS 2012-2014 Cycle	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 10 and IAS 28	Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
IFRS 10, IFRS 12 and IAS 28	Amendments: Investment Entities: Applying the Consolidation Exception	1 January 2016
IFRS 11	Amendments: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferral Accounts	1 January 2017
IFRS 15	Revenue from Contracts with Customers	1 January 2016
IAS 1	Amendments: Disclosure initiative	1 January 2016
IAS 16 and IAS 41	Agriculture: Bearer Plants	1 January 2016
IAS 16 and IAS 38	Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
IAS 27	Amendments: Equity Method in Separate Financial Statements	1 January 2016

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

FOR THE YEAR ENDED 28 FEBRUARY 2015

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 IFRS"), 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 2016. As with all exploration groups at this stage of the resource development cycle and with no cash-flow from production, funding is derived principally through equity financing.

On 20 May 2015, Bushveld launched an off-market takeover offer for all of the fully paid ordinary shares in Lemur Resources which Bushveld does not currently own (see note 20).

The directors advise that the takeover of Lemur Resources has been successfully concluded with Bushveld acquiring 96.4% of the ordinary share in Lemur Resources.

Trading in Lemur Resources shares will be suspended and the Company delisted from the ASX during September 2015.

The fundraising referred to in note 16 and the off-market takeover of Lemur Resources ensures that the Group will have adequate resources available as a result of having greater access to the Lemur cash resources of £7.2 million.

The directors are confident that the Group will be able to pay debts as they fall due and to continue operations for the foreseeable future. For this reason they continue to adopt a 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 in 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 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *continued*

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *continued*

WARRANTS

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

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 one to three years;
- motor vehicles over three years; and
- office equipment and computers over two 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.

The 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.

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*

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 £55.7 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 2015 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

FOR THE YEAR ENDED 28 FEBRUARY 2015

5. SEGMENTAL REPORTING *continued*

SEGMENT REVENUE AND RESULTS

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

	Iron ore exploration (South Africa) £	Tin exploration (South Africa) £	Coal exploration (Madagascar) £	Total £
As at 28 February 2015				
Revenue				
External sales	–	–	–	–
Results				
Operating segmental profit / (loss)	(8,579)	3,845	(928,904)	(933,638)
Segmental profit / (loss)	**(8,579)**	**3,845**	**(928,904)**	**(933,638)**
As at 28 February 2014				
Revenue				
External sales	–	–	–	–
Results				
Operating segmental 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**

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

	Year ended 28 February 2015 £	Year ended 28 February 2014 £
Segmental loss	(933,638)	804,287
Unallocated administration expenses	(2,271,991)	(1,280,039)
Finance income	317,063	59,009
Loss before tax	**(2,888,566)**	**(416,743)**

5. SEGMENTAL REPORTING *continued*

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 (South Africa) £	Tin exploration (South Africa) £	Coal exploration (Madagascar) £	Consolidated Group £
Year ended 28 February 2015				
NBV of capitalised exploration expenditure	37,919,544	17,851,700	–	55,771,244
Total reportable segmental net (liabilities)/assets	(17,271)	29,981	7,169,709	7,182,419
Unallocated net assets				176,605
Total consolidated net assets				**63,130,268**

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

	Iron ore exploration (South Africa) £	Tin exploration (South Africa) £	Coal exploration (Madagascar) £	Consolidated Group £
Year ended 28 February 2014				
NBV of capitalised exploration expenditure	36,450,544	17,530,836	–	53,981,380
Total reportable segmental net (liabilities)/assets	(14,891)	172,809	8,606,053	8,763,971
Unallocated net assets				435,060
Total consolidated net assets				**63,180,411**

6. LOSS FOR THE PERIOD

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

	28 February 2015 £	28 February 2014 £
Foreign exchange loss	94,795	12,725
Staff costs (see note 7)	450,901	292,632

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 2015 £	28 February 2014 £
Commission paid	276,385	–
Professional fees	849,940	432,960
Employee benefits expense	450,901	292,632
Travelling expenses	30,749	37,701
Foreign exchange loss	94,749	12,725
Other costs and adjustments	1,502,905	600,274
	3,205,629	**1,376,292**

Key management personnel have been identified as the Board of directors. Details of key management remuneration are shown in note 21.

8. INVESTMENT REVENUE

	28 February 2015 £	28 February 2014 £
Bank interest	317,063	59,009

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 2015 £	28 February 2014 £
The tax assessed for the period at the Guernsey corporation tax charge rate of 0%, as explained below:		
Loss before taxation	(2,888,566)	(416,743)
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 0.54 (2014: 0.11) pence, is calculated using the total loss for the period attributable to the owners of the Company of £2,503,071 (2014: £375,050) and the weighted average number of shares in issue during the period of 460,361,182 (2014: 330,448,596). There are no potentially dilutive shares in issue.

11. INTANGIBLE ASSETS

	Exploration activities – iron ore £	Exploration activities – tin £	Total £
As at 28 February 2014	36,450,554	17,530,836	53,981,390
Additions	1,468,990	320,864	1,789,854
	37,919,544	17,851,700	55,771,244

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").

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.

At the date of approval of these financial statements, three of the Group's exploration licences remain due for renewal in 2015. These three licences have a carrying value of £55.8 million (There were no licences due for renewal in 2014). Applications are due to be submitted for renewal of these licences as they become due and the directors have no reason to believe that these renewals will be unsuccessful.

12. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles £	Geological equipment £	Fixtures and fittings £	Total £
Cost				
As at 28 February 2014	50,058	218,286	16,613	284,957
Additions	–	17,557	5,313	22,870
Disposals	–	–	(1,721)	(1,721)
At 28 February 2015	**50,058**	**235,843**	**20,205**	**306,106**
Depreciation				
As at 28 February 2015	33,392	20,579	5,795	59,766
Charge for the year	11,918	147,325	6,612	165,855
At February 2015	**45,310**	**167,904**	**12,407**	**225,621**
Net book value				
At 28 February 2015	4,748	67,939	7,798	80,485
At 28 February 2014	**16,666**	**197,707**	**10,818**	**225,191**

The entire depreciation charge for the year of £165,855 (2014: £37,663) together with the loss on disposal of £1,427 (2014: £689) has been capitalised as exploration activities in the period.

13. TRADE AND OTHER RECEIVABLES

	28 February 2015 £	28 February 2014 £
Advances and deposits	14,510	112,753
Other receivables	132,201	28,106
	146,711	140,859

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

14. CASH AND CASH EQUIVALENTS

	28 February 2015 £	28 February 2014 £
Cash at hand and in bank	7,595,777	9,177,158

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 total cash and cash equivalents denominated in South African Rand amount to £32,006 (2014: £73,946) and £7,216,323 (2014: £8,491,654) is denominated in Australian Dollars.

15. TRADE AND OTHER PAYABLES

	28 February 2015 £	28 February 2014 £
Trade payables	205,863	119,408
Other payables	4,116	22,344
Accruals	253,970	202,435
	463,949	344,187

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 total trade and other payables denominated in South African Rand amount to £135,864 (2014: £96,804) and £76,757 (2014: £70,875) is denominated in Australian Dollars.

16. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares issued and fully paid	Issue price per share £	Nominal value of shares of 1 pence each £	Share premium £	Total share capital and premium £
Balance at 28 February 2014	402,004,104		4,020,041	57,933,792	61,953,833
Total warrants exercised at 28 February 2015	3,000,000	0.0500	30,000	120,000	150,000
Capital raise Darwin structure	50,000,000	0.0570	500,000	2,350,000	2,850,000
Cost of acquiring Lemur shares	8,000,000	0.0415	80,000	252,000	332,000
Capital raise 30 October 2014	16,666,667	0.0300	166,666	333,333	499,999
Shares issued *in lieu* of bonus	4,166,667	0.0220	41,666	50,000	91,666
Shares issued for services rendered	2,500,000	0.0220	25,000	30,000	55,000
Share issue expenses				(1,141,584)	(1,141,584)
	486,337,438		**4,863,373**	**59,927,541**	**64,790,914**

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 £55,000 was in respect of consulting fees in respect of the Lemur acquisition.

DARWIN STRATEGIC LIMITED

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 satisfied 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.

The Darwin transaction was concluded on 23 October 2014 and raised net proceeds of £1,524,031. Of the shortfall arising from the transaction, £1,130,490 has been charged against share premium and the balance of £195,479 to commission payable.

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

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

On the 24 October 2014, the Company placed 16,666,667 new ordinary shares at £0.03 per share, thereby raising £500,000 additional funding.

Total net funding raised during the year to 28 February 2015 amounted to £2,837,081.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

FOR THE YEAR ENDED 28 FEBRUARY 2015

17. WARRANTS

Warrants granted	
Date of grant	26/03/14
Number granted	3,000,000
Contractual life	5 years
Estimated fair value per warrant	£0.055

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

Warrant scheme	
Date of grant	26/03/14
Share price at grant date	£0.055
Exercise price	£0.080
Expected life	5 years
Expected volatility	61.7%
Expected dividends	Nil
Risk-free interest rate	1.81%

The assumed volatility rate was based on an average of comparable listed companies over a period commensurate to the terms of the 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	24,276,879
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.

17. WARRANTS *continued*

The warrants in issue during the year are as follows:

	Number of warrants	Weighted average exercise price £
Outstanding at 1 March 2014	30,473,089	–
Granted during the year	3,000,000	0.05
Exercised during the year	(3,000,000)	0.05
Outstanding at 28 February 2015	30,473,089	0.05
Exercisable at 28 February 2015	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 3.5 years.

The Group has recognised an incurred charge of £73,766 in the year (2014: £370,715) of which £nil has been charged against share premium as issue costs and £73,766 is charged with administration costs in respect of advisory fees.

18. 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 returns 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
- Available for sale investments

18. FINANCIAL INSTRUMENTS *continued*

Categories of financial instruments

At 28 February 2015, the Group held the following financial assets:

	28 February 2015 £	28 February 2014 £
Loans and receivables		
Trade and other receivables	146,711	140,859
Cash and cash equivalents	7,595,777	9,177,158
Total financial assets	**7,742,488**	**9,318,017**

At 28 February 2015, the Group held the following financial liabilities:

	28 February 2015 £	28 February 2014 £
Other financial liabilities		
Trade and other payables	463,949	344,187
Total financial liabilities	**463,949**	**344,187**

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 counter party 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 counter party, 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 2015, the concentration of credit risk was as follows:

Currency	28 February 2015 £	28 February 2014 £
Sterling	347,448	327,561
South African Rand	32,006	73,946
Australian Dollar	7,216,323	8,775,651
	7,595,777	**9,177,158**

18. FINANCIAL INSTRUMENTS *continued*

GENERAL OBJECTIVES, POLICIES AND PROCESSES *continued*

Credit risk *continued*

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

At 28 February 2015, 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 2015, 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 2015, the Group had £7,595,777 (2014: £9,177,158) of cash reserves.

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 Pound 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 Pound Sterling, are shown below in the Group's functional currency:

	28 February 2015 £	28 February 2014 £
Cash and cash equivalents	7,595,777	9,177,158
Other receivables	146,711	140,859
Trade and other payables	(463,949)	(344,187)
	7,278,539	**8,973,830**

The Group is exposed to 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
continued

FOR THE YEAR ENDED 28 FEBRUARY 2015

18. FINANCIAL INSTRUMENTS *continued*

The following table details the Group's sensitivity to a 10% increase and decrease in Pound 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 Pound Sterling against the Rand:

2015	Rand currency impact strengthening £	Rand currency impact weakening £
Assets	551,136	450,929
Liabilities	(430,213)	(351,993)
	120,923	**98,936**

2015	Australian currency impact strengthening £	Australian currency impact weakening £
Assets	8,084,449	6,614,549
Liabilities	(168,867)	(138,164)
	7,915,582	**6,476,385**

MATURITY OF FINANCIAL LIABILITIES

All of the Group's financial liabilities and its financial assets in the period to 28 February 2015 are either payable or receivable within one year.

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 2015, Bushveld's relevant interest in the issued share capital of Lemur is 58.5%.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

FOR THE YEAR ENDED 28 FEBRUARY 2015

20. EVENTS AFTER THE BALANCE SHEET DATE

On 20 May 2015, Bushveld announced its intention to make an off-market takeover offer for all fully paid ordinary shares in the capital of Lemur which Bushveld does not currently own. Bushveld had a relevant interest in 115,197,097 Lemur shares representing approximately 63.5% of Lemur's current fully paid ordinary share capital.

The offer is conditional upon satisfaction of a minimum acceptance condition, being that at or before the end of the offer period, Bushveld becomes entitled to proceed to compulsory acquisition of outstanding Lemur shares in accordance with Part 6A.1 of the Corporations Act.

TOTAL CONSIDERATION UNDER THE OFFER

The consideration for the acquisition by Bushveld of the Lemur shares to which the offer relates will be satisfied by the payment of $0.06 cash (in Australian Dollars(A$)) per Lemur share.

As at the date of this bidder's statement, there are 181,250,001 Lemur shares on issue, of which Bushveld has a relevant interest in 115,197,097. The maximum number of Lemur Shares which could be acquired by Bushveld under the offer is therefore 66,052,904 (assuming that the 500,000 Lemur options with an exercise price of A$0.15 will not be exercised). Accordingly, the maximum cash amount, which may be required by Bushveld to settle the acceptances under the offer, is approximately A$3.963 million.

FUNDING FOR THE MAXIMUM CONSIDERATION AMOUNT

Bushveld has secured the following funding or the consideration amount:

a) The amount of up to £2.6 million (or A$5,148 million, assuming an A$:£ exchange rate of 1.98 as at 22 May 2015) from Riveridge Limited. Riverridge Limited has a 5.2% relevant interest in the shares of Bushveld Minerals. The funding is in the form of a direct, unsubordinated and unsecured loan note repayable within six months of drawdown, unless Riveridge United elects to convert the note into Bushveld shares and these must be drawn on or before 30 September 2015. The draw down can be made following the satisfaction of the minimum acceptance condition.

b) The amount of up to £2,2 million (or A$4,356 million, assuming an A$:£ exchange rate of 1.98) from Darwin Strategic Limited. The funding is in the form of a senior, unsecured loan facility repayable by the maturity date of 28 November 2015, unless Darwin Strategic Limited elects to convert the facility into Bushveld shares and must be drawn down on or before the date that is 20 AIM trading days prior to the maturity date, which is expected to be on or around 2 November 2015. The draw down can be made once the Company has a relevant interest in excess of 75% of all Lemur shares in issue so long as Lemur holds a cash balance of $12 million.

Having regard to the matters set out above, Bushveld is of the opinion that it will be able to satisfy its consideration obligations under the offer, as well as its costs associated with the offer.

The offer is not subject to any financing defeating conditions.

Darwin Strategic Limited has been issued 4,000,000 five-year warrants at an exercise price of 10 pence as a consideration for providing this facility.

NO HEDGING

There are no hedging arrangements in place for movements in exchange rates in respect of the financing arrangements described in this section. However, Bushveld expects that the funds available under those arrangements will be more than sufficient to pay the total consideration as well as any associated transacting costs incurred by Bushveld, even in the event of a material adverse movement in exchange rates.

LEMUR RESOURCES

With effect from 31 July 2015 Bushveld has a relevant interest in 96.4% of all of the ordinary shares in Lemur. Bushveld has drawn down £2.2 million of the Darwin facility which will be used to fund the acquisition of the first tranche of the minority shares amounting to 56,702,925 Lemur shares at a cost of £1,607,756. The balance of 6,575,204 minority Lemur shares will be compulsorily acquired at an estimated cost of £198,000.

21. 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 (Fortune Mojapelo and Anthony Viljoen) of Bushveld Minerals Limited being majority shareholders of VM Investments. At the period end, the Group owed VM Investments Ltd £25,949 (2014: £7,387). During the period, VM Investments charged the Group £101,275 (2014: £115,475) for office accommodation and other office services.

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 2015 £	28 February 2014 £
Fees for services as directors	154,167	65,000
Short-term employee benefits	285,833	305,833
	440,000	**370,833**

Included within the above figure of short-term employee benefits is an amount of £97,500 (2014: £97,500) which has been capitalised as part of intangible exploration expenditure.

There are no national insurance or social security costs payable by the Company.

NOTICE OF ANNUAL GENERAL MEETING

BUSHVELD MINERALS LIMITED
(incorporated in Guernsey under registered number 54506)

Registered office:
18-20 Le Pollet, St Peter Port
Guernsey, GY1 1WH

28 August 2015

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor who specialises in advising on shares or other securities and who is, in the case of UK shareholders, authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred your shares in Bushveld Minerals Limited, please forward this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part of your registered holding of shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

Notice of an Annual General Meeting of Bushveld Minerals Limited (the 'Company') to be held at 11:00 am on Wednesday 23 September 2015 at 18-20 Le Pollet, St Peter Port, Guernsey, GY1 1WH. Members of the Company are requested to return the enclosed Form of Proxy which, to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, but in any event so as to be received by the Company Secretary at the registered office in accordance with the provisions of the Company's Articles of Incorporation not less than 48 hours before the time appointed for the Annual General Meeting. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person at the Annual General Meeting should they so wish.

ORDINARY RESOLUTIONS

1. To receive and adopt the Annual Financial Statements of the Company and the Directors report and the report of the Auditors for the period ended 28 February 2015.
2. To approve the Directors Fees as reflected in the Remuneration Report and in Note 21 of the Annual Financial Statements.
3. That Messrs Baker Tilly UK Audit LLP, be reappointed as Auditors to the Company.
4. That the Directors be authorised to approve the remuneration of the Company's Auditors.
5. That AR Viljoen shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
6. That GN Sproule shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
7. The Company be generally and unconditionally authorised for the purposes of Articles 50.3 of the Articles to make on market acquisitions (as defined in Article 50.5 of the Articles) of Ordinary Shares on such terms and in such manner as the Directors determine provided that:
   i) the maximum aggregate number of Ordinary Shares which may be purchased is 48,633,744 Ordinary Shares;
   ii) the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.01;
   iii) the maximum price (excluding expenses) which may be paid for any Ordinary Share does not exceed 105 per cent of the average closing price of such shares for the 5 business days of AIM prior to the date of purchase; and
   iv) this authority shall expire at the conclusion of the next annual general meeting of the Company unless such authority is renewed prior to that time (except in relation to the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority, in which case such purchase may be concluded wholly or partly after such expiry).

SPECIAL RESOLUTION

8. That the directors be and are hereby generally and unconditionally authorised pursuant to Article 8.3 of the Articles of Incorporation of the Company to allot and issue (or grant rights to subscribe for, or to convert any security into) up to 150 million shares and that the provisions of Article 9.2 and 9.9 of the Articles of Incorporation of the Company be and are hereby excluded generally in relation to the allotment and issue of such shares. This authority (and the exclusion of Article 9.2 and 9.9) shall expire at the conclusion of the next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or issued (or rights to be granted) after such expiry and the Directors may allot and issue shares (or grant rights) in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

F MOJAPELO
Director
28 August 2015

ACTION TO BE TAKEN

A Form of Proxy is enclosed. Whether or not you intend to be present at the Annual General Meeting you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and, in any event, so that it is received no later than 11:00 am on 22 September 2014 in accordance with the Company's Articles of Incorporation. The completion and return of a Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person if you wish to do so.

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or notarially certified copy of such authority) must be deposited at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU not less than 48 hours before the time for holding the Annual General Meeting. A Form of Proxy is enclosed with this Notice. Completion and return of the Form of Proxy will not preclude members of the Company holding ordinary shares from attending and voting in person at the Annual General Meeting.
3. Pursuant to the Uncertificated Securities Regulations 2009, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the Annual General Meeting is 11:00 am on 21 September 2015 (being not more than 48 hours adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Annual General Meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order to be valid the appropriate CREST Proxy Instruction must be transmitted so as to be received by the Company's agent by the latest time(s) for receipt of proxy appointments specified in the Notice.

NOTES

FORM OF PROXY

FOR THE ANNUAL GENERAL MEETING

BUSHVELD MINERALS LIMITED
(incorporated in Guernsey under registered number 54506)

Registered office:
18-20 Le Pollet, St Peter Port, Guernsey, GY1 1WH

28 August 2015

I/We. . . . . of . . . .

. . . . with Account Designation . . . .

a member/members of the above-named Company, hereby appoint the chairman of the meeting or . . . . as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 18-20 Le Pollet, St Peter Port, Guernsey, GY1 1WH at 11:00 am on 23 September 2015 and at any adjournment thereof.

If you wish to instruct your proxy as to how to vote on your behalf, please indicate by an 'X' in the appropriate box below.

Ordinary Resolutions	For	Against	Withheld	Discretionary
1. That the Annual Financial Statements of the Company and the Directors report and the report of the Auditors for the period ended 28 February 2014 be adopted.	☐	☐	☐	☐
2. That the Directors Fees as reflected in the Remuneration Report and in Note 21 of the Annual Financial Statements be approved.	☐	☐	☐	☐
3. That Messrs Baker Tilly UK Audit LLP, be reappointed as Auditors to the Company.	☐	☐	☐	☐
4. That the Directors be authorised to approve the remuneration of the Company's Auditors.	☐	☐	☐	☐
5. That AR Viljoen shall be re-elected as a Director, having retired by rotation and offered himself for re-election.	☐	☐	☐	☐
6. That GN Sproule shall be re-elected as a Director, having retired by rotation and offered himself for re-election.	☐	☐	☐	☐
7. The Company be generally and unconditionally authorised for the purposes of Articles 50.3 of the Articles to make on market acquisitions (as defined in Article 50.5 of the Articles) of Ordinary Shares on such terms and in such manner as the Directors determine provided that: i) the maximum aggregate number of Ordinary Shares which may be purchased is 48,633,744 Ordinary Shares; ii) the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.01; iii) the maximum price (excluding expenses) which may be paid for any Ordinary Share does not exceed 105 per cent of the average closing price of such shares for the 5 business days of AIM prior to the date of purchase; and iv) this authority shall expire at the conclusion of the next annual general meeting of the Company unless such authority is renewed prior to that time (except in relation to the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority, in which case such purchase may be concluded wholly or partly after such expiry).	☐	☐	☐	☐

Special Resolution	For	Against	Withheld	Discretionary
8. That the directors be and are hereby generally and unconditionally authorised pursuant to Article 8.3 of the Articles of Incorporation of the Company to allot and issue (or grant rights to subscribe for, or to convert any security into) up to 150 million shares and that the provisions of Article 9.2 and 9.9 of the Articles of Incorporation of the Company be and are hereby excluded generally in relation to the allotment and issue of such shares. This authority (and the exclusion of Article 9.2 and 9.9) shall expire at the conclusion of the next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or issued (or rights to be granted) after such expiry and the Directors may allot and issue shares (or grant rights) in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.	☐	☐	☐	☐

Dated . . . . 2015 Signature . . . .

NOTES TO THE FORM OF PROXY

NOTES:

1. You may appoint a proxy of your own choice by deleting the words 'the chairman of the meeting' and inserting the name and address of your proxy in the space provided.
2. Unless otherwise instructed, a proxy may vote as he sees fit, or abstain from voting on any business (including amendments to resolutions) which may properly come before the meeting.
3. If the is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
4. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated. In the event that more than one joint holder submits a proxy form, the form submitted by the most senior joint holder (determined by the order in which the names appear in the register of members in respect of that joint holding) will be accepted to the exclusion of all others.
5. To be valid, this Form of Proxy must be completed, signed and lodged with the Company's Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, BR3 4TU not less than 48 hours before the time fixed for holding the Annual General Meeting or adjourned Annual General Meeting in accordance with the Company's Articles of Incorporation.
6. A proxy need not be a member of the Company.
7. Completion and return of this Form of Proxy does not preclude a member of the Company from subsequently attending and voting in person at the Annual General Meeting.

COMPANY INFORMATION

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For more information visit our website:
www.bushveldminerals.com