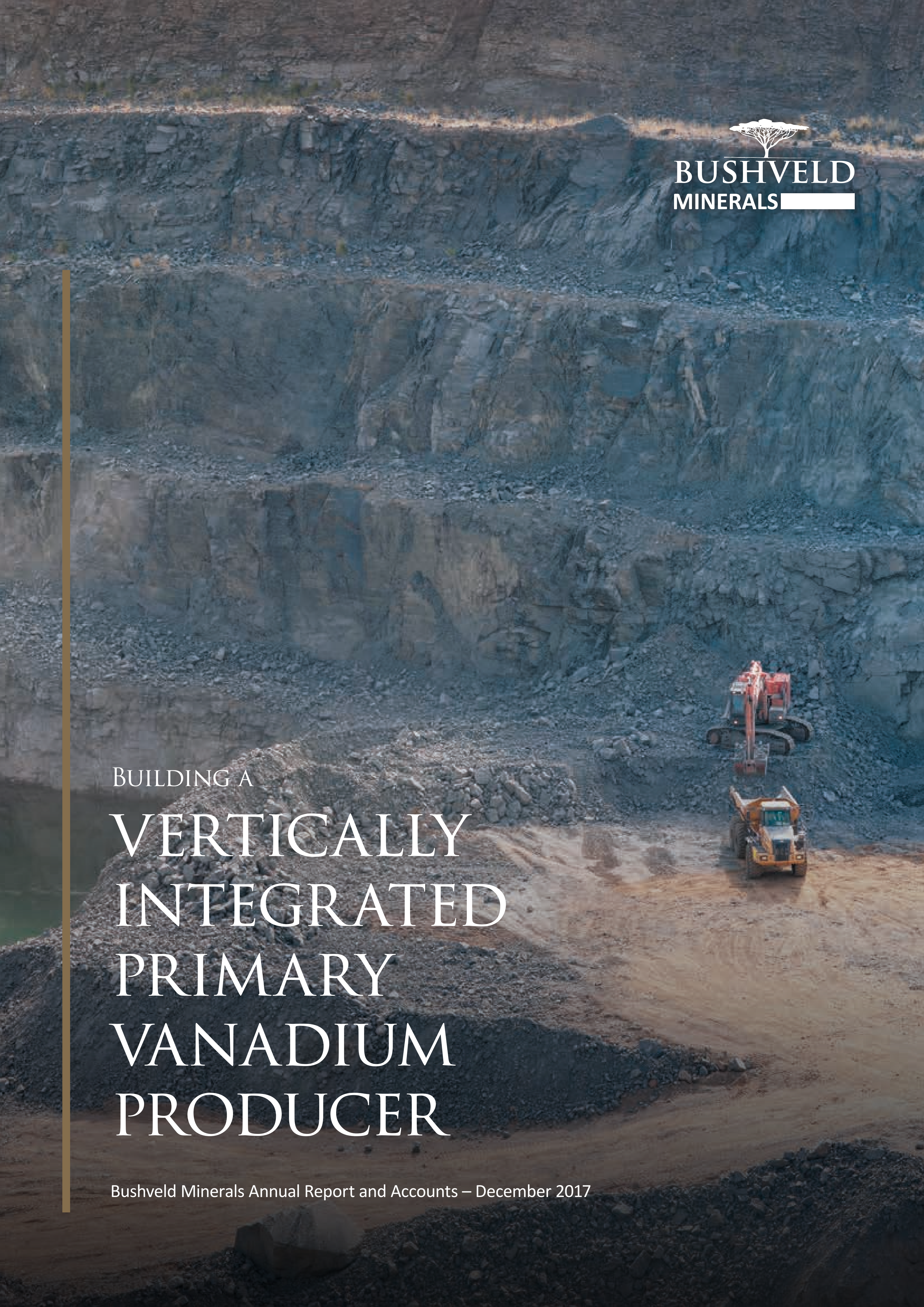


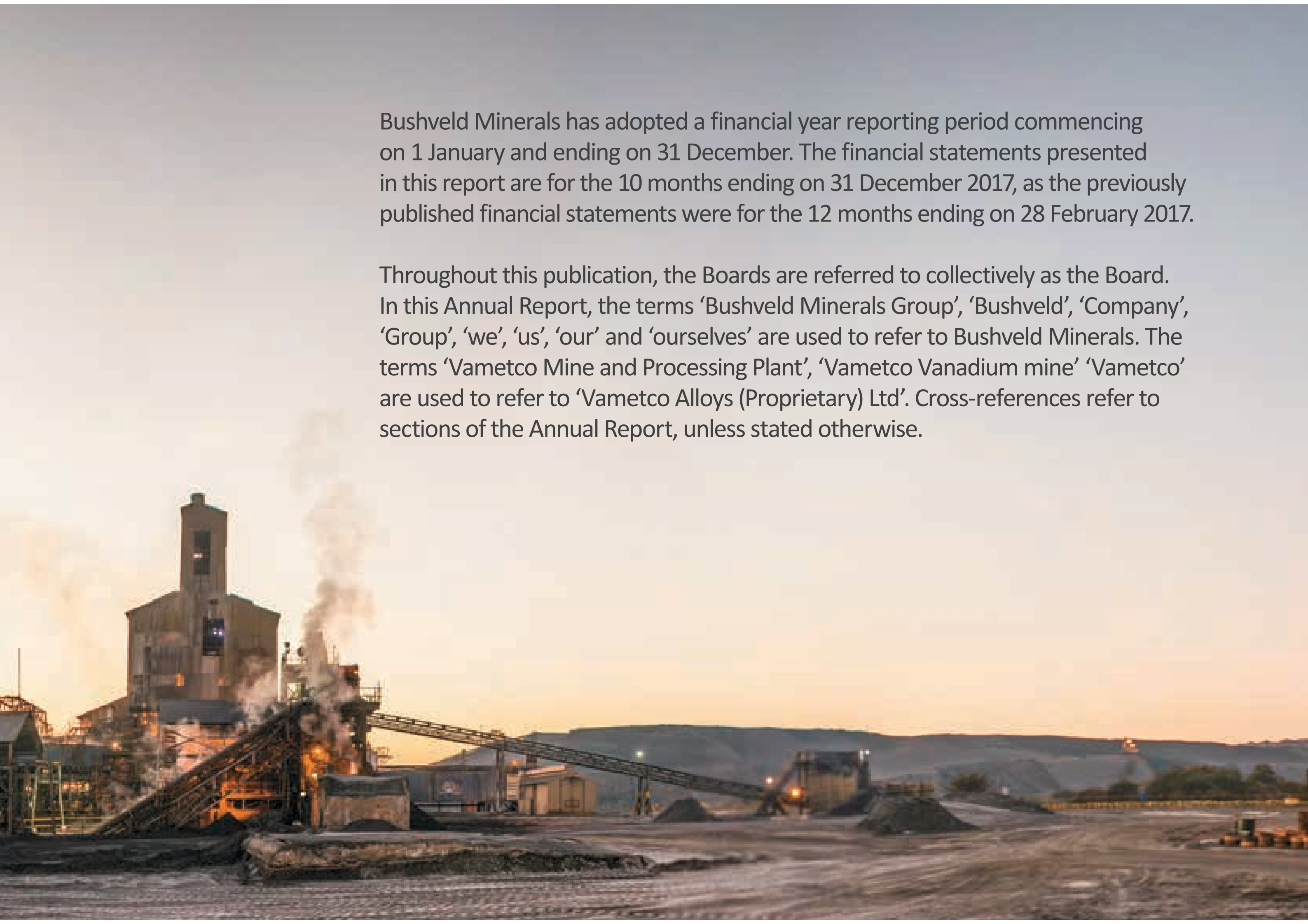
BUSHVELD
MINERALS

Building a

VERTICALLY INTEGRATED PRIMARY VANADIUM PRODUCER

Bushveld Minerals Annual Report and Accounts – December 2017

Contents



Bushveld Minerals has adopted a financial year reporting period commencing on 1 January and ending on 31 December. The financial statements presented in this report are for the 10 months ending on 31 December 2017, as the previously published financial statements were for the 12 months ending on 28 February 2017.

Throughout this publication, the Boards are referred to collectively as the Board. In this Annual Report, the terms ‘Bushveld Minerals Group’, ‘Bushveld’, ‘Company’, ‘Group’, ‘we’, ‘us’, ‘our’ and ‘ourselves’ are used to refer to Bushveld Minerals. The terms ‘Vametco Mine and Processing Plant’, ‘Vametco Vanadium mine’ ‘Vametco’ are used to refer to ‘Vametco Alloys (Proprietary) Ltd’. Cross-references refer to sections of the Annual Report, unless stated otherwise.

Financial Statements

Administration

This report is also available at **www.bushveldminerals.com/financial-reports/**

Introduction to Bushveld minerals limited

Bushveld Minerals is a low cost, vertically integrated primary vanadium producer, with ownership of high-grade assets, supplying over three per cent of the global vanadium market. Bushveld Minerals is one of only three producing primary vanadium operations in the world. The Company is also involved in the development and promotion of Vanadium Redox Flow Batteries ("VRFBs") in the growing global energy storage market through Bushveld Energy, the Company's energy storage solutions provider.

Bushveld's vision is to grow into one of the world's most significant, lowest cost and most vertically integrated companies comprising low cost primary vanadium production, electrolyte manufacturing as well as development and deployment of VRFBs in the energy markets.

While the Company's focus is on the vanadium platform, it has additional investments in an integrated coal mining and power generation project in Madagascar, through its subsidiary Lemur Holdings, and a 17.48 per cent shareholding in AIM-listed AfriTin Mining Limited, which reduced to 10.04 per cent as at 20 June 2018.

Bushveld Minerals employs a total of 475 employees and contractors.

"2017 was a transformational year that saw us complete our transition from an exploration company into a significant global vanadium producer laying the groundwork for our growth into a mid-tier low cost, vertically integrated primary vanadium platform."

Fortune Mojapelo – Chief Executive Officer

Highlights

We continue to deliver on our commitments across all our platforms.

BUSHVELD MINERALS

- Successfully implemented the acquisition of Vametco over two phases, the second phase was completed on 21 December 2017.

  Vametco is a high-quality, low cost vanadium producer. In 2017, Vametco produced 2,649 mtV in the form of Nitrovan® from magnetite concentrate which accounts for more than three per cent of global vanadium supply.

- Phase 1: completed 06 April 2017
  - Bushveld Vametco Limited ("BVL") acquired a 78.8 per cent in Strategic Minerals Corporation ("SMC") from Evraz Group S.A., with Bushveld Minerals Limited owning a 45 per cent interest in BVL and Yellow Dragons Holdings Limited ("Yellow Dragon") owning the remaining 55 per cent.
  - Bushveld Minerals effective shareholding in the operating company was that of an associate and was thus equity accounted for from 6 April 2017.
- Phase 2: completed 21 December 2017
  - Bushveld Minerals Limited acquired Yellow Dragon Limited's 55 per cent interest in BVL to increase its shareholding in BVL to 100 per cent. Following the acquisition, Bushveld Minerals Limited effectively owns 59.1 per cent of the operating company, which as a subsidiary was consolidated from 21 December 2017.
- Bushveld Minerals agreed to support Jaxson 640 (Proprietary) Limited's acquisition of a controlling interest in the Black Economic Empowerment ("BEE") shareholding in Vametco Holdings (Proprietary) Limited.
- In November 2017, the Company completed the demerger of Greenhills Resources, creating AfriTin Mining Limited ("AfriTin"), a standalone African tin platform.

BUSHVELD VANADIUM

- Successfully completed of the majority acquisition of Vametco vanadium mine in December 2017 to increase the Company's effective interest in the operation to 59.1 per cent.
- Successfully expanded Vametco's production to 3,035 mtV through phase one of a three-phased expansion project.
- On a 100 per cent basis, Vametco reported a Revenue of ZAR 1,052 million and an EBITDA of ZAR 318 million, an increase of 39 per cent and 558 per cent respectively, relative to the prior year.

BUSHVELD ENERGY

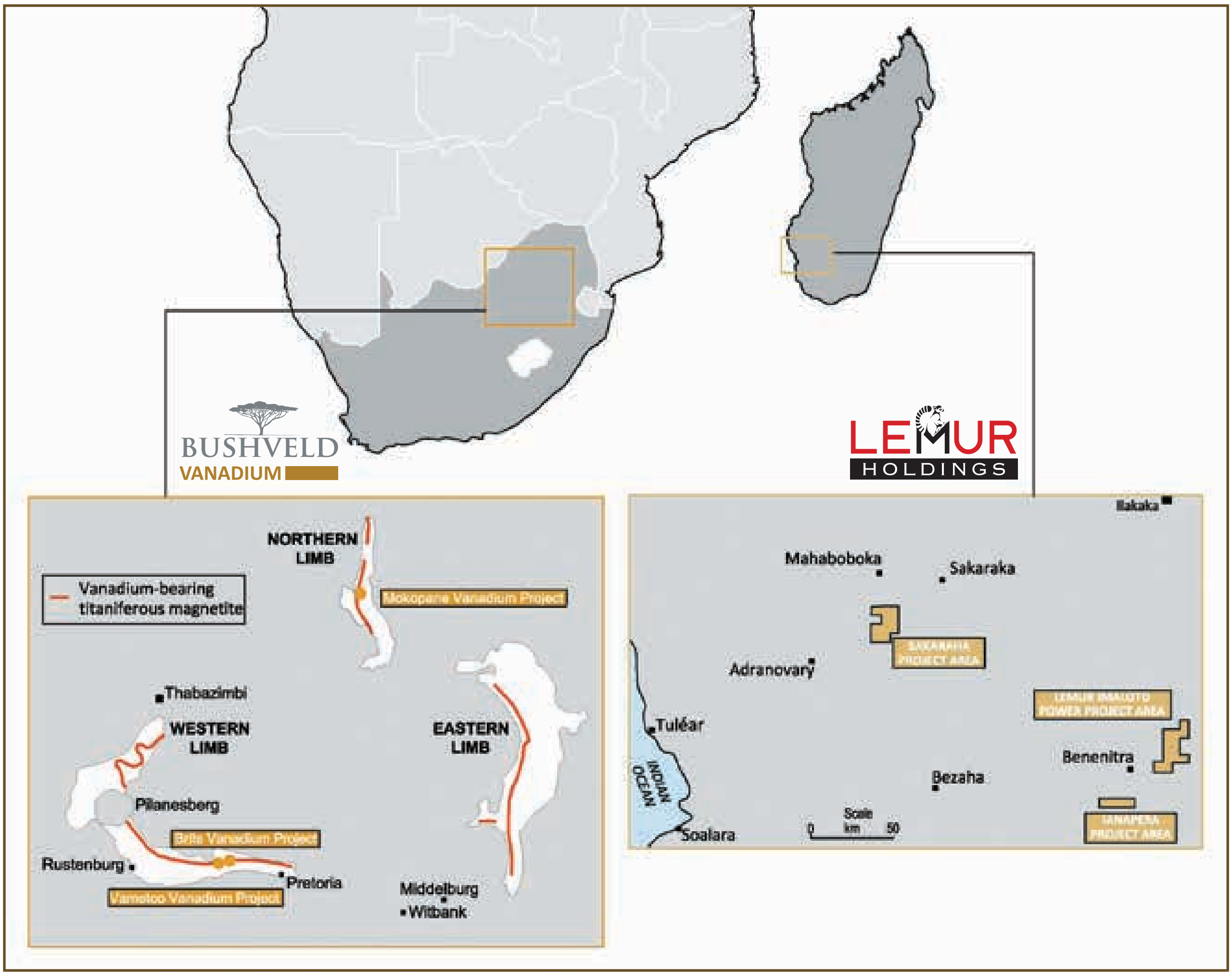
- Completed the studies on African VRFB demand and global electrolyte demand, in partnership with the Industrial Development Corporation ("IDC").
- Secured agreement with South African local utility Eskom for the deployment of the first VRFB in South Africa (announced in November 2017). VRFB commissioning expected to commence in the first half of 2018.

LEMUR HOLDINGS

- Signed Memorandum of Understanding ("MoU") with Sinohydro Corporation Limited for joint development and funding options for the Imaloto Power Project in Madagascar.
  - Executed a binding Power Purchase Agreement ("PPA"), with Madagascar state-owned utility, Jiro sy Rano Malagasy ("JIRAMA") for an initial 10MW executed as part of the Imaloto Power Project.
  - Post year end, executed a binding 30-year concession agreement with the Government of the Republic of Madagascar.

Where we operate

Our high-grade assets are located in the Bushveld Complex in South Africa, which is host of high-grade primary vanadium resources.



Our Assets

An integrated vanadium platform with investments in coal and power

A growing, low cost, vertically integrated primary vanadium producer.

Bushveld Vanadium comprises three key assets:

- **The Vametco Mine & Processing Plant ("Vametco")** in Brits, North West Province. Vametco is a low cost primary vanadium mining and processing company with a 142.4 Mt resource. Vametco produces a trademark vanadium product, Nitrovan® as well as modified vanadium oxide (MVO). In 2017, Vametco's production capacity was successfully expanded to 3,035 mtV. Bushveld owns an effective controlling interest of 59.1 per cent.
- **The Brits Vanadium Project** in Brits, North West Province. This is a strike extension of the Vametco mine and whose resource quantum is in the process of being established. The Company's interest in the asset ranges between 51 per cent and 74 per cent, through three different companies.
- **The Mokopane Vanadium Project** in Limpopo Province. The project comprises one of the world's largest primary vanadium resources with a 298Mt JORC resource and high in-situ (1.4 per cent) and in-concentrate (1.7 per cent) V_2O_5 grades. The Company owns an effective interest of 64 per cent in the project.

An energy storage project developer and component manufacturer.

Launched in 2016, Bushveld Energy is focussed on developing and promoting the role of vanadium in the growing global energy storage market through application in VRFBs via 2 means:

(a) As a developer it develops and secures mandates for large-scale energy storage projects; and

(b) It is bringing the energy storage value chain to South Africa in order to leverage South Africa-mined and beneficiated vanadium. This includes the development and operation of a vanadium electrolyte production plant to supply to South African and international VRFB projects.

Flagship

An integrated thermal coal mining and Independent Power Producer ("IPP") project in Madagascar.

Lemur Holdings ("Lemur") is a wholly owned subsidiary of Bushveld Minerals and is the Company's coal and power platform. The Imaloto Power Project is located in the southwest of Madagascar and consists of a 136 million tonne coal resource (90 per cent of which is a JORC compliant measured and indicated resource). The Project also includes an initial 60MW mine mouth coal power plant as well as over 250km (expandable to 500km) of new transmission lines, being developed in parallel as one of Madagascar's leading independent power producers.

VERTICALLY INTEGRATED PRIMARY VANADIUM PLATFORM

Bushveld Minerals' ambition is to grow into one of the world's most significant, lowest cost and vertically integrated vanadium companies. This will allow the Company to play a meaningful role in the global vanadium market dominated by steel applications, while it also leverages its large, low cost production base to be a catalyst for the development of vanadium applications in the burgeoning energy storage market through VRFBs.

- Large high grade ore for primary vanadium mining and processing.
- >430 mtV combined resource base, including 60Mt in reserves across three deposits on the Bushveld Complex.
- In-magnetite grades of 1.75% - 2.0% V_2O_5 are some of the highest vanadium grades in the world.

- Large primary vanadium processing capacity using the proven Salt Roast method.
- Processing capacity of 3,750 mtV, growing to 5,000 mtV on the back of an ongoing expansion programme.
- Brownfield facilities in close proximity to deposits offer further processing capacity expansion opportunities.

- Produces Nitrovan® and modified vanadium oxide, which is further converted into ferrovanadium and other vanadium products at toll treatment facilities.
- Leveraging primary processing capacity to establish low-cost vanadium electrolyte processing capacity.

- Ownership of processing capacity at Vametco means that we can optimise electrolyte production through an in-stream processing flow design giving the company significant cost advantages.
- VRFB Assembly & manufacturing for large scale energy storage mandates.
- With vanadium making up >40% of the cost of the VRFBs and scope for sourcing other components of the VRFBs locally, the company will deploy battery systems with the highest local content of any technology in South Africa.
- Leveraging proven in-house project development expertise and working with multiple stakeholders to secure large MW scale energy storage mandates in Africa.

The combined integrated vanadium group has envisaged, 2020, to:

produce
>5%
of the world's vanadium demand

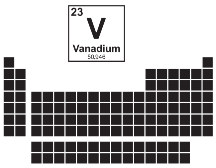
supply
200MWh
worth of vanadium electrolyte per annum

secure
1,000MWh
in energy storage mandates

Bushveld Minerals Project Philosophy

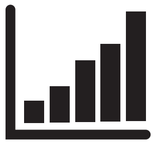
4 PRINCIPLES, CRITICAL TO SUCCESS

Bushveld Minerals' approach to project development rests on four principles, all of which are critical to the Company's success. The approach recognises the need for commodities with a sound economic outlook, scalable low cost, high quality projects with a clear path to production and cash flow generation. This philosophy is core to the Company's strategy in developing projects and creating attractive returns for our shareholders.



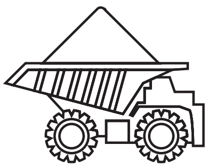
1. The Right Commodity

We adopt a rigorous approach in analysing market dynamics for each of our chosen commodities to understand industry structure, current and future supply/demand balance and implications for the underlying price. Vanadium is in a structural deficit, with limited supply and a growing demand. The vanadium supply deficit has resulted in an average price increase of approximately 77 per cent relative to the prior year. The growing deficit presents itself as an opportunity for existing primary vanadium producers who are able to increase production.



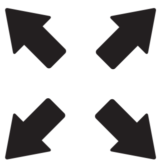
2. Low Cost Curve Position

A low cost curve position acts as a natural hedge against commodity price fluctuation, ensuring healthy average margins and protection against price downswings. The Company's vanadium assets are either positioned in the first quartile or show the potential for first or second quartile cost positioning. Vametco, the Company's flagship asset is one of the lowest cost primary producers while enjoying some of the highest grades. The Company's strategy is for the assets to be in a position of generating cash in every phase of the commodity cycle.



3. A Clear Path to Achieving Production

The path to production is, in part, a function of project capital requirements and complexity of development. We look to develop projects where we have visibility to production and cash flow generation. We therefore target brownfield processing assets that can be acquired at a fraction of their replacement cost or develop greenfield projects that have a low up-front capital expenditure and are scalable. A clear example of this was the acquisition of Vametco which was acquired for significantly less than its new replacement cost, which is in excess of US$200 million.



4. Scalability

We have the opportunities to debottleneck and optimise our long-life assets to grow production with a minimum capital expenditure spend. Vametco is currently undergoing an expansion project that will increase its production capacity to 5,000 mtV by 2019. In addition, the Company has expressed its intentions of growing its production platform to more than 10,000 mtV in the medium term.

Attractive commodity market fundamentals

- By far the best performing commodity price since 2016, the vanadium price has seen cumulative increases in excess of 350 per cent over the period as a consequence of a significant structural deficit, driven by robust and growing demand in the context of a concentrated and constrained supply with limited new production in the horizon;
- Vanadium demand is anchored in the steel sector, which continues to underwrite vanadium demand as vanadium consumption in steel grows globally, while applications in energy storage sector provide step change upside;
- Supply response has been slow, with production reductions of as much as 10 per cent between 2014 and 2016. The majority of projects under development are co-production pig-iron/steel plants designed to produce vanadium as a co-product. They have significant grade and capital expenditure constraints to overcome.

Quality vanadium assets

- The Company's asset portfolio comprises large, high grade open cast deposits, combined with low cost, scalable processing capacity to give it a low cost production profile and first quartile cost curve positioning.
- Primary vanadium grades of 1.75 per cent – 2.0 per cent V_2O_5 are among the highest in the world.
- Current life of mine production profile accounts for less than five per cent of the Company's resource base with extensive exploration upside.

Management Team

- The management in place in the Company's subsidiaries are highly experienced operators in the commodities they are focused on. Vametco's team, for example, combines more than 100 years' experience in vanadium mining and processing.

Governance

- Bushveld is committed to high standards of corporate governance and social responsibility.
- The Company continuously reviews its governance policies and is committed to improving its practices over time.
- The Company considers corporate social responsibility a fundamental part of Bushveld's business imperatives and seek meaningful and deep partnerships with its multiple stakeholders.

Brownfield Infrastructure

- The Company's deposits exist in close proximity to brownfield processing and logistics infrastructure creating scope for low capex and quick scale-up of production capacity.
- The acquisition consideration of Vametco, at US$16.5 million, represented less than 10% of replacement value and allowed Bushveld immediate access to production capacity.

Vertical Integration

- Bushveld's deep vertical integration, anchored in a high quality low cost production base allows the Company to play a key enabling role in the multi-billion dollar energy storage industry.
- This strategy is key to not only strengthening the vanadium demand profile, it also unlocks significant economic opportunities for the Company along the vanadium value chain.

Shareholder Return

- Bushveld is committed to delivering attractive returns to its shareholders. During the second half of 2018, the Company will define a capital allocation framework, which will outline the Company's approach towards shareholder returns, including a dividend policy designed to encourage capital efficiency, to support the Company's growth initiatives while simultaneously rewarding investors.

> "Bushveld Minerals is one of only three operational primary vanadium producers, and one of only two vanadium focused pure-play companies in the world."

2017 saw the Company transform from an explorer to a producer

"2017 was a transformational year for Bushveld which saw the Company significantly progress the development of each of its platforms. A testament to the tenacity of our management team, the successful completion of the Vametco vanadium mine acquisition in December was a landmark transaction for Bushveld, transforming the Company from being an explorer to a low cost producer with a strategy to become a leading vertically integrated vanadium producer.

Since 2014, Bushveld has operated a commodity focussed platform strategy leading to the adoption of a clear model for long term growth and the development of three independent platforms: Bushveld Vanadium (vanadium); Greenhills Resources (tin); and Lemur (coal and power). The past year has seen each platform make considerable progress in becoming a standalone operating platform, particularly in the case of Greenhills Resources, which gained independent listing on the AIM market of the London Stock Exchange.

The Company's flagship platform is Bushveld Vanadium, and this is undoubtedly where we made most progress as a Company. The acquisition of Vametco could not have been completed at a more opportune time for the Company, with vanadium prices on a solid upward trajectory throughout 2017, a trend that has continued in 2018. Our long-standing strategy has not changed which is to build a leading vertically integrated vanadium producer focussed on enhancing growth both horizontally and vertically. Horizontally we seek to grow our production volumes to meet growing demand from the steel and energy storage sectors, while our vertical growth speaks to our efforts to participate downstream along the vanadium value chain.

The focus on the vanadium platform resulted in the demerger of the Company's tin platform, Greenhills Resources, into a standalone company on AIM, renamed AfriTin Mining Limited. AfriTin was admitted on AIM on 9 November 2017. The transaction significantly simplified Bushveld's group structure, enabling the Board and management team to focus on the vanadium platform, while allowing shareholders continued ownership of AfriTin's assets. The Company is confident that AfriTin will continue to build on its position as a leading African tin exploration and development mining company. In addition, following his appointment as Chief Executive Officer of AfriTin Mining, Anthony Viljoen stood down as an executive director at Bushveld Minerals. Anthony continues to serve as Non-Executive Director of the Company.

The Board believes that high standards of governance are crucial to deliver our strategy, create long term value and maintain our licence to operate. Accordingly the Board is always looking at ways of improving the Company's corporate governance and assurance process.

> "After what can only be described as an incredibly significant and transformational year, the year ahead promises to continue in the same way. The 2018 year promises to be another busy and exciting one for the Company as we look to further develop Bushveld's platforms."

The Board of Directors takes a rigorous approach to Board planning. It considers skills, experience and attributes required to effectively govern and manage risk within Bushveld Minerals. As a result, post year end the Board appointed Michael Kirkwood as independent Non-Executive Director. Michael is a highly experienced and well respected former international banker, having worked at the highest levels of Citigroup during his 31-year career with the bank. He was latterly the UK country head and chairman of the Corporate Bank and is currently a Non-Executive Director of AngloGold Ashanti Ltd and Chairman of Ondra LLP.

The Board is also determined to ensure that it continues to have the right balance of Directors and carries on with its high level of responsibilities and corporate governance. This process is continuous, and we will bring additional focus to ensuring the Board evolves to take account of the rapidly changing external environment in which Bushveld Minerals operates.

Post year end, the Company successfully raised US$22.2 million (£15.7 million) (before expenses) by way of an oversubscribed share placing. The placing was led by key UK institutional investors and a consortium of cornerstone investors, including the original founders of Mimosa Platinum and LionOre Mining International, as well as the key investors in Mantra Resources at its inception. We are delighted to welcome these new investors as shareholders of the Company.

Bushveld continues to endeavour to build its business and strategy in a way that ensures stakeholders and the communities in which it operates benefit from and are involved in the Company's operations. This mantra is at the heart of our business and we shall continue to adhere to this along with the mining regulations in the jurisdictions in which we operate. The draft new Mining Charter for South Africa was announced Friday 15 June 2018, requiring that the Black Economic Empowerment ("BEE") shareholding set to increase to 30 per cent within five years. The new and renewal of existing mining rights will require 14 per cent for black entrepreneurs and 8 per cent ownership for both communities and employees, thus totalling 30 per cent. Whilst the 30 per cent requirement was expected, the new announcement is a 5 per cent free carry provision for both communities and employees, within the 8 per cent. The Charter also mandates a trickle dividend of one per cent of EBITDA to employees and communities respectively from the 6th year where dividends are not previously declared during the said period. The move towards finalising the Mining Charter and thus bringing much needed certainty is welcome. There remains, however, several provisions in the draft Charter that will no doubt be challenged as a consequence of which we expect some revisions before it is finalised. The Company will thus continue to exercise caution in dealing with the Charter until it is finalised.

The Bushveld Minerals story is at heart a South African story of the successful development of a significant global platform from early stage exploration through innovative acquisitions to establish an attractive portfolio of quality, low-cost and cash generating assets. It is thus only natural that the Company would seek a South African capital markets base. Accordingly, Bushveld Minerals is considering the option of listing on the Johannesburg Stock Exchange in the near future, a move that will allow South African investors access to its story while broadening the Company's access to capital to facilitate its aggressive growth plans and enhance its profile further in the global capital markets.

The Board recognises the importance of returns to shareholders, and consequently it has determined that during the second half of 2018, Bushveld Minerals will define a capital allocation framework, which will outline an approach and strategy towards shareholder return, value creation through investments and financial performance.

The Board believes that the Company is uniquely placed in a buoyant market to grow into a leading vertically integrated vanadium producer. Bushveld has a quality primary vanadium asset portfolio, a strategy to develop this and to become an integrated player. In addition, it has partners and a team in place to deliver this.

After what can only be described as an incredibly significant and transformational year, the year ahead promises to continue in the same way. The 2018 year promises to be another busy and exciting one for the Company as we look to further develop Bushveld's platforms.

I would like to thank our management team for their considerable efforts in what has been a challenging but exciting time for our Company. The business is dependent upon the hard work, dedication and skills of all our team. I would in particular like to thank our CEO Fortune Mojapelo, who has led the Company and team in an exemplary way. Also, to my colleagues on the Board, I extend my appreciation for their wise counsel and advice that I have received this year. I look forward to supporting Fortune and the management in our pursuit of long term value creation for all our shareholders."

Ian Watson
Non-Executive Chairman

Delivering on our strategy

In the past year, Bushveld Minerals made significant progress to deliver on its strategy to become one of the most significant, lowest cost and vertically integrated primary vanadium producers in the world. benefiting from a high grade resource embedded within the Company's portfolio. We remain focused on delivering on our stated objectives supported by an outstanding management team, great partners, a portfolio of world class assets and strong market conditions.

The highlight of the year was the completion of the acquisition of the Vametco primary vanadium mining and processing plant ("Vametco"), providing Bushveld with a high-quality asset producing a high quality vanadium product for a significant global customer base.

Acquisitions of Strategic Minerals interest and Vametco

During 2017, Bushveld Minerals completed the acquisition of a 78.8 per cent interest in Strategic Minerals Corporation ("SMC"), which holds a 75 per cent shareholding in the vanadium mining and processing companies Vametco Holdings (Proprietary) Limited and Vametco Alloys (Propriety) Limited. This acquisition transformed the Company from an exploration company into a significant vanadium producer with no less than three per cent of the global vanadium market share.

The Vametco acquisition was conducted over two phases. During the first phase, Bushveld partnered with Yellow Dragon Holdings Limited ("YDH") to acquire a 78.8 per cent interest in SMC from the Evraz Group S.A. The partnership was structured through Bushveld Vametco Limited ("BVL"), of which Bushveld held 45 per cent while YDH held the majority 55 per cent. This phase was completed on 6 April 2017.

On 21 December 2017 Bushveld Minerals completed the acquisition from YDH of 55 per cent of the issued share capital of BVL, being all of the ordinary share capital that was not owned by the Company. Following the completion of this transaction, the Company now owns an effective 59.1 per cent indirect beneficial and economic interest in the Vametco vanadium mine.

The value of the Vametco acquisition to Bushveld cannot be over-stated. The Vametco transaction, with a purchase price that was less than ten per cent of replacement value, is an excellent testament of the Company's strategy of targeting brownfield processing infrastructure which can be acquired at a fraction of a greenfield operation and provides a lower risk and quicker path to production. It provides Bushveld with a low-cost, scalable and profitable vanadium production platform from which the Company can grow and implement its vision of a large, vertically integrated vanadium company with a diversified vanadium products portfolio. Some of the benefits of the acquisitions are summarised below:

- It immediately transforms Bushveld from an exploration company into a producing company with a significant share of the global vanadium market. Vametco enjoys more than a three per cent share of the global vanadium market; which is expected to grow to more than five per cent by 2019;
- It gives the Company exposure to vanadium production and cash flows at an opportune time. Vanadium prices have risen from US$19/kgV when the acquisition was first announced to US$43/kgV when the second phase of the transaction was completed;
- While Vametco is benefitting handsomely from the surge in vanadium prices, it is well positioned to continue generating cash flows even in a low-price environment, owing to its low-cost production base;

- The acquisition comes with a solid management team with more than 100 years combined experience in vanadium mining and processing and adds depth to Bushveld's management capacity;
- The production base has the potential to expand by the end of 2019 to 5,000 mtV per annum, supported by one of the largest primary vanadium resource bases in the world (under the ownership of Bushveld);
- Vametco has the potential to diversify its product range beyond its Nitrovan® product; and
- It is aligned with the Company's aspirations in the global energy storage space by providing capacity for potential electrolyte manufacturing.

Non-core asset strategy

Bushveld has since inception in 2012 operated a multi-commodity-focussed platform strategy since 2012. This approach has led to the adoption of a clear model for long term growth and the development of three independent platforms: Bushveld Vanadium, Greenhills Resources (now listed on AIM as AfriTin) and Lemur.

Four key pillars have guided the subsequent development of the Company's projects:

- Identifying commodities with a positive market outlook;
- Developing assets with low cost curve positioning;
- Developing a viable low capital expenditure, realisable path to production and, thus cash flow generation; and
- Ensuring project scalability.

In late 2013 the Company pivoted on vanadium and has since developed its vanadium platform as the Company's flagship while the strategy for the other platforms focussed on building critical mass for a short-term spin-off into stand-alone platforms. That strategy resulted in the demerger and listing of AfriTin Mining Limited in November 2017. The Company has made significant progress in building critical mass in Lemur for a future as a standalone coal and energy focused platform. Efforts are underway to evaluate various options in respect to the future.

The Company's vision

The Company's vision is to grow into a significant, low cost, vertically integrated vanadium platform that comprises:

- One of the largest high-grade primary vanadium resource bases in the world, as well as becoming a leading primary vanadium production source;
- A low cost position on the production cost curve, leveraging the high in-situ and in-magnetite V_2O_5 grades and the open-cast mining proposition of Bushveld's deposits, as well as access to low cost brownfield processing infrastructure; and
- Development of downstream operations beyond production of end-use vanadium products to include development and deployment of vanadium applications in industries such as the energy storage market, where Bushveld intends to manufacture vanadium electrolyte and to build VRFBs.

Bushveld Vanadium

Vametco

Vametco had a solid performance in the 2017 calendar year, supported by a strong vanadium price environment with the ferrovanadium price averaging US$33/KgV for the 12 months. Vametco produced 2,649 mtV (Nitrovan® and FeV) during the 2017 calendar year. Unit production costs for the 2017 calendar year were ZAR 220/KgV (US$16.6/kgV).

Vanadium production guidance for the 2018 calendar year remains unchanged at approximately 3,680 mtV. Following the completion of phase two of the expansion project by the end of June 2018, Vametco's production capacity will ramp up from the current 3,035 mtV to 3,750 mtV per annum. The capital expenditure programme is being funded from operational cashflow.

In 2017, Vametco commenced a three-phased expansion project with the aim of increasing annualised production capacity to 5,000 mtV by the end of 2019. Phase one of the expansion plan was successfully completed on time and on budget in the third quarter of 2017, during which time Vametco reached an annualised production capacity of 3,035 mtV. Phase two of the expansion was, completed on time and in budget in June 2018, resulting in Vametco achieving an annualised production capacity of 3,750 mtV. Phase three of the expansion will increase Vametco's annualised production run rate to 5,000 mtV by 2019. Completion of the expansion project will enhance Vametco's existing competitive position in a structurally challenged market.

Mokopane Vanadium Project

The Mokopane Vanadium Project is a key part of Bushveld's vanadium strategy. The project comprises one of the world's largest primary vanadium resources hosted in the three adjacent layers of the Main Magnetite Layer ("MML"), the Main Magnetite Layer-Hanging Wall ("MML-HW") and the AB Zone. The MML hosts high in-situ grades of 1.4 per cent V_2O_5 and in-concentrate 1.75 per cent V_2O_5 grades and was the basis for the Pre-Feasibility Study completed in January 2016. An application for a New Order Mining Right was lodged in March 2015 and is currently being processed by South Africa's Department of Minerals Resources. The Company is in ongoing discussions with the Department of Mineral Resources with a view to being granted a New Order Mining Right and significant progress has been made during the year.

10,000
mtV
production target in the medium-term

The Company has also been progressing in ongoing consultations with the local community and continues to evaluate ways to bring the asset into production in the most cost-efficient manner possible. Efforts are also continuing to find strategic partners for the project. The intention is to secure a mining right and develop the project as a greenfield mining and processing plant; or as mining operation supplying ore to China and or other brownfield processing plants.

Brits Vanadium Project

The Company has begun an exploration programme at the Brits Vanadium Project, which comprises prospecting rights on several farms adjacent to Vametco, with the aim of establishing a maiden Mineral Resource Estimate. After the year end, a soil geochemical sampling programme and ground magnetic survey were carried out over the project area. Interpretation of the results of this work has led to several drilling targets being delineated.

Drilling on these targets commence, post year end, in March 2018, and thus far eight diamond drill holes have been completed, totalling 833.08 metres. The Lower Seam (the primary orebody mined at the adjacent Vametco Mine) has been intersected in several drill holes, and the Intermediate Seam and Upper Seam have also been intersected in some drill holes.

Drill cores are currently being logged and assayed, with the assays being carried out at the Vametco mine laboratory and confirmed by an independent external laboratory. The Company expects to publish the results as they are received. The Company will also commence an infill drilling programme at the project and will begin estimation of the Mineral Resource once logging, sampling and assaying of all drill holes has been completed.

Bushveld Vanadium production plan

Through its expansion initiatives at Vametco, as well as targeted brownfield opportunities, the Company is looking to expand its production to 5,000 mtV by the end of 2019 and to more than 10,000 mtV in the medium term.

Bushveld Energy

Bushveld Energy was established with the objective of not only promoting the adoption of vanadium in the energy storage industry through vanadium redox flow batteries ("VRFBs") but also exploiting the multi-billion dollar commercial opportunity that the energy storage industry presents.

The Company believes that VRFBs are well positioned to take a significant share of the global utility-scale energy storage market, where their distinctive features, including low life-of-battery costs, flexible scalability, long duration energy storage capacity and inherent safety give them a significant advantage over other technologies. These, and more advantages, are increasingly recognised as global deployments of VRFBs grow year on year.

Since its establishment, Bushveld Energy has made significant progress defining the energy storage market opportunity, building industry awareness for VRFB and developing a business model for Bushveld Energy. The business model is anchored in Bushveld Minerals' low-cost production platform and smart partnerships along the VRFB value chain. To date Bushveld Energy has signed a cooperation agreement with the Industrial Development Corporation ("IDC") a local state-owned development finance institution; a Memorandum of Understanding with USA-based VRFB manufacturer Uni Energy Technologies (UET).

During the past year, in particular, the company has made significant progress, including the following:

a) Completion of two key studies carried out in cooperation with the IDC:

The "African VRFB demand" and "Global Electrolyte Demand" study

The study results indicated highly favourable demand for VRFBs, especially in the utility and off-grid, mini-grid use cases, peaking in 2025-2030. It also showed that global electrolyte demand is likely to peak in the same time frame at 1200-1800 megawatt hours ("MWh") or 40-60 megalitres ("ML") per annum. Conservatively, the company believes there is the potential for Bushveld to supply an initial 5-10ML of this demand, supporting supply of an initial 200MWh in energy storage per annum.

A techno-economic study for the manufacture of vanadium electrolyte in South Africa

The study results highlighted that Bushveld Energy can manufacture electrolyte on a cost-competitive basis, thereby allowing it to compete both regionally and globally. A scalable plant can be configured with an initial annual production capacity of 200-400MWh. The estimated initial capital expenditure for the plant would be in the region of ZAR130 million (US$9.7 million), of which more than 75 per cent comprises balance of plant. A follow-up locational analysis recommended a dual location design. Pre-purification would be performed at Vametco to reduce capital expenditure through co-location. The second part of the plant will be focussed on electrolyte production and mixing and will be located in an Industrial Development Zone ("IDZ") in close proximity to a port, positioning it well for export opportunities. While the most significant driver of costs (upwards of 70 per cent) is the vanadium feedstock, Bushveld has access to locally available, low cost supplies within its own portfolio. This gives both the Company and South Africa a natural competitive advantage.

b) Secured an agreement with South Africa's utility Eskom for a 120kW / 450 kWh VRFB project

In November last year, Bushveld Energy confirmed that the first utility scale VRFB would be deployed in South Africa. The project includes our two existing strategic partner entities: the IDC as a co-developer, and USA-based UET as the VRFB manufacturer. The system will be deployed with Eskom at its Research, Testing and Development ("RT&D") Centre in

~77%
average price increase

Rosherville, South Africa. This follows Eskom's identification of the need for potentially up to 2,000MW of additional, daily balanced energy storage within the existing grid earlier this year. The project will see the installation of a VRFB with peak power of 120 kW and peak energy of 450 kWh.

The project will allow Eskom to test the VRFB and its performance and applications under numerous simulations and help build the business case for battery energy storage for Eskom. Bushveld Energy is also performing the project integration to the RT&D's existing micro-grid.

Since the year end, work has continued on this project and manufacturing of the Direct Current ("DC") portion of the VRFB has been completed with factory acceptance gained in April 2018. Site preparation work has commenced at the Eskom site, which has included earthworks and cabling. Two technicians from South Africa have also been appointed to perform the installation and maintenance on the Eskom project. Technicians were trained at UET, in April 2018. This will give Bushveld Energy the capability to install and maintain future VRFB installations in South Africa and regionally. The entire system is still on track to be delivered towards the end of the second quarter of 2018.

"The transformation to a producer with healthy cash flows, while very satisfying, is only a step in our journey to build one of the most significant, lowest cost and vertically integrated vanadium companies in the world. There is much work ahead and I am very confident that we have the right asset base, the right strategy and the best team to deliver it."

Electrolyte facility

A key part of Bushveld Energy's strategy is the creation of an electrolyte production facility which Bushveld Energy is looking to establish with the IDC. Post year end, an international chemicals company that has already designed and built a vanadium electrolyte production plant with multiple megalitre annual capacity, was engaged by Bushveld Energy. The scope of the engagement at this stage includes independent verification and improvement of the existing process flow and plant design to cover both the process at Vametco and that of the greenfield facility in the East London Industrial Development Zone ("EL IDZ"). Greater certainty of the cost estimate for the dual-located processing assets, as well as joint work with Bushveld Energy and Bushveld Vametco to expand Vametco's current laboratory capabilities to include testing of electrolyte in-house and production of batch, single-acid vanadium electrolyte as samples to prospective VRFB customers. This stage also includes the preparation of the project for the Engineering, Procurement and Construction ("EPC") phase, which is planned for the third quarter of 2018 as well as tendered for environmental assessment that needs to be performed at both Vametco and EL IDZ.

Bushveld Energy Strategy

We see 2018 as a transformational year for Bushveld Energy. Development work to date is expected to yield results in the form of:

1) Proving the Company's capabilities and securing its position as a developer and integrator of utility scale energy storage projects by delivering its initial projects and securing large scale energy storage mandates in Africa;
2) Positioning itself as a key electrolyte supplier, by supporting the global industry through the low cost production of electrolyte while securing offtake agreements; and
3) Securing additional strategic relationships with downstream stakeholders in the global vanadium battery supply chain and electrical power developers and producers operating in Africa.

Lemur Holdings and Power China after a technical workshop

With these developments, the company will be in a position to outline its business model, cash flow capabilities and valuation contribution within Bushveld Minerals.

Lemur Holdings

The addition of a power component to Lemur's JORC compliant and resource of approximately 136 million tonnes supports Lemur's plans to unlock the value of this coal asset in Madagascar, while simultaneously securing a reliable electricity offtake backed by a government entity.

The Company was also delighted to appoint Prince Nyati as CEO of Lemur during the year. Prince has extensive experience in the international energy and mining sector and the team look forward to working with him to deliver Lemur's strategy.

Excellent progress was made during the year at Lemur. Key among these was the execution of a binding 30-year Power Purchase Agreement ("PPA") in November 2017 between Lemur's Madagascar subsidiary, Imaloto Power Project SARL and state-owned utility, JIRAMA.

Prior to this development, in March 2017, Lemur signed a technical cooperation agreement with Sinohydro Corporation Limited ("Sinohydro"), a subsidiary of Power China, to develop the power project and also to look at funding options. Sinohydro is also completing the bankable feasibility study ("BFS") under the same agreement.

In October 2017, Lemur appointed an owner's Engineer, together with other technical, environmental and legal advisors to support the development phase of the project. During the reporting period, Lemur conducted the load demand and transmission routing study to understand the load demand in the catchment area and to align the design and phasing of the power plant capacity in the catchment area. These studies are critical to concluding the BFS on the project.

Post year end, Lemur has, through Imaloto Power Project SARL, executed a binding 30 year concession Agreement with the Government of the Republic of Madagascar, represented by the Ministry of Energy and Hydrocarbons for the approval to develop, construct, operate and maintain the Imaloto Power Project in Madagascar.

With regard to government approvals and regulatory compliance, it is important to note that in addition to the concession, Lemur also started the Social, Environmental and Impact Assessment (SEIA) post year end.

Lemur 2018 priorities

2018 promises to be another strong year for Lemur with a number of key milestones that the Company is looking to deliver. These include:

- Concluding the SEIA Study;
- Pursuing further funding and credit enhancement options for the Project, which has already been initiated;
- Securing additional power offtakes in addition to the current demand from JIRAMA;
- Seeking to conclude coal offtakes with third parties. It is important to note that the coal mine is viable with only supplying coal to the Power Project. Notwithstanding, supplying coal to third parties provides early cashflows prior to commissioning of the power plant; and
- Further exploring strategic partnerships for the Project.

Lemur is well placed to achieve these milestones and the Company is confident that the projected Power Project will be commissioned in 2021.

Financial Report

The most significant transaction during the year was the acquisition of Vametco, which provides Bushveld with a strong cash generating asset. In 2017 Vametco generated ZAR 1,052 million in Revenue and ZAR 318 million in EBITDA. As the acquisition of Vametco was completed on 21 December 2017, resulting on Bushveld Minerals having an effective 59.1 per cent economic interest in Vametco, the reported Bushveld Minerals results reflect Vametco's consolidated performance only from 21 December 2017.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a priority for Bushveld Minerals. We are proud of the Company's achievements and strive to: 1) create value in the communities in which it operates; 2) maintain safe operations; and 3) minimise social and environmental impact. Through our programmes with the communities we have developed trusting relationships and seek to prioritise the health and safety of our employees and host communities who work with us. We have made significant progress in 2017 and we will continue to build on this success. More information can be found in the CSR section of this report.

Black Economic Empowerment partner

During the year, Bushveld Minerals agreed to support Jaxson 640 (Proprietary) Limited's acquisition of a controlling interest in the Black Economic Empowerment ("BEE") shareholding in Vametco Holdings (Proprietary) Limited, ensuring the BEE partner at Vametco Holdings is a partner of choice aligned with Bushveld Minerals' vanadium strategy and focus. The Jaxson transaction took place alongside Bushveld Vametco Limited's acquisition of a 78.8 per cent interest in Strategic Minerals Corporation.

Bushveld Minerals' post year end events

In March 2018, the Company successfully raised US$22.2 million (£15.7 million) (before expenses) by way of an oversubscribed ordinary shares placing. The planned use of proceeds of the placing was: redemption of the outstanding Atlas Capital convertible bond; simplifying Bushveld's organisational and corporate structure; and supporting Bushveld's vanadium expansion programme.

In September 2017 the Company agreed to issue up to £8 million of unsecured convertible bonds to the UK based fund Atlas Capital Markets Limited, and its New York based joint venture company, Atlas Special Opportunities Limited. The convertible bonds were issued into two tranches of £4,500,000 issued in September 2017 and £3,500,000 issued in December 2017. In June 2018, the Company, fully redeemed the outstanding Atlas convertible bonds.

Following the demerger of Greenhills Resources Limited, Bushveld Minerals retained a 17.48 per cent shareholding in AIM-listed AfriTin Mining Limited from the 17th of November 2017. Post year end, on 20 June 2018, AfriTin successfully completed a private placement of new shares, with the result that Bushveld Minerals interest was diluted from 17.48 per cent to 10.04 per cent. Since Bushveld Minerals does not exercise significant influence over AfriTin, the investment has since been accounted for as a financial asset available for sale.

Outlook

Having completed the transformational acquisition of Vametco, we look forward to the year ahead with added confidence as we continue to diligently execute the strategy that we have articulated across all of our platforms. The transformation to a producer with healthy cash flows, while very satisfying, is only a step in our journey to build one of the most significant lowest cost vertically integrated vanadium companies in the world. There is much work ahead and I am very confident that we have the right asset base, the right strategy and the best team to deliver it.

I would like to take this opportunity to thank everyone that has played a crucial role during a year that has been as challenging as it has been rewarding. This includes the outstanding management team for its diligence, the Board of Directors for its continual support and counsel, the local communities in the areas in which we operate for their partnership which we treasure and our advisers for their expert guidance. I look forward with anticipation to reporting this time next year on our continuing progress.

The story of Bushveld Minerals is not yet half told.

Fortune Mojapelo
Chief Executive Officer

OUR STRATEGIC OBJECTIVES

PLATFORM	PRIORITIES FOR 2018
	Redeemed Atlas Capital Convertible bond. Completed in June 2018. Simplify Bushveld Minerals Organisational structure. List on the Johannesburg Stock Exchange. Develop organisational capacity to align with the Company's growth, in particular addressing human resources, financial resources, business processes and systems.
	Vametco Completed the second phase of the expansion project on time and within budget which will take production capacity to 3,750 mtV. **Brits Vanadium Project** Commenced an exploration programme in Q1CY18 which has shown positive drilling results. The aim is to establish a positive maiden Mineral Resource Estimate. **Mokopane Vanadium Project** Secure a New Order Mining Right for the project. Develop the project along the Company's broader vanadium portfolio.
	Deliver the first VRFB project with Eskom in Q2CY18. Grow the VRFB project pipeline across Africa. Supply electrolyte samples to downstream stakeholders in the vanadium battery supply chain to secure interest in electrolyte offtake globally. Develop electrolyte manufacturing plant.
	Successfully secured 30-year concession for 60 MW and associated transmission lines in May 2018. Conclude the SEIA study for the Imaloto coal Power Project. Complete the Bankable Feasibility Study for the Imaloto Power Project. Pursue project funding and credit enhancement options, which have already been initiated.

Bushveld Vanadium

- Vametco
- Brits Vanadium Project
- Mokopane Vanadium Project

Bushveld Energy

Lemur Holdings

Bushveld Vanadium

Bushveld Minerals' large high-grade resources base comprises:

- **Vametco:** Vametco is a primary low cost vanadium mining and processing operation, supplying more than three per cent of the global vanadium market, with a 142.4Mt JORC resource, including 26.12 Mt Reserves with in-magnetite vanadium grades averaging 1.96 per cent V_2O_5. The Vametco mine is an open cast mine along a strike of ~ 3.5 kilometres. In 2017 Vametco's production capacity was successfully increased to 3,035 mtV. Bushveld Minerals owns 100 per cent of Bushveld Vametco Limited (BVL), which in turn owns a 78.8 per cent share in SMC, the 75 per cent majority shareholder in Vametco Holdings (Proprietary) Limited. Vametco Holdings holds 100 per cent of the operating company Vametco Alloys (Proprietary) Limited;
- **Brits Vanadium Project:** The Brits Vanadium Project comprises prospecting rights on several farms adjacent to Vametco. The mineralisation is outcropping and a continuation of the Vametco deposit strike with similar or higher vanadium grades. Historical drilling has shown grades of as much as 2.6 per cent V_2O_5 in-magnetite. In March 2018, an exploration programme commenced which showed positive drilling results; and
- **Mokopane Vanadium Project:** The Mokopane Vanadium Project is a key part of Bushveld Minerals' vanadium strategy. The project comprises one of the world's largest primary vanadium resources, with a 298 Mt JORC resource including 28.5 Mt Reserves and high in-situ (1.4 per cent) and in-concentrate (1.75 per cent) V_2O_5 grades.

Together, the three deposits constitute a minimum total of 439.6 Mt JORC resource base, including 55 Mt of JORC reserves. The resource vanadium grades include some of the highest primary grades in the world. These high-grade deposits are located on the Bushveld Complex, host to the world's largest primary vanadium resources. The Company continues to search for and evaluate complementary brownfield processing facilities close in proximity to its current resources.

Bushveld Minerals intends to build its core processing capacity around brownfield processing infrastructure close in proximity to its primary vanadium resources. The attraction of brownfield processing facilities lies in the potential for significant reductions in capital expenditure and lead-time to achieve production.

Vametco

Vametco is an integrated mining and processing plant located 8 km to the northeast of Brits in the North West Province of the Republic of South Africa. The operation owns the new order mining rights for vanadium and other associated minerals over Portion 1 of the farm Uitvalgrond 431 JQ and Portion 1 of the farm Krokodilkraal 426 JQ in Brits. Vametco operates an open pit mine supplying ore to its vanadium processing plant located on the same properties. Its senior management team has over 100 years combined vanadium mining and processing experience in South Africa. Vametco employs a total of 450 employees and contractors.

Mining

Vametco operates an open pit mine supplying ore to its vanadium processing plant located on the same properties. The open pit mine is approximately 3.5 kilometres long in a west-east direction. The ore body is well defined, continuous and dips in a northerly direction at approximately 19 degrees. The mine is based on a JORC resource of 142.4 Mt , including 26.12 Mt reserves with in-magnetite vanadium grades averaging 1.96 per cent V_2O_5.

Processing

The processing plant at Vametco is fed ore from the co-located Vametco mine. The Vametco mine is an open pit mine along a 3.5km strike running west to east and dipping at about 20° in a northerly direction. Vametco employs the standard salt roast and leach process to produce a trademark vanadium carbon nitride (VCN) product called Nitrovan®. The process involves the following stages:

- **STEP 1:** Crushing, milling and magnetic separation to produce a magnetite concentrate with average grades of approximately 2.0 per cent V_2O_5;
- **STEP 2:** Salt-roasting of concentrate involving roasting of the concentrate with sodium salts in a kiln at approximately 1,200°C to form a water soluble vanadium material;
- **STEP 3:** Leaching and purification involving dissolution of roasted vanadium concentrate in water, purification and precipitation of vanadium through the addition of ammonian sulphate followed by drying and then processing in a reducing environment to produce a modified vanadium oxide ("MVO" or "V_2O_3) product; and
- **STEP 4:** Nitrovan® production: the modified vanadium oxide is briquetted and fed into a shaft induction furnace in a nitrogen atmosphere to produce Nitrovan®.

Production and expansion project

Vametco has a current annual plant capacity of approximately 3,750 mtV, which was achieved in June 2018, in the form of Nitrovan®, a patented vanadium product used in the steel industry, and modified vanadium oxide ("MVO" or "V_2O_3"). In 2017, Vametco produced 2,649 mtV in the form of Nitrovan® from magnetite concentrate, which represents more than 3 per cent of global production.

Under the oversight of Bushveld, Vametco commenced a three-phased expansion project to increase annual production capacity to 5,000 mtV by end 2019. The first phase of the expansion was successfully completed in the third quarter of 2017, during which Vametco reached an annual production run capacity of 3,035 mtV. The second phase of the expansion project was completed on time and within budget in June 2018. The third phases of expansion will increase production capacity to 5,000 mtV per annum by the end of 2019.

Financials

Vametco had a solid performance in 2017 supported by a strong vanadium price environment with the ferrovanadium price averaging US$33/KgV for the 12 months, an increase of 77 per cent on to the prior year. Accordingly, the following 2017 performance was reported relative to 2016:

- Revenue increased 38.5 per cent to ZAR 1,052 million; and
- EBITDA increased of 558 per cent to ZAR 318 million.

Vametco's 2017 production costs (excluding depreciation, royalties, selling, general and administrative expenses) of ZAR220/kgV (US$16.6/kgV) were among the lowest in the world, placing Vametco in the first quartile of the vanadium cost curve.

The table below shows a summary of the key figures for the years 2015, 2016, and 2017.

Bushveld Vametco Results[1]	100%	CY17	CY16	CY15
Vanadium produced (Nitrovan® and Fev)	mtV	2,649	2,856	2,419
Vanadium sold	mtV	2,721	2,810	2,340
FeV LMB price w.a	US$/kgV	32.6	18.5	18.6
USD/ZAR exchange	US$=ZAR	13.3	14.7	12.8
Revenue	ZAR'm	1,052.2	760.0	629.3
EBITDA	ZAR'm	317.8	48.3	16.7
Production costs[2]	ZAR/kgV	219.8	189.8	185.8
Production costs[2]	US$/kgV	16.6	12.9	14.6

1. Following the completion of the acquisition of the remaining 55 per cent share in Vametco on 21 December 2017, Bushveld's indirect controlling interest is 59.1 per cent.
2. Excludes depreciation, royalties, selling, general and administrative expenses.

VAMETCO CONTINUED

Vametco acquisition

During 2017, Bushveld Minerals completed the acquisition of a 78.8 per cent interest in Strategic Minerals Corporation ("SMC"), which holds a 75 per cent shareholding in the vanadium mining and processing companies Vametco Holdings (Proprietary) Limited and Vametco Alloys (Propriety) Limited. This acquisition transformed the Company from an exploration company into a significant vanadium producer with no less than three per cent of the global vanadium market share.

The US$16.466 million (£13.187 million) consideration paid is substantially less than the cost of a greenfield mine and plant of the same capacity. Bushveld Vametco financed the acquisition as follows:

- Exclusivity fee cash payments to Evraz of US$1.646 million (£1.318 million);
- Bridge loan facility of US$11.0 million (£8.8 million) from The Barak Fund SPC Limited;
- A US$3.0 million (£2.4 million) facility from the Financing and Sales and Marketing Agreement with Wogen Resources Limited; and
- A cash contribution of US$820,000 (£656,685) from Bushveld and Yellow Dragon Holdings Limited.

Bushveld Minerals effective shareholding in the operating asset was that of an associate, thus equity accounted for from 6 April 2017.

The second phase was completed on 21 December 2017 through which the Company completed the acquisition of 55 per cent of Bushveld Vametco from Yellow Dragon Holdings for an initial purchase consideration of US$11.1 million (£8.3 million), increasing the Company's indirect interest in Vametco Holdings from 26.6 per cent to a controlling interest of to 59.1 per cent.

- The initial purchase consideration of US$11.1 million (£8.8 million) consisted of a cash payment of US$4.5 million (£3.3 million) and the issue of 54,766,364 new ordinary shares in the Company, credited as fully paid, at 9.06 pence per share.
- In addition, two deferred payments of US$0.6 million (£0.4 million) each, will be payable following publication of the accounts for Vametco Holdings Limited for respectively the years ending 31 December 2018 and 31 December 2019. A further payment will be made on publication of the Vametco Holdings Limited accounts for the year ending 31 December 2020 to be calculated by reference to the EBITDA of Vametco Holdings Limited for the period covered by its 2020 accounts.

Bushveld Minerals Limited effectively owns 59.1 per cent of the operating company, which as a subsidiary was consolidated from 21 December 2017.

Brits Vanadium Project

The Brits Vanadium Project comprises prospecting rights on several farms adjacent to Vametco. The project includes a mining right under application for vanadium. The project hosts high-grade vanadium mineralisation in several magnetite layers. The mineralisation is outcropping and a continuation of the Vametco deposit strike with similar or higher vanadium grades. The project offers a potential extension of Vametco's life of mine and presents cheaper near-surface ore for the Vametco plant. In March 2018, an exploration programme commenced which showed positive drilling results.

Mokopane Vanadium Project

The Mokopane Vanadium Project is a key part of Bushveld Minerals' vanadium strategy. The project is located on the central portion of the Northern limb of the Bushveld Complex, the second largest host of vanadium resources in the world. The project is in the Mokopane District of Limpopo Province, approximately 65km west of Polokwane. The project includes one of the world's largest primary vanadium resources as well as high in-situ (1.4 per cent) and in-concentrate (1.75 per cent) V_2O_5 grades.

Geology & Resources

The Mokopane Vanadium Project deposit is a layered ore body along a 5.5km north-south strike at a dip of between 18° to 22° west. The project comprises three adjacent and parallel magnetite layers namely the Main Magnetite Layer ("MML"), the MML Hanging Wall ("MML-HW") layer and the AB Zone. 298 Mt (JORC) resources and reserves run across three parallel overlying magnetite layers with grades ranging from 1.6 per cent to over 2 per cent V_2O_5 as follows:

- MML: 52 Mt @ 1.48 per cent V_2O_5 (1.6-1.8 per cent V_2O_5 in magnetite);
- MML-HW & Parting: 233 Mt @ 0.8 per cent V_2O_5 (1.5-1.6 per cent V_2O_5 in magnetite); and
- AB Zone: 12 Mt @0.7 per cent V_2O_5 (>2 per cent V_2O_5 in magnetite).

Pre-Feasibility Study

A Pre-Feasibility Study ("PFS") on the Mokopane Vanadium Project was completed and published in January 2016. The PFS was premised on only the MML resource being mined and processed through a primary salt roast and leach process to produce over 99 per cent purity V_2O_5. The project economics are attractive as presented in the table below.

Bushveld Minerals believes the Mokopane Vanadium Project is robust enough to advance to a Bankable Feasibility Study.

The Company continues to evaluate the potential to bring the asset into production in the most cost efficient manner possible. The intention remains to develop the project with a strategic partner at an appropriate point in the near future. Options being considered also include supply of mmL ore to China and or other brownfield processing plants.

Licensing

The Mokopane Vanadium Project has a prospecting right (LP95PR), which incorporates five farms: Vogelstruisfontein 765 LR; Vriesland 781 LR; Vliegekraal 783 LR; Schoonoord 786 LR and Bellevue 808 LR. The Project's mineral prospecting right covers several minerals including iron ore, vanadium and titanium. An application for a Mining Right was lodged in March 2015 and is currently still being processed by the South African Department of Minerals Resources. In September 2016, Bushveld Minerals was granted an Integrated Environmental Authorisation by the South African Mineral Resources Department in terms of Section 24 L of the National Environmental Management Act (Act 107 of 1998) for the project.

The Environmental Impact Assessment was compiled as part of the Mining Right Application. The next step in the application process is the approval of the Company's mine works programme and social and labour plan which will pave the way for the granting of the Mining Right.

Mokopane Vanadium Project: salt roast 1.0Mtpa RoM base case scenario

Item	Unit	Value	
Mineral resource	Mt	300	
Ore reserve	Mt	28	
Life of mine	Years	30	
Vanadium (V_2O_5) production	Tonnes per annum	9,525	
Vanadium (V_2O_5) price	US$ per kilogramme US$ per pound(lb)	16.53 7.50	
Long term exchange rate	ZAR:US$	12.75	
Initial capital costs	US$ million, real	298	
Sustaining capital	% per annum of initial capital expenditure	1.3	
Operating costs	US$/lb V_2O_5 flakes	3.28	
Gross revenue	LoM US$ million, real	4,720	
Unleveraged cashflow	LoM US$ million, real	1,476	
Average EBITDA margin per annum at steady state , post royalties	%	52.59	
		Pre-tax	**Post-tax**
NPV at 9% (base case)	US$ million	418.0	259.3
IRR , real	%	24.8	20.4
Payback from start of production ramp up	Years	4	

BUSHVELD ENERGY

Bushveld Energy

Bushveld Energy is an 84 per cent held subsidiary of Bushveld Minerals Limited, established to participate in the large and growing commercially attractive global energy storage market through vanadium-based utility scale batteries. In 2014 Bushveld Minerals identified the fast-growing energy storage market as a key and attractive downstream industry where VRFBs have the potential to take a significant share of the energy storage market, with the latter now expected to grow to as large as US$350 billion by 2030. Bushveld Energy was accordingly established to capture a share of this attractive market and be exclusively focussed on VRFB technology.

Bushveld Energy objectives

- To exclusively focus on opportunities tied to VRFB technology (potential US$70 billion addressable market for VRFBs) by developing energy storage projects using VRFB based energy solutions across Africa;
- To support the creation and growth of the market for energy storage within Africa overall;
- To establish, in partnership with the Industrial Development Corporation ("IDC"), VRFB and electrolyte production capacity in South Africa; and
- To position itself as a key electrolyte supplier, through strategic relationships with downstream stakeholders in the vanadium battery supply chain.

2018 priorities

2018 is expected to be a transformational year for Bushveld Energy as it delivers on key milestones critical to its success:

- The company is working with the IDC to establish VRFB and electrolyte production in South Africa and is in the process of delivering its first VRFB with a peak power of 120kW and peak energy of 450 kWh into Eskom's Research Training and Development facility by the second quarter of 2018;
- Proving its capabilities and securing its position as a developer and integrator of utility scale energy storage projects by delivering its initial projects and securing large scale energy storage mandates in Africa;
- Positioning itself as a key low cost electrolyte supplier and thus supporting the global industry while securing offtake agreements; and
- Securing additional strategic relationships with downstream stakeholders in the global vanadium battery supply chain and electrical power developers and producers operating in Africa.

Finally, the company expects in the second half of 2018 to be in a position to outline its business model, cash flow capabilities and valuation in Bushveld Minerals.

Business Model

Bushveld Energy's business model envisages activities along the VRFB value chain and will include electrolyte manufacturing, VRFB assembly and eventual manufacturing as well as energy storage project development. The company will leverage its low-cost scalable production base to build capabilities along the VRFB value chain. Partnerships are an important part of the business model.

Partnerships

Smart partnerships along the VRFB value chain are an important part of Bushveld Energy's business model, ensuring that operating capacity and intellectual property can be developed quickly. The company has to date developed the following existing partnerships:

Cell stacks at the Fraunhofer ICT VRFB, Karlsruhe, Germany

Uni Energy Technologies – In April 2016, Bushveld Energy signed a Memorandum of Understanding ("MoU") with UET, a United States of America based manufacturer of turn-key, large and medium-scale energy storage systems for utility, micro-grid, commercial and industrial, and other applications. The core of the UET system is an advanced VRFB, with breakthrough electrolyte, state-of-the-art containerised design, mature large-scale stacks, and optimised power electronics and controls. The MoU with UET provides a platform for collaboration with a credible technology partner that not only has a strong track record in the technology development of VRFBs but is also a commercial manufacturer of quality VRFB systems.

Industrial Development Corporation – In June 2016, Bushveld Energy signed a cooperation agreement with South Africa's national development finance institution, the IDC. The partnership is focussed on jointly determining the economic viability of VRFBs for use and manufacture in South Africa. As a leading primary vanadium producer and exporter, South Africa serves as the logical base for VRFB manufacturing.

The IDC also has important stakeholder linkages with the South African government, regulators, utilities and other key players that are necessary to provide a catalytic stimulus for the energy storage industry as they have for the renewable industry to date.

The cooperation between Bushveld Minerals and the IDC has already achieved key milestones:

Completed a Market Study for VRFBs in the African market

The market study confirmed attractive African demand for VRFBs and global demand for vanadium electrolyte. It showed that the three main uses for VRFBs in Africa are expected to be energy-intensive storage applications requiring locational flexibility. Furthermore, it showed that at present, the vanadium electrolyte supply industry is heavily concentrated in China, and that there is none in the southern hemisphere or Africa / Middle East, regions of direct interest to Bushveld Energy.

Completed a techno-economic study for the local manufacturing of vanadium electrolyte for the global VRFB market

The techno-economic study focussed on a production facility of at least 200MWh in annual production. It would have the flexibility to increase production and also adjust the manufacturing process to cater for electrolyte formulations with varying acid formulations and vanadium molarity levels. Initial estimates show highly favourable internal rates of return at globally competitive electrolyte pricing, and these are being detailed via a financial model.

Based on the highly favourable findings and recommendations of the techno-economic study, both Bushveld Energy and the IDC have decided to pursue this opportunity further by:

- Studying possible locations within South Africa for the electrolyte production facility. A dual site location strategy has been adopted for the project to improve its overall economics and establish the facility with a low operating cost platform. Feedstock purification will be done in a facility co-located with Bushveld Vametco. Mixing and final processing into electrolyte will occur at a greenfield facility located within the Industrial Development Zone near East London, South Africa;
- Building a bankable financial model for the processing facility; and
- Identifying potential South African and international partners to jointly develop and operate the facility. Since year end, a formal relationship has been established with an international chemicals company that has already built and is operating an electrolyte production facility outside of South Africa.

Reached agreement with the South African national electric power utility Eskom for a peak 120kW/450 kWh VRFB installation at its testing centre

As one of the largest power utilities in the world and generator of nearly 45 per cent of all electricity used in Africa, the project with Eskom brings both credibility and the potential for future project opportunities. Eskom has publicly communicated a need for 2000MW of energy storage in addition to the pumped hydro storage it already operates. At an average duration of four hours, that could mean an opportunity of 8000MWh.

The configuration of the project with Eskom also aims to establish credibility for the technology and Bushveld Energy's ability to integrate energy storage at utility scale. The project site already houses a micro-grid into which Bushveld Energy will install and integrate the VRFB. Eskom will analyse the performance of the VRFB under multiple protocols, such as wind and solar energy smoothing, among others, based on the needs found throughout its South African infrastructure, which covers generation, transmission and distribution. Results from the analysis will be available to Bushveld Energy and external parties, such as other African power utilities, thereby establishing an independent review and credibility to the technical capabilities of the VRFB.

Project Development

During the course of 2017, Bushveld Energy started to build its energy storage project pipeline across Africa.

In addition to the Eskom 120kW/450kWh VRFB system, optimal sites for a large scale VRFB demonstration system of multiple megawatt hours are being developed in South Africa. Outside of Eskom, the source of both the largest opportunity and the risk to market development is regulatory. The country's electrical power composition is governed by an Integrated Resource Plan (IRP) that was created and approved in 2010. The IRP was set for an update in 2016 that was never approved by government and now it is stated for release in the second half of 2018. In all jurisdictions, electricity is a heavily regulated sector and thus the treatment of energy storage within national regulations is critical. Post year end, Bushveld Energy has become one of the founding members of the South African Energy Storage Association (SAESA) and its CEO elected as the first chairman of the association. By working together with other stakeholders in the energy storage sector through SAESA, Bushveld Energy is able to support the South African government in ensuring a regulatory framework that supports the ability of energy storage and its users to improve the efficiency of South Africa's power system.

With low transmission grid penetration outside of southern and northern Africa and resurging oil prices, there is also significant growth in the demand and attractive of the business case for "true hybrid" off-grid projects. Such projects replace existing (or planned) diesel and other types of liquid thermal generation (e.g. heavy fuel oil, jet oil) with solar PV and energy storage, displacing the thermal generation to back-up status. While such projects require longer power purchase agreements, their pricing is already cheaper than paying for thermal generation and leads to reductions in CO_2 emissions for the electricity user.

Advantages of VRFBs

One of the key advantages of flow battery design is their ability to decouple power (measured in watts) from energy (measured in watt hours). As a result, whenever the need for long duration storage arises, usually of four hours of storage per day or longer, VRFB's become more cost effective than other technologies, such as lithium ion. Globally, there is currently a shift from short to long duration energy storage, driven by the need to find solutions to grid challenges beyond frequency response, which has dominated the energy storage use case for the past 10 years. New use cases for grid-connected systems include provision of peaking capacity, which has historically been provided by gas generation plants and reducing the curtailment of renewable generation during peak production periods. In addition, off-grid installations, or micro-grids, when supplied by renewable energy require significant storage on a daily basis, often in excess of four hours, creating another market segment favourable to VRFBs. Finally, another upcoming trend is the concept of "value stacking", whereby one energy storage facility provides not one function but multiple and is able to monetise all of them. An example of this includes strategically located energy storage facilities within constrained networks of transmission.

Long lifespan cycles

with the ability to repeatedly charge/discharge over 35,000 times for a lifespan in excess of 20 years

100% depth of discharge

without performance degradation is unique to VRFBs

Lowest cost per kWh

when fully used at least once daily makes VRFBs today cheaper than Li-ion batteries

Safe

with no fire risk from thermal runaway

100% of vanadium is re-usable

upon decommissioning of the system

Scalable capacity

to store large quantities of energy (MW- range)

Flexibility

allows capture of the multi-stacked value of energy storage in grid applications

Very fast response time

of less than 70ms

No cross-contamination

due to only one battery element, unique among flow batteries

A Uni Energy Technologies VRFB in New York, USA.

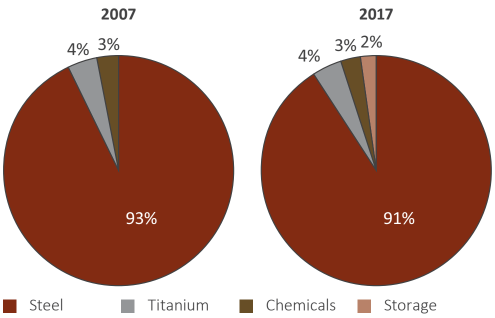
Vanadium Market Overview

Vanadium is a grey, soft and ductile high value metal with several unique characteristics that positions it strongly in the steel, alloys and chemicals sectors. Most vanadium is recovered from magnetite and titan-magnetite ores, either as the primary product (17 per cent of global supply in 2016 according to Vanitec) or more commonly as a co-product with iron processed for steel production (73 per cent). It can also be recovered as a secondary product (accounting for the 10 per cent balance of supply in 2016) from fly ash, petroleum residues, alumina slag, and from the recycling of spent catalysts used for some crude oil refining.

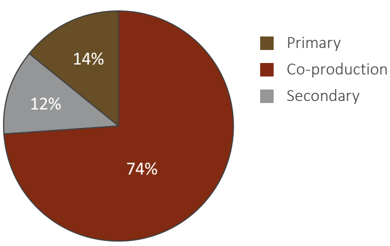
The two main traded vanadium products are vanadium pentoxide (V_2O_5) and ferrovanadium ("FeV"). V_2O_5 is the most common intermediate product from treatment of magnetite iron ores, vanadium-bearing slags and secondary materials, and can be used directly by some non-metallurgical applications and in the production of vanadium chemicals. It is also used as an intermediate product for the production of FeV, the vanadium alloy used as a strengthening/hardening agent in manufacturing of high-strength steel (vanadium's dominant end use).

Vanadium is not an exchange-traded commodity, pricing is instead negotiated by contract between supplier and customer (often through an intermediary trader). Vanadium pentoxide prices are quoted by US Dollar per pound of V_2O_5 (generally on an FOB basis), while ferrovanadium prices are quoted by US Dollar per kilogram of contained Vanadium (with a range of prescribed minimum Vanadium levels, e.g. 50 per cent and 80 per cent).

Vanadium consumption by use



Vanadium feedstock production by source 2017



Source: Bushveld Minerals analysis, Roskill

The vanadium price has seen a significant surge in the last two years, rising by more than 400 per cent from lows of US$13.50/kgV in December 2015 to highs of US$68/kgV by May 2018.

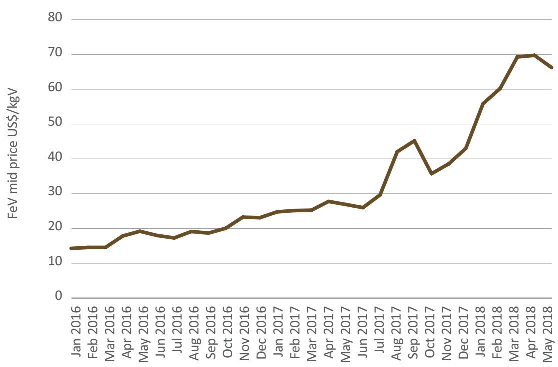
The price increase is driven by a fundamental structural deficit in the vanadium market, arising from robust and growing demand underwritten by the steel sector amidst concentrated and constrained supply with limited new supply in the near future. Approximately 90 per cent of vanadium consumption is from the steel industry. The steel market is thus set to continue supporting robust vanadium demand, which is expected to grow at a CAGR of approximately two per cent over the next 10 years, supported by the increased intensity in use of steel in emerging markets, particularly in China, underpinned by the improved enforcement of regulations.

Furthermore, there is significant upside potential from the growing application of VRFBs, with current forecasts estimating that VRFBs will account for 20 per cent of vanadium consumption by 2030. However, there is significant upside of as much as 50,000 mtV demand by VRFBs if they capture 25 per cent of the forecast energy storage market.

While there is growing demand for vanadium, supply remains constrained with very limited new supply expected to come on stream. Over 70 per cent of vanadium produced is through co-production, mostly from China, which is driven by steel fundamentals. The steel market structural changes are expected to continue to adversely impact the economics of vanadium co-producers going forward due to:

- excess iron ore supply resulting in a low iron ore price outlook in the medium term; and
- excess steel production capacity in a context of subdued steel consumption growth, with steel price forecasts expected to remain at subdued levels.

FeV mid price



Source: Bloomberg. Metal Bulletin, 30 May 2018

Furthermore, a majority of the supply feedstock from China comes from steel plants that process low grade vanadium bearing magnetite ores to produce steel and a vanadium slag which is then further processed through a process similar to the primary production processes – salt roast and leach operations. This source of vanadium is also significantly constrained on account of:

- high input costs as a result of mining and processing low grade captive ores, relative to the higher quality and low cost seaborne haematite ore;
- high processing costs of complex steel plants that have to be designed for extraction of titanium and vanadium resulting in operating costs that are significantly higher than simple blast furnace operations processing haematite ore; and
- no leverage on steel prices as a consequence of the small share of steel production that the high cost vanadium and titanium bearing magnetite ore processing steel plants have.

The points mentioned above, imply that there is limited scope for supply growth from existing co-producers. In addition, although a number of new projects have been announced, most of these are not primary vanadium projects, and they will be facing large capital expenditure driven by factors outside vanadium resulting in a significant share of them not coming online.

The current market dynamics point to a positive price outlook, underpinned by a growing deficit which we believe can only be closed by existing quality primary vanadium producers like Bushveld Minerals, who are in a position to scale up production. This provides a sound basis for the Company's push to grow into one of the largest, lowest cost, vertically integrated primary vanadium producing companies. Furthermore, through its expansion initiatives at Vametco, as well as targeted brownfield opportunities, the Company is targeting to expand its production platform from 5,000 mtV to more than 10,000 mtV in the medium term. In addition, given Bushveld's portfolio of assets and vertical integration, the Company is uniquely positioned to benefit from the expected continued strong vanadium market conditions.

The Energy Storage Market Opportunity for Vanadium

The energy storage market has seen aggressive growth in the past few years and can well be considered to be at a tipping point. While consumer electronics and electric vehicles have attracted more media coverage in the past, stationary applications, particularly in utility scale applications are growing and are expected to claim a significant share of the overall energy storage market, with recent studies showing that:

- Stationary energy storage demand is growing rapidly and will exceed 300GWh by 2030; and
- While actual forecasts vary, most point to 20-40GWh of storage deployed annually by 2025.

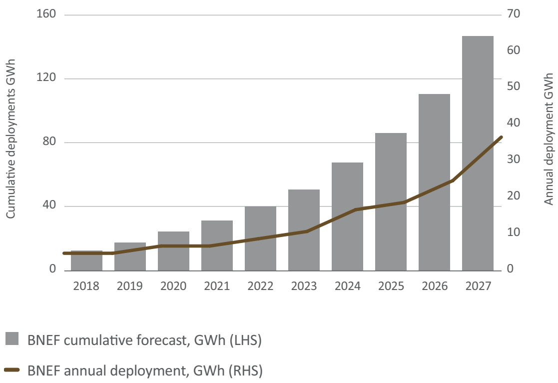
In this market, the VRFBs are well positioned to take a significant share of the stationary energy storage market, on account of unique features that give them an edge in large scale, stationary and long duration energy storage applications. VRFB deployments continue to grow globally, led by China. Market intelligence points to two more ~400MWh sized VRFBs being procured in China in addition to the 800MWh system by Rongke Power and ~400MWh system by Pu Neng, which were announced in 2016 and 2017, respectively.

The opportunity for stationary energy storage applications lies in both grid-connected and off-grid settings. For grids, energy storage's proposition includes peak shaving, load shifting, transmission loss reductions, integration of renewable energy and frequency regulation. In non-grid settings, energy storage can be deployed in conjunction with local generation to separate from the grid, creating an islanded micro-grid with secure continuous energy supply.

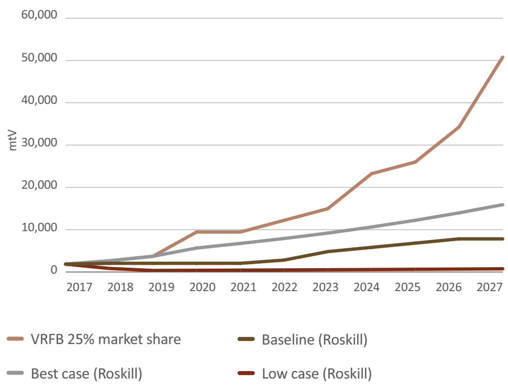
>90%
The steel industry accounts for >90% of total Vanadium consumption

>20%
Projected global consumption in Vanadium electrolyte

Global cumulative storage deployments, GWh



VRFB Vanadium Demand Forecast



Source: Bloomberg New Energy Finance (BNEF), Bushveld Minerals analysis, Roskill, TTP Squared

The use of vanadium in energy storage, through VRFBs, has increased over the years and accounted for two per cent of vanadium consumption in 2017. Current forecasts estimate that VRFBs will account for 20 per cent of vanadium consumption by 2030, but with significant upside of as much as 50,000 mtV demand by VRFBs if they capture 25 per cent of the energy storage market within the next 10 years.

In South Africa, demand for energy storage systems continues to rise, evidenced both by greater enquiries for provision of single-acid vanadium electrolyte or direct projects that require energy storage for at least four hours per day. The new government in South Africa and the renewal of investor confidence has brought encouraging signs that suggests a move towards increased regulatory clarity over the treatment of energy storage, the renewable energy programme and the direction of the country's energy policy as published in the Department of Energy's Integrated Resource Plan.

In a sign of market maturity, the South Africa Energy Storage Association (SAESA) was created earlier this year with a mission to create a more resilient, accessible, efficient, sustainable, and affordable energy system in Africa by educating stakeholders, advocating for public policies, accelerating energy storage growth, and adding value to the energy storage industry.

VRFBs challenges and opportunities

The growing adoption of VRFBs must overcome two key hurdles to be sustainable: security of supply and stability of vanadium input cost. Bushveld believes that the key to capturing this opportunity lies in a vertically integrated vanadium business model that provides both upstream and downstream enablers for the success of VRFBs in the global energy storage industry:

- **Security of supply**
  A 1 GWh VRFB system requires approximately 5,000 mtV in electrolyte, more than six per cent of current annual global vanadium consumption. As an example, if VRFBs capture even 25 per cent of the Bloomberg New Energy Finance forecast annual energy storage deployment of nearly 40GWh in 2027 it would indicate a vanadium demand of over 50,000 tonnes for energy storage alone. Accordingly, the ability to guarantee supply of vanadium for VRFBs will be key to the success of these systems.
- **Stability of vanadium costs**
  Vanadium makes up between 30 to 40 per cent of the cost of a VRFB system. The adoption of VRFBs thus depends on the relative and absolute vanadium price. Low cost primary producers with significant production capacity are well positioned to address price volatility. While such solutions could guarantee supply at fixed prices for a longer period, others include the option of never fully selling the vanadium and rather leasing or renting it out over the life of the VRFB or energy storage project. Moreover, there is significant economic value in the VRFB value chain to justify the downstream integration that would unlock these solutions.

Lemur Holdings

Lemur is a wholly owned subsidiary of Bushveld Minerals and is the Company's coal platform. The company's flagship project is the Imaloto coal project, located in southwest Madagascar. It consists of four exploration permits and one mining and exploitation permit covering a total area of approximately 81.25km^2 – and is the only coal mining exploitation license in the country.

In 2012, Lemur took the decision to expand the scope of the coal mining project to include a 45MW coal power plant and a new 200km transmission line, developed in parallel as one of Madagascar's leading independent power producers. The project size was subsequently increased to generate up to 60MW and 250km of transmission, with an option to increase transmission to 500km.

The Imaloto Power Project is located in the Sakoa Basin in south-west Madagascar. It has a total of 136 Mt JORC compliant mineral resource (2012), of which 92 Mt is in the measured and indicated category. In addition, Lemur has two exploration permits covering a combined 87.5km^2 in close proximity to the Imaloto Power Project. Since 2008, Lemur has invested approximately US$14 million on developing the project.

A valuation study completed in 2014 showed a positive NPV (10 per cent real discount rate) of US$36 million for an operation with a capacity of up to 1.5Mtpa with a 19-year mine life and initial capex of US$12 million.

From a geographical location and development phase perspective, the Imaloto Power Project is perfectly positioned to address the persistent power supply challenges that Madagascar faces as a country – especially in the least developed southern region. The Imaloto Power Project is located in an area of Madagascar that is far from the country's hydro power stations (located in the north) and is in need of power both for its inhabitants and an emerging number of mining operations. The south region currently does not have a power grid and is almost entirely electrified by isolated generators ("Gen Sets"), with a combined capacity of no more than 20MW.

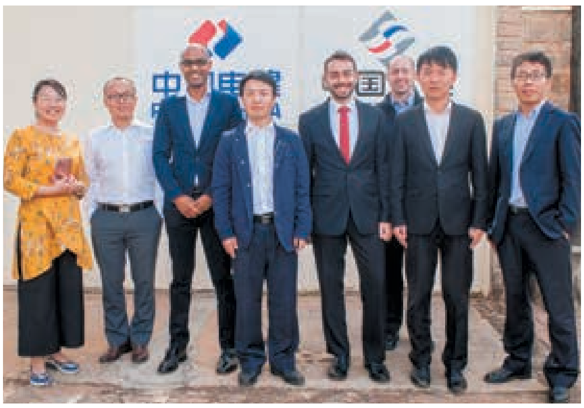
In addition to substantially increasing the generation capacity in Madagascar, the initial 60MW capacity of the Imaloto Power Project will create the basis for a power grid for the southern region. Since it will use local coal as fuel, the Imaloto Power Project will provide a reliable source of continuous, high quality base load power for residential and commercial customers.

In March 2017, Lemur signed a technical cooperation agreement with Sinohydro Corporation Limited ("Sinohydro"), subsidiary of Power China, to conclude a BFS for a power project with an initial capacity of 60MW and approximately 250km of transmission (potentially expandable to 500km). The BFS will progress works achieved in the pre-feasibility study completed in 2013 on a scoping study for the coal mine as well as a 45MW plant with over 200km of transmission.

The agreement with Power China includes cooperating on a technical and, potentially, financial basis. Under the terms of the MoU:

- Power China shall complete the BFS for both a revised 60MW power plant and over 250km of transmission line on behalf of Lemur;
- Sinohydro will be the Engineering, Procurement and Construction ("EPC") and Operations and Maintenance ("O&M") partner; and
- The parties will explore debt financing and equity participation options with Sinohydro as well as other Chinese Funders.

Pursuant to the signing of the MoU with Power China, a delegation of Power China's technical team (consisting of 13 engineers from Power China's Headquarters) undertook a site visit in May 2017 to, among other things, investigate the potential site for the power plant. The site visit marked the final stages of work before the



Lemur Holdings and Power China after a technical workshop

Imaloto Power Project- JIRAMA PPA signing commencement of the BFS and subsequent construction phase, which is subject to financial close and currently expected within the next 18 months.

Our studies to date indicate that the Imaloto Power Project tariffs will be more aligned with international benchmark tariffs of newly built power plants in the sub-Saharan African region, which are substantially lower than the current electricity supply in Madagascar, which retails between US$0.25/kWh and US$0.50/kWh.

Lemur's strategy for the development of the project involves securing an Independent Power Producer ("IPP") concession and a Power Purchase Agreement ("PPA") for a thermal coal fired power station next to the coal mine thereby providing a captive market for the Imaloto Power Project run-of-mine (RoM) coal and unlocking the intrinsic value in the underlying project. The company has been in discussions with the state-owned utility, JIRAMA since 2012 regarding a PPA and signed an MoU to this effect in 2015. The company has also been in discussions with the Madagascar authorities regarding a concession for the project.

Apart from JIRAMA, Lemur is concurrently in discussions with various private mining and industrial companies for potential power offtake for the power plant. We believe that these customers will not only provide offtake for the balance of the capacity not covered under the JIRAMA offtake, but will also form the basis for future expansion of the plant.

On the mining front, the company is in discussions with a number of mining and services companies regarding strategic partnerships in contract mining and coal processing services.

Lemur has also started discussions with potential domestic industrial offtakers of coal. The company expects the coal supply offtakes to commence before the power plant starts operations, thus, providing early cash inflows and revenue diversification over the life of the project.

Finally, Lemur has initiated preliminary project finance discussions with financial institutions, which shall progress upon the successful completion of a favourable BFS by Power China.

Overall, the plant commissioning date ("COD") is expected in 2020/21, subject to approvals and financial close on approximately US$200 million of funding.

Coal Industry Overview

In accordance with predictions made by the Energy Information Administration ("EIA"), together with the World Bank, of higher coal prices for 2017 due to demand outweighing supply, the price of coal remained above US$80/tonne during the year, with spot prices reaching as high as US$95/tonne, which is significantly above the general market target long term price point.

According to the 2017 International Energy Agency Report ("IEA"), global demand for coal declined for three consecutive years between 2014 and 2017, almost matching the 1990-91 decline, which is the most significant in 40 years. The increase in demand from India and other Asian countries has not offset the declines in the United States and China. Among the factors affecting the decline in demand were the lower gas prices as well as the increase in deployment of renewable energy projects.

Notwithstanding, the demand decline of only four per cent over the three years, net exporters of coal performed well in general. Demand from India is expected to continue to rise, with neighbour Pakistan's demand expected to quadruple between 2016 and 2022.

Russia, Colombia and South Africa are set to see slightly increased exports at the expense of Indonesia. Uncertainty over the level of US exports will be the highest among all major coal exporters given the role of the United States as a swing supplier (IEA, 2017).

The South African thermal coal market is of particular interest to Lemur because large coal users in Madagascar all import coal from South Africa. Therefore, having a local source with comparable production costs provides a credible alternative for local coal users. Having a domestic producer will also have knock-on effects on the local economy and secondary industries.

South African thermal coal exports remained strong, with Richards' Bay Coal Terminal (RBCT) exporting a record 76.5 million tonnes of coal in 2017. South Africa is a net exporter of thermal coal. Its domestic market, on the other hand, experienced a decline in supply probably caused by a combination of producers swinging more coal to the attractive export market as well as production stopping at some of the domestic mines supplying Eskom, the state utility which uses approximately 50 per cent of South Africa's thermal coal production. This impact is reflected by a drop in Eskom's average stock-days in its strategic stockpiles. Efforts to correct this situation may see a swing of product from the export market back to the domestic market, which may be based on attractive pricing.

Other Related Projects

The PQ Iron & Titanium Project

The PQ Iron & Titanium Project (”PQ Project”) is a multi-commodity project based on the same license as the Mokopane Vanadium Project, located 45km north-northwest of Mokopane town in Limpopo Province, South Africa. The PQ Project has a JORC compliant Inferred and Indicated Mineral Resource of 955 Mt with an average grade of 33.7 per cent Fe andsignificant TiO_2 (over 18 per cent TiO_2 in magnetite concentrates). The project boasts some of the highest in-magnetite grades of titanium in the world and could be developed as a titanium and pig iron project in the long run depending on the development of low capital-intensive methods for processing the ore. To this end, the Company is following with interest, metallurgical processing approaches used for similar deposits and exploring partnerships with technology partners. No further work is planned on the project at this stage.

The PQ Phosphate Project

The PQ Phosphate Project immediately overlies the iron ore and titanium resource of the PQ Project. The Company reported on 3 June 2014 a maiden phosphate resource statement for the PQ deposit of 442 Mt, with average phosphate grades of 3.6 per cent P_2O_5. Although the grades are low, the PQ Phosphate deposit is in the immediate hanging wall of the PQ Project and would be mined concurrently with the stripping of the latter. Of particular interest is that laboratory-scale test work has shown that 37 per cent P_2O_5 concentrate grades are achievable with this deposit.

Progress to date has been limited to understanding the economic parameters necessary for success and how the project can be configured in line with the Company’s approach of developing projects. No further work is planned on this project while the Company advances its vanadium platform.

Operating in a safe and responsible way

Bushveld Minerals believes in building and maintaining meaningful partnerships with its multiple stakeholders including the communities in which our operations are based. Our interest is to ensure that the local communities see meaningful, sustainable upliftment from our commercial activities.

"Bushveld Minerals is committed to the principles of CSR, empowerment, transparency and sustainable practices. Bushveld Minerals has commenced development of a comprehensive CSR and Environmental Social Governance programme and report to ensure that all key stakeholders contribute to the sustainability plans that the Company plans to adopt."

To this end, Bushveld's existing Corporate Social Responsibility (CSR) programme will be expanded further following the acquisition of Vametco.

Our CSR Objectives are to:

1) Create value in the communities in which we operate;
2) Maintain safe operations; and
3) Minimise social and environmental impact and build, mutually beneficial partnerships with the local communities.

Post the Vametco acquisition, the Company has improved the local communities' economic exposure to Vametco with opportunities associated with mining operation. The Sustainability Programme is however still being developed and more information on the progress will be available during the next accounting period.

The Company continues to work closely with the local communities to increase their economic interest in the operation through the Peo Matlafatso Trust ("PMT"). PMT is a community development trust established by Bushveld to ensure that the equity interest is leveraged for the maximum economic benefit of the local communities.

PMT holds an effective 7.75 per cent shareholding in Vametco, in addition to the 3.75 per cent shareholding already held by the Krokodilkraal and Uitvalgrond communities. Bushveld has therefore ensured, through the PMT, the equity exposure of the local communities to Vametco increases by more than three times to 11.5 per cent. In addition, the Bushveld management team continue to work with the local communities to resolve any areas of concern outstanding when the Company took over, and are pleased to report that:

- In keeping with our social and labour plan obligations attached to our new order mining right, Vametco has spent approximately ZAR 4.8 million renovating schools and healthcare clinics and R1.9 million on tar road infrastructure within the local communities;
- During 2017, Vametco paid a sum of R6 million (paid at a rate of ZAR 3 million every 6 months) in line with a deferred royalty payment settlement agreement concluded during July 2016 in respect of outstanding royalty payments under the old mining regime;
- In December 2017, Bushveld Vametco signed an agreement to settle all outstanding surface lease payments to the Uitvalgrond co-owners and paid a total ZAR 19.024 million in relation to a historical surface lease dating back from April 2013 to December 2017. In addition, since December 2017 the Company pays a monthly surface lease payment of ZAR 345,584 per month to the Executive Committee of the Uitvalgrond co-owners for the land on which Vametco is undertaking mining operations;
- We expect to conclude a similar settlement agreement with the Krokodilkraal co-owners association during the year 2018; and
- In total, previously raised provisions in excess of ZAR 25 million have been paid in cash to the Uitvalgrond Community, fulfilling our promise to ensure that the local communities see benefit from the mining operations undertaken on their land.

In addition, to the economic interest through the PMT shareholding in Vametco, the Company is also committed to improving exposure of local entrepreneurs/businesses to procurement opportunities at its operations and to expand employment opportunities for local community members through learnerships, apprenticeships as well as bursary programmes.

Overall, Bushveld Minerals is committed to the principles of CSR, empowerment, transparency and sustainable practices. Bushveld Minerals has commenced development of a comprehensive CSR and Environmental Social Governance programme and report to ensure that all key stakeholders contribute to the sustainability plans that the Company plans to adopt.

Principal Risks

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

Risks	How we mitigate the risks that impact us
Mineral rights and tenure security	Secure mineral title on all our projects is of primary importance to Bushveld Minerals. The Company has a dedicated mineral rights tenure manager responsible to ensure that its mineral rights are in good standing. The two key threats to mineral title security the Company proactively manages are political risk and regulatory compliance. **Political risk** Discussions on increased revenue realisation by the state in the form of imposition of increased taxes and increased role of government in the sector remain topical in South Africa and Madagascar, as in many other African countries. While no such action has been implemented in the two countries in which we operate to date, we believe that governments will continue to recognise the importance of a viable minerals and energy sector to the prosperity of all and the duty to uphold all aspects of the constitution, including the protection of private property ownership. **Regulatory compliance** **i) Black Economic Empowerment ("BEE")/Community partnerships** South Africa and Madagascar have robust World Bank compliant mineral laws underpinned by the respective constitutions and independent functioning judiciary systems. The following are examples of regulatory compliance risks Bushveld Minerals management manages: – **BEE partnerships:** The South African Mining Charter requires economic participation in mining projects by historically disadvantaged South Africans. The Mining Charter outlines several metrics spanning equity participation, management representation and preferential procurement, among others. Bushveld Minerals is in full compliance with the Mining Charter on all its active projects. – **Community involvement:** Beyond the equity participation of the BEE partners in our projects, Bushveld Minerals continues to pursue a broad-based approach to empowerment and social responsibility. The Company proactively engages with its BEE partners and communities to realise the objectives of the Mining Charter in a sustainable manner. **ii) Mining Charter** A draft new Mining Charter has been released by the South African Government stipulating several new obligations for mining companies. We will continue to monitor the development until finalisation of the Charter. **iii) Environmental and safety legislation** Bushveld Minerals regularly monitors the environmental and safety legislation particularly in relation to reclamation, disposal of waste products, protection of wildlife and other environmental protection issues, to ensure compliance and that the Company is well-versed with various potential legislative amendments. Management also adopts a proactive approach to integrate processes and procedures pertaining to sustainable development into project development plans.

Risks	How we mitigate the risks that impact us
Infrastructure	South Africa continues to realise the benefits of significantly increased investment in the country's power generation capacity. We expect this positive trend to continue into the medium term. 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 South African and Madagascan railway network and ports to create sufficient capacity to effectively transport minerals in the volumes anticipated. The need to provide adequate support to Madagascar's increasing energy demand is central to Lemur Holdings' independent power production strategy in the country.
Funding	The state of capital markets remains challenging in an environment particularly characterised by limited mine/project acquisitions and substantially low investment in new projects. This has had a direct impact on mining companies' ability to raise capital. Bushveld Minerals continues to be as innovative as possible in raising capital as typified by the successful acquisition of Vametco's mining and processing operations. The Vametco acquisition gives the Company access to a cash flow producing operation within a short time frame and substantially reduces future capital investment requirements. Bushveld Minerals will continue to evaluate opportunities to develop strategic partnerships that have the potential to provide alternative sources of funding for its projects.
Human Resources	The Company is aware of the potential impact of losing a key member of the team. Bushveld Minerals has over the years attracted a highly experienced team with multi-disciplinary skills who all share our long-term vision. The Company's remuneration structure has been recently modified to ensure the management team will share in the successes of the Company and that limited pressure is placed on the Company's cash resources, as is the case with other companies our size. Management and the Board believe this will assist in the Company's ability to retain key skills.
Exchange rates	Bushveld Minerals' assets, earnings and cash flows are affected by a wide variety of currencies. The US dollar is the currency in which the majority of the Group's sales are determined however, the Company's share price and reported financial results are in Pound Sterling. Operating costs are influenced by the currencies of those countries where the Group operates. The US dollar, the South African Rand, the Malagasy Ariary and Sterling are the most important currencies affecting the Group's operating costs. Fluctuations in the exchange rates of relevant currencies may impact on Bushveld Minerals' financial results. The Group does not currently intend to enter into any hedging arrangements with respect to foreign currency.

Minerals Resources and Ore Reserves

Mineral Resources are the estimated quantities of material that have potential for eventual economic extraction from the Group's properties. Ore Reserves are a subset of Measured and/or Indicated Mineral Resources that can be demonstrated to be able to be economically and legally extracted.

Ore Reserves are declared for open pits inside the Life-of-Mine ("LoM") pit design (the optimised pit shell in this instance), include diluting materials and allowances for losses, which may occur when the material is mined or extracted, and are defined by studies at Pre-Feasibility or Feasibility level, as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified (JORC, 2012). Ore Reserves are declared for in-situ tonnes in the pits and exclude any stockpiles. Economic assumptions used to estimate reserves change from period-to-period as additional technical and operational data is generated.

Bushveld Vanadium Resources and Reserves

The resources and reserves estimates are based on the competent person's report prepared by an independent consultancy company MSA Group as at 15 October 2017.

Vametco

Vametco has a 142.4 Mt resource with an average V_2O_5 contained in magnetite grade of 1.96 per cent and a reserve of 26 Mt with an average V_2O_5 contained in magnetite grade of 1.96 per cent.

Table 1

Vametco Upper, Intermediate and Lower Seam Mineral Resources, 06 October 2017

Category	Tonnes (millions)	Magnetite (%)	V_2O_5 % contained in magnetite	Total V (tonnes)
Upper Seam				
Inferred	11.8	37.86	1.70	75,947
Intermediate Seam				
Inferred	21.6	30.45	1.87	122,994
Lower Seam				
Indicated	61.5	27.23	2.01	336,604
Inferred	47.4	29.75	1.99	280,620
Total	**108.9**	**28.33**	**2.00**	**617,224**
Total Mineral Resource				
Indicated	61.5	27.23	2.01	336,604
Inferred	80.9	31.12	1.92	479,561
Total	**142.4**	**29.44**	**1.96**	**816,165**

Notes:
All tabulated data has been rounded therefore minor computational errors may occur.
The mineral resources are total in-situ mineral resources for the Project.
Bushveld Mineral Limited attributable share @ 59.1 per cent.
Mineral resources which are not Ore Reserves have no demonstrated economic viability.
Mineral resources are inclusive of Ore Reserves.

Table 2

Vametco Lower Seam Ore Reserve Statement, 16 October 2017

	Gross			
Category	Tonnes (millions)	Magnetite %	V_2O_5 % contained in magnetite	Contained Metal Total V_2O_5 (tonnes)
Probable	26.12	26.79	1.96	137,152
Total	**26.12**	**26.79**	**1.96**	**137,152**

Notes:
All tonnages reported are on a dry basis.
There are no measured mineral resources classified at Vametco mine and therefore no mineral resources were converted into proved ore reserves.

Mokopane Vanadium Project Resources and Reserves

The Mokopane Vanadium project has a 298 Mt JORC resource including 28.5 Mt reserves and high in-situ (1.4 per cent) and in-concentrate (1.7 per cent) V_2O_5 grades.

Table 3

MML and MML HW Mineral Resources at a 0.30% V_2O_5 cut-off, ≤120 m depth, as at 15 October 2017

Layer Name	Mineral Resource Category	Width (m)	Tonnes (Mt[1])	Density (t/m³)	V_2O_5 (%)	Fe (%)	Fe_2O_3 (%)	TiO_2 (%)	SiO_2* (%)	Al_2O_3* (%)	P_2O_5* (%)	S* (%)	V_2O_5 (kt[2])	Fe (Mt[1])
UG-C	Inferred	4.04	31.8	3.48	0.64	25.7	36.7	5.9	30.2	15.4	0.01	0.12	202.8	8.2
UG-A	Inferred	1.64	12.7	3.31	0.59	23.2	33.1	5.3	32.5	17.5	0.01	0.01	75.6	3.0
UMG1	Inferred	3.24	25.5	3.30	0.59	22.9	32.7	5.4	32.6	17.6	0.01	0.01	150.4	5.8
UMG2	Inferred	2.03	15.7	3.40	0.69	25.9	37.0	6.2	29.4	16.7	0.01	0.01	107.7	4.1
MAG1 HW GAB**	Inferred	17.53	72.3	3.02	0.31	13.1	18.8	2.9	42.0	21.9	0.01	0.12	223.3	9.5
MAG1	Inferred	1.31	12.0	3.96	1.07	40.0	57.1	9.7	15.6	10.8	0.01	0.06	128.7	4.8
MAG2	Inferred	1.10	9.2	3.57	0.83	30.2	43.1	7.2	25.1	15.1	0.01	0.06	76.3	2.8
MML HW	Inferred	5.89	42.3	3.01	0.32	13.4	19.2	2.5	42.2	21.6	0.02	0.11	136.0	5.7
Total	Inferred	36.77	221.5	3.21	0.50	19.8	28.3	4.4	35.7	18.9	0.01	0.08	1,100.8	43.8
MAG3	Indicated	4.09	27.5	4.08	1.50	45.5	65.1	10.0	10.6	7.8	0.01	0.12	412.5	12.5
PART	Indicated	2.16	11.4	3.16	0.58	20.9	29.9	3.5	34.5	19.0	0.01	0.17	66.3	2.4
MAG4	Indicated	3.59	24.3	4.00	1.46	43.9	62.7	9.3	11.8	8.9	0.01	0.24	354.9	10.7
Total	Indicated	9.84	63.2	3.85	1.32	40.4	57.8	8.6	15.4	10.2	0.01	0.18	833.7	25.6
Total Mineral Resources[3]		**46.61**	**284.8**	**3.33**	**0.68**	**24.4**	**34.8**	**5.4**	**31.2**	**17.0**	**0.01**	**0.10**	**1,934.5**	**69.4**

Notes:
1. Mt = million tonnes.
2. kt = thousand tonnes.
3. Rounding may cause computational errors.

* Included for informative purposes only, no value will be derived from these materials.

** A 0.30 per cent V_2O_5 cut-off has been applied laterally across this layer such than only material > 0.30 per cent V_2O_5 is included in the tonnage listed in this table.

Table 4

MML Probable Ore Reserves as at 19 January 2016

Orebody	True Thickness (m)	SG (t/m³)	Tonnes (million)	V_2O_5 (%)
MML Upper, MAG 3	4.09	4.08	15.3	1.425
MML Lower, MAG 4	3.59	4.00	13.2	1.387
***Total/Average**	**7.68**	**4.04**	**28.5**	**1.41**

Table 5

AB Zone Mineral Resource at 0.3% V_2O_5 cut-off, ≤120 m vertical depth, as at 15 October 2017

Layer	Category	Tonnes (millions)	Thickness[1] (metres)	Density t/m³	V_2O_5 %	Fe_2O_3 %	TiO_2 %	P_2O_5 %	SiO_2 %	Al_2O_3 %	MgO %	CaO %	Cu ppm
Upper AB	Inferred	2.7	1.93	3.29	0.89	34.7	5.41	0.01	30.3	17.1	1.05	6.54	466
AB Parting	Inferred	3.7	2.86	3.07	0.48	20.9	2.98	0.01	40.0	19.7	1.93	9.29	47
Lower AB	Inferred	6.0	4.51	3.21	0.75	29.1	4.32	0.01	34.6	18.6	1.29	7.52	33
Total	**Inferred**	**12.5**	**9.30**	**3.18**	**0.70**	**27.9**	**4.16**	**0.01**	**35.3**	**18.6**	**1.43**	**7.83**	**132**

Note:
1. Refers to stratigraphic thickness.

Lemur Holdings Resources

The resources estimates are based on the competent person's report prepared by Sumsare Consulting Group CC as at 30 November 2017.

Table 6

	Gross			Net attributable (99%)			
		Raw Coal Quality (ADB)			Raw Coal quality (ADB)		
Category	Tonnes (Mt)	Ash (%)	CV (MJ/Kg)	Tonnes (Mt)	Ash (%)	CV (MJ/Kg)	Operator
Coal Resource per asset							
Measured	91.613	32.5	19.62	90.697	32.5	19.62	Lemur Holdings
Indicated	31.497	35.7	18.14	31.182	35.7	18.14	
Inferred	12.627	34.4	18.80	12.501	34.4	18.80	
Sub-Total	135.737	33.4	19.20	134.380	33.4	19.20	
Total	**135.737**	**33.4**	**19.20**	**134.380**	**33.4**	**19.20**	

PQ Iron & Titanium Project Resources and Reserves

The P-Q Iron and Titanium Project has total Mineral Resources of 955 Mt at an average grade of 33.7 per cent Fe and 10.8 per cent Fe as per the tables below. The resources and reserves estimates are based on the competent person's report prepared by MSA Group as at 15 October 2017.

Table 7

N-Q Zone (Weathered+Unweathered) Indicated Mineral Resource <200 m depth, as at 8 Mar 2013

Layer	Million Tonnes	SG (g/cm^3)	Fe (%)	Fe_2O_3 (%)	Fe Metal Millions tonnes	TiO_2 (%)	V_2O_5 (%)	SiO_2 (%)	Al_2O_3 (%)	P_2O_5 (%)	S (%)
Q3	138.63	3.61	31.7	45.5	43.99	10.2	0.13	25.2	9.9	0.06	0.40
Q2	81.17	4.01	41.9	59.1	34	15.2	0.28	12.6	6.5	0.02	0.27
Q1	26.36	3.59	32.5	45.6	8.58	10.5	0.28	22.3	9.9	0.02	0.27
PMAG	34.44	3.62	32.4	45.4	11.15	10.1	0.29	21.3	10.5	0.03	0.80
PFWDISS*	67.28	3.38	26.9	38.5	18.13	7.1	0.22	30.1	12.8	0.03	0.33
OMAG*	2.63	4.00	37.2	53.2	0.98	11.1	0.49	18.5	7.9	1.01	0.12
NMAG	4.58	4.41	48.7	69.6	2.23	16.0	0.56	6.9	5.3	0.03	0.11
Total	**355.09**	**3.67**	**33.51**	**47.65**	**119.06**	**10.85**	**0.22**	**22.37**	**9.66**	**0.05**	**0.38**

* Layer reported at a 35 per cent Fe_2O_3 cut-off; no geological losses applied.

Table 8

N-Q Zone (Unweathered) Inferred Mineral Resource, 200 m to 400 m depth, as at 8 Mar 2013

Layer	Million Tonnes	SG (g/cm^3)	Fe (%)	Fe_2O_3 (%)	Fe Metal Millions tonnes	TiO_2 (%)	V_2O_5 (%)	SiO_2 (%)	Al_2O_3 (%)	P_2O_5 (%)	S (%)
Q3	139.03	3.59	30.2	43.3	42.05	8.80	0.09	28.3	10.3	0.13	0.61
Q2	92.64	3.99	40.2	57.5	37.27	14.10	0.23	15.3	7.6	0.02	0.55
Q1	23.42	3.64	32.7	46.8	7.66	10.80	0.27	22.2	10.6	0.02	0.36
PMAG	38.28	3.58	30.6	43.7	11.70	9.80	0.26	23.5	11.5	0.04	0.74
PFWDISS*	76.51	3.37	26.8	38.3	20.49	6.90	0.21	30.2	12.8	0.03	0.43
OMAG*	1.87	3.77	32.4	46.3	0.61	9.5	0.4	23.1	10.4	0.02	0.10
NMAG	7.22	4.32	46.3	66.2	3.34	15.6	0.49	8.3	5.8	0.02	0.14
Total	**378.97**	**3.66**	**32.47**	**46.47**	**123.12**	**10.07**	**0.19**	**24.24**	**10.20**	**0.06**	**0.55**

* Layer reported at a 35 per cent Fe_2O_3 cut-off; no geological losses applied.

Table 9

P-Q Zone Inferred Mineral Resource, <300m vertical depth at a 35% Fe_2O_3 cut-off for the farms Schoonoord 786LR and Bellevue 808LR, as at 28 February 2014

Layer Name	Tonnes million	Density t/m³	Fe %	Fe_2O_3 %	Fe Metal Millions tonnes	TiO_2 %	V_2O_5 %	SiO_2 %	Al_2O_3 %	P_2O_5 %	S %
Q3	75.3	3.77	34.3	49.1	25.82	10.5	0.10	23.0	9.4	0.28	0.55
Q2	85.5	4.14	42.6	60.9	36.40	14.9	0.26	13.1	6.9	0.03	0.50
Q1	13.1	3.82	36.4	52.1	4.76	12.2	0.30	19.1	9.8	0.03	0.46
PMAG	19.7	3.52	27.6	39.5	5.45	8.3	0.23	29.1	12.4	0.06	1.00
PFWDISS*	27.3	3.45	27.8	39.8	7.60	8.0	0.22	28.3	12.9	0.06	0.55
Total[1]	**220.8**	**3.85**	**36.2**	**51.9**	**80.03**	**11.8**	**0.2**	**20.1**	**9.2**	**0.12**	**0.57**

Notes:
1. Total = All tabulated data has been rounded and as a result minor computational errors may occur.
* Layer reported at a 35 per cent Fe_2O_3 cut-off; no geological losses applied.

The PQ Phosphate Project Minerals Resources

The PQ Phosphate Project has Inferred Mineral Resources of 442 Mt at 3.6% P_2O_5 as per the table below. Figures are based on the competent person's report prepared by MSA Group as at 15 October 2017.

Table 10

Summary of the Phosphate Zone Resource at a 3% P_2O_5 cut-off for the farms Vliegekraal 783LR, Malokong 784LR, Schoonoord 786LR and Bellevue 808LR, as at 12 April 2014

Farm	Tonnes Millions	P_2O_5 %	Fe_2O_3 %	S %	SiO_2 %	CaO %	Density g/cm³
Vliegekraal	330.0	3.6	32.1	0.39	34.0	9.1	3.30
Malokong	1.8	3.2	35.5	0.37	35.4	8.6	3.27
Schoonoord	104.9	3.6	34.1	0.40	33.0	8.8	3.37
Bellevue	5.0	3.6	34.4	0.42	33.3	8.9	3.36
Total[1]	**441.6**	**3.6**	**32.6**	**0.39**	**33.7**	**9.0**	**3.32**

Note:
1. All tabulated data has been rounded and as a result minor computational errors may occur.

Board of Directors

Ian Watson (75)

Non-executive Chairman since March 2012

Ian trained as a mining engineer and has considerable experience in the South African mining sector. He is a professional engineer and a member of the Engineering council of South Africa. 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 of South Africa Limited.

Fortune Mojapelo (42)

Chief Executive Officer since March 2012

Fortune is a mining entrepreneur and founding shareholder of VM Investment Company (Proprietary) 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.

Geoff Sproule (76)

Financial Director since March 2012

Geoff is a chartered accountant with experience spanning over 40 years in numerous financial management roles. Prior to joining Bushveld Minerals Geoff was a partner at Deloitte and Touche.

Anthony Viljoen (41)

Appointed Non-Executive Director in November 2017

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

Jeremy Friedlander (63)

Non-Executive Director since March 2012

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.

Michael Kirkwood (71)

Non-Executive Director since April 2018

Michael is currently chairman of corporate advisory firm Ondra LLP and also serves on the Board of AngloGold Ashanti Limited. Previously he was chairman of Circle Holdings plc (2011-17) and has served on the boards of UK Financial Investments (2009-14), Eros International plc (2012-14), Kidde plc (2000-05) and as Deputy Chairman of the PricewaterhouseCoopers Advisory Board (2008-11). Mr Kirkwood retired in 2008 after a distinguished 31-year career with Citigroup, latterly as UK chairman. In his early career he worked at HSBC and subsequently in Asia with the Ralli-Bowater Group. During his career Mr Kirkwood has held appointments as president of the Chartered Institute of Bankers, deputy chairman of the British Bankers Association, and as inaugural chairman of British-American Business among several other honorary appointments in the financial services sector. He was appointed a Companion of the Order of St Michael and St George (CMG) in the Queen's Birthday Honours in 2003. Mr Kirkwood is a graduate of Stanford University in California.

Executive Management Team

Fortune Mojapelo (42)

Chief Executive Officer since March 2012

(Bio on page 44)

Malcolm Curror (47)

Chief Executive Officer of Vametco since April 2011

Malcolm has over 22 years' experience in primary vanadium mining and processing. Malcolm is a former Director of Vanadium at Evraz Highveld Steel and Vanadium overseeing the entire vanadium value chain within South Africa, a General Works Manager for Xstrata's Rhovan Integrated Vanadium Operations in South Africa. Malcolm also held a range of other senior management positions within Xstrata as Works Manager, Operations and Production Manager at Vantech and Lydenburg Chrome Smelter prior to joining Bushveld Vametco. As CEO of Bushveld Vametco, he was the president of Vanitec for two running terms from October 2013 to September 2015 and then October 2015 to September 2017.

Mikhail Nikomarov (37)

Chief Executive Officer of Bushveld Energy since March 2015

Mikhail is an entrepreneur and African energy leader committed to resolving the continent's electricity shortage. He co-founded Bushveld Energy to provide large scale energy storage solutions across the African continent. Working with numerous partners, the company is also localising manufacturing of VRFBs in South Africa. Previously, Mikhail spent 6.5 years with McKinsey & Company in Moscow and Johannesburg, advising national governments, utilities and manufacturers on growth strategy and policy and leading operational turnarounds in the energy sector. He co-authored McKinsey & Company's report "Brighter Africa: the growth potential of the sub-Saharan electricity sector." Mikhail also serves as the chairman of the South African Energy Storage Association (SAESA) and currently chairs the Energy Storage Committee for Vanitec, the global organisation of vanadium producers. He holds an MBA from INSEAD, a diploma from the London School of Economics and two undergraduate degrees in History and Economics from the University of Massachusetts.

Technical Advisors

Prince Nyati (40)

Chief Executive Officer of Lemur Holdings since November 2017

Prince has over 15 years' experience in energy and mining with a particular focus on project development and mergers and acquisitions. He has worked in several countries including Zambia, South Africa, India, Singapore and the USA under Shell Oil, Total Petrochemicals, Eskom, Tata Power and Oreport. As group head of Tata Power, Prince evaluated over 100 coal assets and over 50 power opportunities in 30 countries. He served on the Board of Directors at Cennergi and the Tsitsikamma and Amakhala Wind Projects. He has led the development of numerous infrastructure projects in sub-Saharan Africa and facilitated transactions worth approximately $1.5 billion in Zambia and South Africa. Prince holds a BA from the University of Zambia and an MBA in Corporate Finance from the University of Houston.

Professor Morris Viljoen (77)

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

Professor Richard Viljoen (77)

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

Directors' Report

The Directors of Bushveld Minerals Limited ("Bushveld" or the "Group") hereby present their report together with the consolidated financial statements for the period ended 31 December 2017.

Principal activities, business review and future developments

The principal activity of the Group (Bushveld Minerals and its subsidiaries) is the development and exploration of vanadium projects in the Bushveld Complex in South Africa. In addition, the Group develops and promotes Vanadium redox flow batteries.

Bushveld Minerals is the holding company of several companies. Bushveld Minerals owns:

- 100% of Bushveld Vanadium, a low cost primary vanadium platform, that comprises: a) 59.1% majority interest in Vametco, a primary low cost vanadium mining and processing company, b) The Brits Vanadium Project a strike extension of Vametco, c) The Mokopane Vanadium project, a 298MT JORC resource base.
- 84% of Bushveld Energy, an energy storage project developer and component manufacturer.
- 100% of Lemur which we are developing into an integrated thermal coal mining and independent power producer project in Madagascar.
- 17.48% in AIM-listed AfriTin Mining Limited. In November 2017 Bushveld Minerals completed the AfriTin demerger creating a standalone African tin platform. As of 20 June 2018, Bushveld Minerals holds 10.04 per cent shareholding in AfriTin.

Review of the Group's financial and operational performance is provided in the Chairman and CEO's review on page 10 and 12, respectively.

Results and dividend

The group's results show a loss for the year attributable to the equity holders of the Company of £1.0m (2017: loss of £1.7m). 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 25. 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 2017 are as follows:

Fortune Mojapelo	Chief Executive Officer
Geoffrey Sproule	Chief Financial Officer
Anthony Viljoen	Non-Executive Director (appointed 9 November 2017)
Ian Watson	Chairman and Non-Executive Director
Jeremy Friedlander	Non-Executive Director
Michael J. Kirkwood	Senior Non-Executive Director (appointed 1 April 2018)

Directors' interests

The Directors' beneficial interests in the shares of the Company at 31 December 2017 were:

	Ordinary shares of 1p each 31 December 2017	Ordinary shares of 1p each 28 February 2017
Fortune Mojapelo	**9,660,000**	9,660,000
Geoffrey Sproule	**1,500,000**	1,500,000
Anthony Viljoen	**9,826,667**	9,826,667
Ian Watson	**540,000**	540,000
Michael J. Kirkwood	**300,000**	–

None of the Directors have been awarded share options of the Company since inception to 31 December 2017.

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.

Related party transactions
Details of related party transactions are detailed in note 33.

Post balance sheet events
Post balance sheet events are detailed in note 34 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, RSM 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
28 June 2018

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 of the state of the group's affairs at the end of the financial year and of the profit or loss of the Group and are required by IFRS as adopted by the EU to fairly present the financial position and performance of the Group.

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

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

i. select suitable accounting policies and then apply them consistently;
ii. make judgements and accounting estimates that are reasonable and prudent;
iii. state whether they have been prepared in accordance with 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 comply with applicable law. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Corporate Governance Report

As an AIM-quoted company, Bushveld is not required to produce a Corporate governance report that satisfies the requirements of the UK Corporate Governance 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 two 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
- Anthony Viljoen — Executive Director (until 9 November 2017)

Non-Executive Directors

- Ian Watson — Chairman and Independent Non-Executive Director
- Anthony Viljoen — Independent Non-Executive Director (Appointed 10 November 2017)
- Jeremy Friedlander — Independent Non-Executive Director
- Michael J Kirkwood Senior — Independent Non-Executive Director (Appointed 1 April 2018)

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

Group Board meetings

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

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

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

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

Having joined the Bushveld Minerals board in April and assumed the role of Chairman of the Remuneration Committee, I am pleased to submit this report in respect of the year ended 31 December 2017.

As an AIM-quoted company, Bushveld Minerals is not required to produce a Remuneration report that satisfies all the requirements of The Companies (Guernsey) Law, 2008. 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, Michael J Kirkwood (Chairman), Ian Watson 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 Bushveld Minerals Remuneration Committee (“Remco”) is mandated by the Bushveld Minerals Board of Directors to assist in exercising its responsibilities by overseeing all aspects of remuneration and ensuring that relevant feedback and recommendations are presented to the board for decision making.

To date, Bushveld Minerals has operated and delivered exceptional growth with a lean Human Capital structure and budget which was reflective of the Company size and the stage at which it was in its life cycle.

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.

Retrospective Compensation Scheme

In June 2016, the Board of Bushveld Minerals formulated a policy to compensate Directors and key employees (“Eligible Recipients”) for historic sub-market salary shortfalls and bonuses that had accrued since the inception of the Company. As Bushveld Minerals was in the early stages of its growth cycle and cash was heavily constrained, it was proposed that Eligible Recipients would be given the choice either to receive retrospective compensation via a one-off lump sum cash payment or through proposed share awards. The Board subsequently extended the proposal to compensate certain advisors in lieu of cash consultancy fees to protect the Company’s cash balances during its growth phase.

A number of Eligible Recipients chose to receive shares, thereby aligning their interests with those of the shareholders of the Company, easing pressure on Bushveld’s cash flow and contributing to the growth of the Company.

Since the formulation of the policy, the Company has often been in possession of inside information and so been unable to compensate the Eligible Recipients with share equity in Bushveld Minerals as intended. In the Company’s AIM admission document published on 30 November 2017, the Company indicated its intention to issue up to 24,847,310 new ordinary shares to Eligible Recipients, on the recommendation of its then constituted remuneration committee. The total value of the proposed share award on 29 November 2017, (based on the closing mid-market price of ordinary shares on the last Business Day before the publication of the Admission Document) was c.£2.0 million.

The Company had intended to use part of the authority granted by shareholders on 20 December 2017 to issue ordinary shares to Eligible Recipients however it has not been able to do so. Given that none of the ordinary shares referenced above have been issued since the 2016 award, the cost of servicing the scheme has increased significantly following the material increase in the Company’s share price in recent months. Nevertheless, it is to be noted that while the cost of servicing these share allocations has increased by approximately 10 times, the market capitalization of the company has increased by approximately 16 times from the 2016 period.

In this context the Remuneration Committee has made recommendations and the Board has approved the following retrospective compensation awards:

- A total of ZAR 4,332,584 (GBP 241,000) was paid in once off bonuses as Retrospective Employee Compensation;
- A total of 2,741,310 ordinary shares should be awarded to employees who opted to receive shares in lieu of cash bonus payments; and
- A total of 1,541,000 ordinary shares should be awarded to advisors and consultants as part of the compensation agreed in lieu of professional and advisory fees.

The Company also proposes issuing restricted ordinary share awards to settle historic compensation shortfalls for Executive Directors, Non-Executive Directors and a director of Bushveld Vametco, which are subject to shareholder approval, as follows:

- A total of 14,000,000 restricted ordinary shares awarded to Executive Directors;
- A total of 4,065,000 restricted ordinary shares awarded to non-Executive Directors; and
- A total of 2,500,000 restricted ordinary shares awarded to a director of Bushveld Vametco.

The details of these allocations are provided later in this report.

Fortune Mojapelo, Anthony Viljoen, Ian Watson, Jeremy Friedlander as Directors of the Company and Bill Chipane as a director of Bushveld Vametco are each regarded as a related party as defined by the AIM Rules for Companies. The conditional issue of shares to these parties is therefore deemed to be a related party transaction for the purposes of the AIM Rules. Michael Kirkwood and Geoff Sproule, being the independent Directors, consider, having consulted the Company's Nominated Adviser, SP Angel Corporate Finance LLP, that the terms of the related party transaction are fair and reasonable insofar as the shareholders of the Company are concerned.

Shareholders should note that the retrospective compensation and share awards referenced above are in full and final settlement of all compensation shortfalls for prior years, including the current reporting period. They are also subject to a minimum restricted hold period of 12 months except for limited circumstances including meeting any tax liabilities resulting from the share award.

The aggregate share awards relating to retrospective compensation represent approximately 2.5% dilution of existing shareholder interests.

Forward looking alignment with best market practice

During the last quarter of 2017, Pricewaterhouse Coopers ("PwC"), an independent professional services firm with a global remuneration practice, was appointed as remuneration advisors to the Remco to provide external advisory services on global best practice, trends and related governance matters including advising on the CEO's compensation. Remco are of the view that PwC displays ethical behaviour, expertise across various jurisdictions, appropriate controls and codes of conduct that allows for independence and objectivity of advice which enables Remco to make informed decisions.

To this end, PwC has been mandated by the Board to assist the Remuneration Committee to design a comprehensive compensation framework that is competitive and affordable as well as being in line with market best practice. The scheme is anticipated to include a Short Term performance reward scheme, a Long Term Incentive and Retention Scheme as well as a total Reward Remuneration Policy for implementation in the forthcoming financial period. In addition, the Company is reviewing its basic pay structure to align with market benchmarks.

The Remuneration Committee intends to devise implement a Remuneration Framework and Policy that optimises alignment between the interests of Shareholders and Executives, facilitates the attraction and retention of Talent, rewards high performance with a bias towards organisational growth and sustainability. The performance metrics will be designed to this end and will focus on growth, capital efficiency, profitability and cash generation. The compensation scheme will be fully transparent in terms of policy and implementation and will be presented to shareholders for approval in due course.

Incentive schemes/share option schemes

The Bushveld Minerals Remuneration Committee (Remco) is mandated by the Bushveld Minerals Board to assist in exercising its responsibilities by overseeing all aspects of remuneration and ensuring that relevant feedback and recommendations are presented to the board for decision making.

To date Bushveld Minerals has operated and delivered exceptional growth with a lean Human Capital structure and budget which was reflective of the Company size and the stage at which it was in its life cycle. Bushveld Minerals Employees, Executives, Directors and Independent Consultants were for a period paid below the market. In 2015 and 2016 the Company was not in a financial position to grant inflation linked increases.

For the first time during the period under review the Company was able to compensate employees retrospectively for their invaluable contribution and commitment over the years. Such compensation was in the form on a once-off lump sum and share awards for employees who opted to trade their cash bonus allocated for Bushveld Minerals shares. In addition, the Company allocated restricted share awards to settle compensation shortfalls for Executive Directors, Non-Executive Directors, Independent Consultants and Advisors. It is with the above context as a backdrop that the remuneration Committee made recommendations and the board approved the following retrospective compensation awards:

Once off Retrospective Compensation

- A total of ZAR 4,332,584 was paid in once off bonuses as Retrospective Employee Compensation;
- A total of 2,741,310 shares were awarded to employees who opted to receive shares in lieu of cash bonus payments; and
- A total of 1,541,000 shares awarded to advisors and independent consultants equivalent to the cash shortfall for professional and advisory fee.

Pending Shareholder Approval

- A total of 14,000,000 restricted shares awarded to Executive Directors;
- A total of 4,065,000 restricted shares awarded to non-Executive Directors; and
- A total of 2,500,000 restricted shares awarded to a director of Bushveld Vametco.

The retrospective compensation and share awards referenced above is in full and final settlement of all compensation shortfalls for prior years including the current reporting period.

Forward looking alignment with market practice

During the last quarter of 2017 Pricewaterhouse Coopers (PwC) an independent professional consultancy firm was appointed as remuneration advisors to the Remco to provide external advisory services on global best practice, trends and related governance matters including advising on the CEO's compensation. Remco are of the view that PwC displays ethical behaviour, expertise across various jurisdictions, appropriate controls and codes of conduct that allows for independence and objectivity of advice which enables Remco to make informed decisions.

To this end PwC has been mandated by the board to design a market related Bushveld Minerals Short Term incentive scheme, Long Term Incentive Scheme and a total Reward Remuneration Policy for implementation in the forthcoming financial period. In addition, the Company is reviewing its basic pay structure to align with market practice.

We seek to implement a Remuneration Framework and Policy that enables alignment between the Shareholders, Executive team and Management interest, facilitate the attraction and Retention of Talent, Reward for high Performance with bias towards organisational growth and sustainability.

Name of recipient	Role	Related party	Number of shares
Fortune Mojapelo	Chief Executive Officer	Yes	7,000,000
Anthony Viljoen	(Executive Director until 9 November 2017)	Yes	7,000,000
Bill Chipane	Director of Bushveld Vametco Limited	Yes	2,500,000
Employees	Middle management	No	2,741,310
Rajat Kohli	Advisor – Corporate	No	1,000,000
Ian Watson	Non-Executive Director	Yes	3,015,000
Jeremy Friedlander	Non-Executive Director	Yes	1,050,000
Professor Richard Viljoen	Technical Advisor	No	270,500
Professor Morris Viljoen	Technical Advisor	No	270,500
Total Shares			**24,847,310**

Directors' emoluments

The remuneration of the individual Directors who served during the ten months to 31 December 2017 was:

	Salary and fees £	Fees £	Share-based payment £	December 2017 Total £	February 2017 Total £
Fortune Mojapelo	91,667	–	–	91,667	108,333
Geoffrey Sproule	82,500	–	–	82,500	97,500
Anthony Viljoen	75,000	–	–	75,000	108,333
Ian Watson	–	30,000	–	30,000	40,000
Jeremy Friedlander	–	18,750	–	18,750	25,000
	249,167	48,750	–	297,917	379,166

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.

M J KIRKWOOD
Director
28 June 2018

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

Opinion
We have audited the financial statements of Bushveld Mineral's Limited and its subsidiaries (the 'group') for the period ended 31 December 2017 which comprise of the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:
- give a true and fair view of the state of the group's affairs as at 31 December 2017 and of the group's loss for the period then ended;
- are in accordance with IFRSs as adopted by the European Union; and
- comply with the requirements of The Companies (Guernsey) Law, 2008.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Acquisition of controlling interest in Bushveld Vametco Limited
Accounting for the acquisition of Bushveld Vametco Limited requires management to make significant judgements on the fair value of consideration and the fair value of assets and liabilities acquired. The acquisition also resulted in a significant increase in the reported amounts of assets and liabilities in the Statement of Financial Position. As a result, the acquisition of Bushveld Vametco Limited was determined to be a key audit matter.

Our work included:
- Consideration of the completeness of assets and liabilities identified on acquisition
- Audit of management's judgements of the fair values of assets, liabilities and contingent liabilities acquired, including consultation with valuation experts
- Audit of the fair value of the consideration for the acquisition, both current and deferred elements, and that all transaction costs are appropriately treated
- Audit of the disclosures included in the financial statements with reference to IFRS 3
- Review of the work of component auditors in accordance with ISA (UK) 600

The related disclosures are included in note 32 in the financial statements.

Demerger of Greenhills Resources Limited
The demerger of Greenhills Resources Limited was a complex transaction and as a result was determined to be a key audit matter.

Our audit work included:
- Audit of the accounting treatment of the transaction, including recalculation of the figures reported in the income statement and within equity and challenged the inputs and methodology, including management's assumptions
- Audit of the classification and valuation of the remaining interest in AfriTin shares and checked compliance with accounting and disclosure requirements
- Audit of the disclosures included in the financial statements

The related disclosures are included in note 12 in the financial statements.

Independent Auditor's Report continued
To the Members of Bushveld Minerals Limited

Our application of materiality
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures and to evaluate the effects of misstatements, both individually and on the financial statements as a whole. We determined a magnitude of uncorrected misstatements that we judge would be material for the financial statements as a whole (FSM), which was calculated at £1,300,000. We agreed with the Audit Committee that we would report to them all unadjusted differences in excess of £50,000, as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit
The audit was scoped to ensure that we obtained sufficient and appropriate audit evidence in respect of:
- the significant business operations of the group
- other operations which, irrespective of size, are perceived as carrying a significant level of audit risk whether through susceptibility to fraud, or for other reasons
- the appropriateness of the going concern assumption used in the preparation of the financial statements

The audit was scoped to support our audit opinion on group financial statements of Bushveld Minerals Limited and was based on group materiality and an assessment of risk at group level.

Where components of the group were considered significant, we reviewed component auditor's work in accordance with ISA (UK) 600. The Bushveld Vametco Holdings Proprietary Limited group was a significant component and we visited the offices of the component auditor in South Africa to review the audit working papers and discuss the audit issues with the component audit team.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 parent company; or
- the parent company financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement set out on page 50, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

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.

RSM UK Audit LLP

RSM UK AUDIT LLP, Auditor
Chartered Accountants
25 Farringdon Street
London, EC4A 4AB
28 June 2018

Consolidated Income Statement

For the ten months ended 31 December 2017

	Note	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Continuing operations			
Revenue	5	**2,210,430**	–
Cost of sales		**(1,093,443)**	–
Gross profit		**1,116,987**	–
Other operating income		**–**	31,445
Selling and distribution costs		**(220,724)**	–
Other mine operating costs		**(122,707)**	–
Idle plant costs		**(24,216)**	–
Administration expenses		**(3,740,558)**	(1,550,087)
Operating loss		**(2,991,218)**	(1,518,642)
Share of results of associate	32	**3,610,066**	–
Impairment loss on demerger of tin assets	12	**(547,441)**	–
Finance income	8	**107,045**	1,093
Finance costs	9	**(863,035)**	(202,518)
Loss before tax		**(684,583)**	(1,720,067)
Taxation	10	**(8,144)**	–
Loss after taxation		**(692,727)**	(1,720,067)
Attributable to:			
Owners of the parent		**(953,538)**	(1,705,920)
Non-controlling interests		**260,811**	(14,147)
		(692,727)	(1,720,067)
Loss per ordinary share attributable to owners of parent			
Basic and diluted profit/(loss) per share (in pence)	11	**(0.12)**	(0.28)

All results relate to continuing activities.

The notes on pages 62 to 84 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the ten months ended 31 December 2017

	Note	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Loss for the year		**(692,727)**	(1,720,067)
Other comprehensive income, net of tax:			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		**1,354,597**	2,887,415
Available-for-sale financial assets – net change in fair value	19	**(779,930)**	–
Total comprehensive income for the year		**(118,060)**	1,167,348
Attributable to:			
Owners of the parent		**(327,272)**	783,430
Non-controlling interests		**209,212**	383,918
Total comprehensive income for the year		**(118,060)**	1,167,348

Consolidated Statement of Financial Position
As at 31 December 2017

Company number: 54506

	Note	31 December 2017 £	28 February 2017 £
Assets			
Non-Current assets			
Intangible assets: exploration and evaluation	12	**45,110,207**	60,201,729
Property, plant and equipment	13	**32,922,605**	304,910
Investment properties	14	**2,448,489**	–
Deferred tax asset	15	**2,427,455**	–
Total Non-Current assets		**82,908,756**	60,506,639
Current assets			
Inventories	16	**12,727,444**	–
Trade and other receivables	17	**10,286,266**	2,507,027
Restricted investment	18	**3,844,454**	–
Income tax receivable		**862,162**	–
Available-for-sale financial assets	19	**1,224,626**	–
Cash and cash equivalents	20	**7,218,820**	131,155
Total Current assets		**36,163,772**	2,638,182
Total assets		**119,072,528**	63,144,821
Equity and liabilities			
Share capital	25	**8,758,948**	6,962,141
Share premium	25	**51,306,449**	60,923,922
Accumulated deficit		**(9,725,332)**	(8,771,794)
Warrant reserve		**1,566,755**	594,127
Foreign exchange translation reserve		**1,394,589**	(11,607)
Fair value reserve		**(779,930)**	–
Equity attributable to owners of the parent		**52,521,479**	59,696,789
Non-controlling interests		**26,969,295**	2,032,925
Total Equity		**79,490,774**	61,729,714
Non-Current liabilities			
Borrowings	21	**5,815,092**	–
Other financial liabilities	21	**1,012,490**	–
Post-retirement medical liability	23	**2,063,042**	–
Environmental rehabilitation liability	24	**4,943,249**	–
Deferred consideration		**8,167,393**	–
Total Non-Current liabilities		**22,001,266**	–
Current liabilities			
Borrowings	21	**–**	128,767
Trade and other payables	22	**15,007,199**	1,286,340
Provisions	26	**2,573,289**	–
Total Current liabilities		**17,580,488**	1,415,107
Total Equity and liabilities		**119,072,528**	63,144,821

The notes on pages 62 to 84 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 28 June 2018.

G N SPROULE
Director
28 June 2018

Consolidated Statement of Changes in Equity

For the ten months ended 31 December 2017

	Attributable to owners of the parent company								
	Share capital £	Share premium £	Accumulated deficit £	Warrant reserve £	Foreign exchange translation reserve £	Fair value reserve £	Total £	Non-controlling interests £	Total equity £
Total equity at 29 February 2016	**4,863,373**	**59,927,541**	**(7,320,313)**	**422,386**	**(2,500,957)**	**–**	**55,392,030**	**1,349,513**	**56,741,543**
Loss for the year	–	–	(1,705,920)	–	–	–	(1,705,920)	(14,147)	(1,720,067)
Other comprehensive income, net of tax:									
Currency translation differences	–	–	–	–	2,489,350	–	2,489,350	398,065	2,887,415
Total comprehensive loss for the year	–	–	(1,705,920)	–	2,489,350	–	783,430	383,918	1,167,348
Transactions with owners:									
Grant of warrants	–	–	–	426,180	–	–	426,180	–	426,180
Reserve transfer	–	–	254,439	(254,439)	–	–	–	–	–
Issue of shares	2,098,768	996,381	–	–	–	–	3,095,149	–	3,095,149
Non-controlling interest	–	–	–	–	–	–	–	299,494	299,494
Total equity at 28 February 2017	**6,962,141**	**60,923,922**	**(8,771,794)**	**594,127**	**(11,607)**	**–**	**59,696,789**	**2,032,925**	**61,729,714**
(Loss)/profit for the period	–	–	(953,538)	–	–	–	(953,538)	260,811	(692,727)
Other comprehensive income, net of tax:									
Fair value movement on investments	–	–	–	–	–	(779,930)	(779,930)	–	(779,930)
Currency translation differences	–	–	–	–	1,406,196	–	1,406,196	(51,599)	1,354,597
Total comprehensive income for the period	–	–	(953,538)	–	1,406,196	(779,930)	(327,272)	209,212	(118,060)
Transactions with owners:									
Grant of warrants	–	–	–	972,628	–	–	972,628	–	972,628
Exercise of warrants	708,581	982,430	–	–	–	–	1,691,011	–	1,691,011
Issue of shares	1,088,226	5,548,097	–	–	–	–	6,636,323	–	6,636,323
Distribution of capital on de-merger	–	(16,148,000)	–	–	–	–	(16,148,000)	–	(16,148,000)
Non-controlling interest	–	–	–	–	–	–	–	24,727,158	24,727,158
Total equity at 31 December 2017	**8,758,948**	**51,306,449**	**(9,725,332)**	**1,566,755**	**1,394,589**	**(779,930)**	**52,521,479**	**26,969,295**	**79,490,774**

Consolidated Statement of Cash Flows
For the ten months ended 31 December 2017

	Note	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Cash flows from operating activities			
Loss before taxation		**(692,727)**	(1,720,067)
Adjustments for:			
Depreciation property, plant and equipment	13	**50,369**	9,892
Impairment of property, plant and equipment	13	**–**	138,708
Impairment loss on de-merger	12	**547,472**	–
Finance income	8	**(107,045)**	(1,093)
Finance costs	9	**863,035**	202,518
Share of profit in associate		**(3,610,066)**	–
Changes in working capital		**(1,144,094)**	1,414,304
Net cash (used in)/generated from operating activities		**(4,093,056)**	44,262
Cash flows from investing activities			
Finance income	8	**107,045**	1,093
Purchase of exploration and evaluation assets	12	**(1,261,590)**	(821,937)
Purchase of property, plant and equipment		**–**	(25,996)
Net cash impact of acquisition of Bushveld Vametco Limited	32	**4,412,912**	–
Net cash generated from/(used in) investing activities		**3,258,367**	(846,840)
Cash flows from financing activities			
Finance costs		**–**	(528,400)
Net proceeds from issue of shares and warrants	25	**1,691,011**	3,200,381
Proceeds from convertible bond issue (net of repayments)	21	**6,545,000**	(2,535,000)
Net repayments of other borrowings	21	**(128,767)**	140,000
Net cash generated from financing activities		**8,107,244**	136,981
Net increase/(decrease) in cash and cash equivalents		**7,272,555**	(665,597)
Cash and cash equivalents at the beginning of the year		**131,155**	478,619
Effect of foreign exchange rates		**(184,890)**	318,133
Cash and cash equivalents at end of the year		**7,218,820**	131,155

The notes on pages 62 to 84 form part of these financial statements.

Notes to the Consolidated Financial Statements
For the ten months ended 31 December 2017

1. Corporate information and principal activities

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

The company changed its reporting date from 28 February to 31 December during the period. These financial statements are for the ten months ended 31 December 2017 and the comparative figures are for the year ended 28 February 2017.

The Bushveld Group comprises Bushveld Minerals Limited and its subsidiaries as noted below.

During the year the Company acquired an effective 59.1% in Vametco Holdings (Pty) Limited, an operational vanadium mining company owned through the Company's 78.8% interest in Strategic Minerals Corporation. Vametco Holdings Limited own a processing plant and an operating open cast vanadium mine, situated about 6.5 km northeast of the town of Madibeng (formerly known as Brits) which is in the Bojanala Platinum District in the North West Province of the Republic of South Africa. Vametco Holdings Limited has approximately 480 employees.

Bushveld Resources Limited ("BRL") is an investment holding company formed to invest in resource-based vanadium and 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.

The Lemur subsidiaries are coal project development companies. The Lemur subsidiaries are the holder of 11 concession blocks in South West Madagascar covering the Imaloto Coal Basin, known as the Imaloto Coal Project and Extension.

As at 31 December 2017, the Bushveld Group comprised of:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
Bushveld Minerals Limited	N/A	Guernsey	Ultimate holding company
Bushveld Resources Limited[1]	100%	Guernsey	Holding company
Pamish Investments No. 39 (Pty) Ltd[2]	64%	South Africa	Vanadium & Iron ore exploration
Amaraka Investments No. 85 (Pty) Ltd[2]	68.50%	South Africa	Vanadium & Iron ore exploration
Frontier Platinum Resources (Pty) Ltd[2]	100%	South Africa	Group support services
Bushveld Energy Limited[1]	84%	Mauritius	Holding company
Bushveld Energy Company (Pty) Ltd[3]	100%	South Africa	Energy development
Bushveld Vametco Limited[1]	100%	Guernsey	Holding company
Strategic Minerals Corporation[4]	78.8%	United States	Investment holding company
Bushveld Vametco Holdings (Pty) Ltd[5]	75%	South Africa	Holding company
Bushveld Vametco Alloys (Pty) Ltd[6]	100%	South Africa	Mining and manufacturing company
Bushveld Vametco Properties (Pty) Ltd[7]	100%	South Africa	Property owning company
Lemur Holdings Limited[1]	100%	Mauritius	Holding company
Lemur Investments Limited[8]	100%	Mauritius	Holding company
Coal Mining Madagascar SARL[9]	99%	Madagascar	Coal exploration
Imaloto Power Project Limited[8]	100%	Mauritius	Holding company
Imaloto Power Project SARL[9]	99%	Madagascar	Power generation company

1. Held directly by Bushveld Minerals Limited.
2. Held by Bushveld Resources Limited.
3. Held by Bushveld Energy Limited.
4. Held by Bushveld Vametco Ltd.
5. Held by Strategic Minerals Corporation.
6. Held by Bushveld Vametco Holdings (Pty) Ltd.
7. Held by Bushveld Vametco Alloys (Pty) Ltd.
8. Held by Lemur Holdings Limited.
9. Held by Lemur Investments Ltd.

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 and interpretations not applied

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions*	1 January 2018	Amendments to provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.
IFRIC 22 Foreign Currency Transactions and Advance Consideration*	1 January 2018	Provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.
IFRS 9 Financial Instruments	1 January 2018	Replacement to IAS 39 and is built on a logical, single classification and measurement approach for financial assets which reflects both the business model in which they are operated and their cash flow characteristics. Also addresses the so-called 'own credit' issue and includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment. It is a change from incurred to expected loss model.
IFRS 15 Revenue from Contracts with Customers (IFRS 15 clarifications not EU-endorsed)	1 January 2018	Introduces requirements for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. Also results in enhanced disclosure about revenue and provides or improves guidance for transactions that were not previously addressed comprehensively and for multiple-element arrangements.
IFRS 16 Leases*	1 January 2019	The new standard recognises a leased asset and a lease liability for almost all leases and requires them to be accounted for in a consistent manner. This introduces a single lessee accounting model and eliminates the previous distinction between an operating lease and a finance lease.
IFRS 17 Insurance Contracts	1 January 2019	The new standard requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.

* Not yet endorsed by the EU.

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

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 ("EU adopted IFRS").

The consolidated financial statements have been prepared under the historical cost basis, except for the revaluation of certain 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

The Directors have considered the current financial position of the group and the likely future cash flows for the period of 12 months following the approval of these financial statements for the 10 months to 31 December 2017.

A capital raising was undertaken in March 2018 realising a net amount £15,108,742. The proceeds have been utilised to redeem the convertible bonds raised in September and December 2017.

The funding will also be utilised to develop the group's assets and for working capital requirements. Further cash flows will be available in due course from the operating subsidiary in the group.

The Directors have considered the current financial position of the group and the likely future cash flows for the period of 12 months following the approval of these financial statements in preparing these financial statements. The Directors consider that the company has sufficient funds for the next twelve months.

3. Significant accounting policies continued

Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

Disposal of subsidiaries

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests

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.

Black Economic Empowerment ("BEE") interests are accounted for as non-controlling interests on the basis that the group does not control these entities.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

3. Significant accounting policies continued

Basis of consolidation continued

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position presented are translated at the closing rate;
b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Revenue recognition

Sale of goods/products

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts, rebates and value added tax. Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the product have transferred to the buyer, costs can be measured reliably, and receipt of the future economic benefits is probable. Significant risks and rewards of ownership pass when the title has passed to the customer and the goods have been delivered to a contractually agreed location.

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 year 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.

3. Significant accounting policies continued

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 reporting date in accordance with IFRS 6. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying value. Impairment losses are recognised in profit or loss.

An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:
- unexpected geological occurrences that render the resources uneconomic; or
- title to the asset is compromised; or
- variations in mineral prices that render the project uneconomic; or
- variations in the foreign currency rates; or
- the group determines that it no longer wishes to continue to evaluate or develop the field.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation, except for Residential properties which is carried at fair value. Depreciation is calculated on the straight line method to write off the cost of each asset (less residual value) over its estimated useful life as follows:

Buildings and other improvements	20-25 years
Plant and machinery	15-20 years
Motor vehicles, furniture and equipment	4-10 years
Decommissioning asset	Life of mine

Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Repairs and maintenance is generally charged against income during the financial period in which it is incurred. However renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits will flow to the group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

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.

3. Significant accounting policies continued

Impairment of property, plant and equipment continued

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.

Inventories

Inventories are valued at the lower of cost or estimated net realisable value. Cost is determined on the following basis:

Raw materials	weighted average cost
Consumable stores	weighted average cost
Work in progress	weighted average cost
Finished product	weighted average cost

The cost of finished product and work in progress comprises raw materials, direct labour, other direct costs, and related production overheads (based on normal operating capacity) but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the group's statement of financial position 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 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.

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 fair value 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.

3. Significant accounting policies continued

Convertible loans

Interest-bearing loans are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement, redemption or conversion, are recognised in profit or loss over the term of the instrument using the effective rate of interest.

Instruments where the holder has the option to redeem for cash or convert into a predetermined quantity of equity shares are classified as compound instruments and presented partly as a liability and partly as equity.

Instruments where the holder has the option to redeem for cash or convert into a variable quantity of equity shares are classified separately as a loan and a derivative liability.

Where conversion results in a fixed number of equity shares, the fair value of the liability component at the date of issue is estimated using the prevailing market interest rate for a similar non-convertible instrument. The difference between the proceeds of issue and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the group, is included in equity. Where conversion is likely to result in a variable quantity of equity shares the related derivative liability is valued and included in liabilities.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible loan note.

Derivative liabilities are revalued at fair value at the reporting date, and changes in the valuation amounts are credited or charged to the profit or loss.

Warrants

The warrants issued by the company are recorded at fair value on initial recognition net of transaction costs. The fair value of warrants granted is recognised as an expense or as share issue costs, with a corresponding increase in equity. The fair value of the warrants granted is measured using the Black Scholes valuation model for options without market conditions and using the binomial method for those with market conditions, taking into account the terms and conditions under which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of warrants that vest.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Provisions

General

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement or comprehensive income, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

i. *Environmental rehabilitation liability*

The group is exposed to environmental liabilities relating to its operations. Full provision for the cost of environmental and other remedial work such as reclamation costs, close down and restoration costs and pollution control is made based on the estimated cost as per the Environmental Management Program Report. Annual increases in the provisions relating to change in the net present value of the provision and inflationary increases are shown separately in the statement of comprehensive income as a finance cost. Changes in estimates of the provision are accounted for in the year the change in estimate occurs, and is charged to either the statement of comprehensive income or the decommissioning asset in property, plant and equipment, depending on the nature of the liability.

ii. *Post-retirement medical liability*

The liability in respect of the defined benefit medical plan is the present value of the defined benefit obligation at the reporting date together with adjustments for actuarial gains/losses. Any actuarial gains or losses are accounted for in other comprehensive income. The defined benefit obligation is calculated annually by independent actuaries using the projected unit of credit method.

iii. *Provident fund contributions*

The group's contributions to the defined contribution plan are charged to the statement of comprehensive income in the year to which they relate.

3. Significant accounting policies continued

Use of estimates and judgements

In the application of the group's accounting policies, 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. In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

i. Acquisition accounting

Management's critical estimates and judgements in preparing the financial statements relate to the fair value of the consideration payable and net assets acquired on acquisition of the Vametco Group (see note 32).

ii. Decommissioning and rehabilitation obligations

Estimating the future costs of environmental and rehabilitation obligations is complex and requires management to make estimates and judgements as most of the obligations will be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions (see note 24) are further influenced by changing technologies, political, environmental, safety, business and statutory considerations.

iii. Asset lives and residual values

Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

iv. Post-retirement employee benefits

Post-retirement medical aid liabilities are provided for certain existing employees (see note 23). Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, health care inflation costs and rates of increase in costs.

v. Surface rights liabilities

The group has provided for surface lease costs that would accrue to the owners of the land on which the mine is built (see note 26). The quantum of the amounts due post implementation of the MPRDA and the granting of the new order mining right to the group is somewhat uncertain and need to be negotiated with such owners. The group has conservatively accrued for possible costs in this regard, but the actual obligation may be materially different when negotiations with the relevant parties are completed.

vi. Impairment of exploration and evaluation assets

Determining whether an exploration and evaluation asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in IFRS 6 – Exploration for and Evaluation of Mineral Resources. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. 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. The Directors have concluded that there are no indications of impairment in respect of the carrying value of intangible assets at 31 December 2017 based on planned future development of the projects and current and forecast commodity prices. See note 12 for details of exploration and evaluation assets.

4. 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 31 December 2017 the group operated within three operating segments, mineral exploration activities for iron ore and vanadium, vanadium mining and production and coal. Activities take place in South Africa (iron ore and vanadium) and Madagascar (coal).

Segment revenue and results

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

	Vanadium and iron ore exploration £	Coal exploration £	Vanadium mining and production £	Total £
Period ended 31 December 2017				
Results				
Revenue	–	–	**2,210,430**	**2,210,430**
Associated costs	**(606,369)**	**(488,402)**	**(957,106)**	**(2,051,877)**
Segmental profit/(loss)	**(606,369)**	**(488,402)**	**1,253,324**	**158,553**

4. Segmental reporting continued

Segment revenue and results continued

In the prior period, the vanadium mining and production segment was not present, but tin exploration was a reported segment prior to the de-merger (note 12).

	Vanadium and iron ore exploration £	Coal exploration £	Tin exploration £	Total £
Period ended 28 February 2017				
Results				
Revenue	–	–	–	–
Operating segmental loss	(50,516)	(256,932)	(239,225)	(546,673)
Segmental loss	(50,516)	(256,932)	(239,225)	(546,673)

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

	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Segmental profit/(loss)	**158,553**	(546,673)
Unallocated costs	**(3,176,740)**	(971,969)
Share of results of associate	**3,610,066**	–
Impairment – de-merger of tin assets	**(547,472)**	–
Finance income	**107,045**	1,093
Finance costs	**(836,035)**	(202,518)
Loss before tax	**(684,583)**	(1,720,067)

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.

	Vanadium and Iron ore exploration £	**Vanadium mining and production £**	**Total £**
31 December 2017			
Intangible assets – exploration and evaluation	**45,110,207**	**–**	**45,110,207**
Total reportable segmental net assets	**45,110,207**	**49,823,089**	**94,933,296**
Unallocated net liabilities			**(15,442,522)**
Total consolidated net assets			**79,490,774**

	Vanadium and Iron ore exploration £	Tin exploration £	Coal exploration £	Total £
28 February 2017				
Intangible assets – exploration and evaluation	41,933,596	18,268,133	–	60,201,729
Total reportable segmental net (liabilities)/assets	(78,383)	627,499	(14,144)	534,972
Unallocated net assets	–	–	–	992,473
Total consolidated net assets				61,729,174

5. Revenue

	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Revenue comprises the invoiced amount of goods to customers, net of value added tax – sale of goods	**2,210,430**	–

6. Administrative expenses by nature

	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
The loss for the year has been arrived at after charging:		
Staff costs	**999,526**	422,634
Commission paid	**421,545**	114,250
Depreciation of PPE	**50,369**	9,892
Impairment of investment	**–**	138,708
Professional fees	**758,932**	216,422
Acquisition expenses	**744,000**	621,610
Foreign exchange loss	**588,235**	–
Other	**177,951**	26,571
	3,740,558	1,550,087

7. Staff costs

Key management personnel have been identified as the Board of Directors. The remuneration of Directors is disclosed in the Remuneration Report on page 52.

Included in staff costs above, are emoluments of £91,667 (February 2017: £108,333) in respect of the highest paid Director.

No pension contributions were made on behalf of the Directors and other staff members.

8. Finance income

	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Bank interest	**107,045**	1,093

9. Finance costs

	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Interest on convertible bonds	**233,610**	–
Other finance costs	**629,425**	202,518
	863,035	202,518

10. Taxation

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

Factors affecting tax for the period/year:	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Loss before taxation	**(684,583)**	(1,720,067)
Loss before taxation multiplied by Guernsey corporation tax rate of 0% as explained below	**–**	–
Tax assessed for the year – South Africa	**8,114**	–
Taxation expense for the period	**8,114**	–

Management believe that any unrecognised deferred tax assets relating to the accumulated losses in the subsidiary undertakings of the group, would be immaterial to these financial statements.

11. Loss per share

From continuing operations

The calculation of a basic loss per share of 0.12 pence (February 2017: 0.28 pence loss), is calculated using the loss for the year attributable to the owners of the company of £953,538 (February 2017: £1,705,920) and the weighted average number of shares in issue during the year of 789,578,440 (February 2017: 601,801,830). The dilutive effect of other shares in issue would be immaterial to the profit per share.

12. Intangible exploration and evaluation assets

	Vanadium and Iron ore £	Tin £	Total £
As at 1 March 2016	38,649,101	17,737,393	56,386,494
Exchange differences	1,633,034	530,740	2,163,774
Additions	1,651,461	–	1,651,461
As at 28 February 2017	41,933,596	18,268,133	60,201,729
As at 1 March 2017	41,933,596	18,268,133	60,201,729
Exchange differences	1,915,021	(1,572,661)	342,360
Impairment / loss on disposal	–	(16,695,472)	(16,695,472)
Additions	1,261,590	–	1,261,590
As at 31 December 2017	**45,110,207**	**–**	**45,110,207**

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

Brits Vanadium Project

The Company is in a process to secure regulatory approval in terms of section 11 of the Mineral and Petroleum Resources Development Act (MPRDA) for change of control in respect of the acquired Sable Metals & Mining Ltd's subsidiaries. Following approval, Bushveld Minerals will commence with activities to delineate the shallow resource on the Uitvalgrond farm portion.

- NW 30/5/1/1/2/11069 PR – held through Great Line 1 (Pty) Ltd
- NW 30/5/1/1/2/11124 PR – held through Great Line 1 (Pty) Ltd
- GP 30/5/1/1/02/10142 PR – held through Gemsbok Magnetite (Pty) Ltd

Disposal of Tin assets

The principal tin assets of the Bushveld Group as at 28 February 2017, were the Mokopane Tin Project, the Zaaiplaat Tin Tailings Project, and its interest in the Uis Tin Project in Namibia.

The Directors believe that the tin assets now represent an attractive stand-alone platform with a strong and dedicated management team in place to deliver long-term shareholder value. The Directors also believe that these assets represent a significant value opportunity that is not being fully exploited within Bushveld Minerals.

For this reason, the Tin assets were demerged from the group effective 9 November 2017.

As described in the Company's circular to shareholders dated 2 October 2017 (the "Circular"), the demerger constituted a sub-division of ordinary shares in the Company into ordinary shares and redeemable shares representing 85% of the deemed value of Greenhills Resources Limited ("Greenhills"), with the redeemable shares being redeemed for such deemed value in return for the Company transferring 85% of Greenhills to AfriTin Mining Limited ("AfriTin Mining"), and AfriTin Mining issuing Bushveld Shareholders with new AfriTin Shares.

The company retained an interest in these assets through its investment in shares (see note 19).

A loss of £547,000 has been recognised in the Consolidated Income Statement in respect of the demerger.

13. Property, plant and equipment

	Buildings and other improvements £	Plant and machinery £	Motor vehicles Furniture and Equipment £	Decommissioning assets £	Assets under construction £	Total £
Cost						
As at 1 March 2016	–	538,735	–	–	–	538,735
Additions	–	25,996	–	–	–	25,996
Exchange differences	–	186,190	–	–	–	186,190
At 28 February 2017	**–**	**750,921**	**–**	**–**	**–**	**750,921**
Disposals	–	(301,185)	–	–	–	(301,185)
Exchange differences	–	182,448	–	–	–	182,448
Additions due to acquisition	452,703	30,606,619	21,249	1,116,965	692,541	32,890,077
At 31 December 2017	**452,703**	**31,238,803**	**21,249**	**1,116,965**	**692,541**	**33,522,261**
Depreciation						
As 1 March 2016	–	217,529	–	–	–	217,529
Impairment charge	–	138,708	–	–	–	138,708
Depreciation charge for the year	–	9,892	–	–	–	9,892
Exchange differences	–	79,882	–	–	–	79,882
At 28 February 2017	**–**	**446,011**	**–**	**–**	**–**	**446,011**
Depreciation charge for the year	–	50,369	–	–	–	50,369
Exchange differences	–	103,276	–	–	–	103,276
At 31 December 2017	**–**	**599,656**	**–**	**–**	**–**	**599,656**
Net Book Value	–	–	–	–	–	–
At 31 December 2017	**452,703**	**30,639,147**	**21,249**	**1,116,965**	**692,541**	**32,922,605**
At 28 February 2017	–	304,910	–	–	–	304,910

14. Investment properties

	31 December 2017 £
Fair value at 1 March	**–**
Acquisition (note 32)	**2,448,489**
Fair value at end of the year	**2,448,489**

Land and buildings comprise residential housing in Brits and Elandsrand, North West Province.

Investment properties are stated at fair value, which has been determined based on valuations performed by Mr W J van Aardt, an accredited independent valuer, as at 31 December 2017. Mr W J van Aardt, is a Professional Associated Valuer (South Africa) with registration number F139714. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arms' length transaction.

The following valuation techniques and key inputs were used in the valuation of the investment properties:

i. Physical inspection of each property;
ii. Consultation with estate agencies to discuss current sales market trends; and
iii. Comparative sales reports for locations where properties are situated were obtained from South Africa.

15. Deferred tax

	31 December 2017 £	28 February 2017 £
As at 1 March 2017	–	–
Arising on acquisition (note 32)	**2,427,455**	–
As at 31 December 2017	**2,427,455**	–

16. Inventories

	31 December 2017 £	28 February 2017 £
Finished goods	**4,800,578**	–
Work in progress	**3,255,013**	–
Raw materials	**1,198,704**	–
Consumable stores	**3,473,149**	–
Inventories	**12,727,444**	–

The amount of write-down of inventories due to net realisable value provision requirement is nil.

17. Trade and other receivables

	31 December 2017 £	28 February 2017 £
Trade receivables	**6,136,121**	192,937
Other receivables	**4,150,145**	2,314,090
Trade and other receivables	**10,286,266**	2,507,027

Trade receivables are non-interest bearing and are generally on 15-90 day terms. There were no indicators of impairment at the year end. At 31 December 2017 the group had one customer which accounted for approximately 90% of trade receivables.

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 year 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 £5,537,710 (February 2017: £464,041) and denominated in Australian Dollars amount to £nil (February 2017: £1,237).

18. Restricted investment

	31 December 2017 £
Rehabilitation trust fund	
As at 1 March 2017	–
Acquisition (note 32)	**2,120,425**
As at 31 December 2017	**2,120,425**
Rehabilitation insurance fund	
As at 1 March 2017	–
Acquisition (note 32)	**1,724,029**
As at 31 December 2017	**1,724,029**
Total restricted investment	**3,844,454**

The group is required by statutory law in South Africa to hold these restricted investments in order to meet decommissioning liabilities on the statement of financial position (note 23).

19. Available-for-sale financial asset

	31 December 2017 £
AIM listed shares	
As at 1 March 2017	–
Additions	**2,004,556**
Fair value movement	**(779,930)**
As at 31 December 2017	**1,224,626**

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument (a level 1 valuation technique). A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

20. Cash and cash equivalents

	31 December 2017 £	28 February 2017 £
Cash at hand and in bank	**7,218,820**	131,155

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 Directors 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 £4,810,123 (February 2017: £92,913), denominated in Australian Dollars £nil (February 2017: £3,154) and denominated US Dollars £543,473 (February 2017: £nil).

21. Borrowings and other financial liabilities

	31 December 2017 £	28 February 2017 £
Short-term loans	**–**	128,767
Convertible loan notes	**5,815,092**	–
Other financial liabilities	**1,012,490**	
	6,827,582	128,767

During the year the company completed a fundraising of £8.0 million through the creation and issuance of convertible bonds, with denomination of £25,000 each, which bear a coupon of 7.5 per cent per annum and have a maturity date of two years from the date of issuance (the "Maturity Date") (the "Convertible Bonds"). The Convertible Bonds were issued at 98 per cent of face value in two tranches, the first tranche of £4,500,000 and the second tranche of £3,500,000.

The Convertible Bonds are convertible into BMN ordinary shares at a price equal to the average of five days volume weighted average price (as published by Bloomberg) determined over the ten trading days immediately prior to receipt of a conversion notice by the Company from the Investor.

A total of 11,111,111 warrants over BMN ordinary shares were issued. The warrants have a three-year term, a strike price of 14.4p and are exercisable at any time (see note 25). The fair value of the warrants have been treated as issue costs and included in the effective interest rate calculation.

The company has the option to redeem the Convertible Bonds prior to the Maturity Date at 105 per cent of the face value of the outstanding Convertible Bonds to be redeemed. All bonds have been redeemed or settled since the year end (see note 31).

Other financial liabilities include the fair value of the conversion option in the loan notes, determined based on discounting the loan note face value using a rate of 7% based on similar instruments without a conversion option.

The effective interest rate used to amortise the convertible bonds is 21.5%.

Notes to the Consolidated Financial Statements continued

For the ten months ended 31 December 2017

22. Trade and other payables

	31 December 2017 £	28 February 2017 £
Trade payables	**8,059,604**	254,574
Other payables	**4,729,604**	109,137
Accruals	**2,217,991**	922,629
	15,007,199	1,286,340

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The average credit year 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 year.

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 £7,647,159 (February 2017: £312,756), £nil (February 2017: £18,535) is denominated in Australian Dollars and £3,531,958 is denominated in US Dollars (February 2017: £nil).

23. Post-retirement medical liability

The following tables summarise the components of the net benefit expense recognised in the statement of comprehensive income and the amounts recognised in the statement of financial position.

	31 December 2017 £	28 February 2017 £
Benefit liability		
As at 31 March 2017	**–**	–
Acquisition (note 32)	**2,063,042**	–
Actuarial changes arising from changes in financial assumption	**–**	–
	2,063,042	–

The benefit comprises medical aid subsidies provided to qualifying retired employees. Actuarial valuations are made annually, and the most recent valuation was made on 31 December 2014.

The main assumptions in the valuation are:

Discount rate	10.10%
Health care cost inflation	8.80%
Average retirement age	76.3 years

A one percentage point change in the assumed rate of healthcare costs would have the following effect on the present value of the unfunded obligation: Plus 1%: £2.2 million; Less 1%: £1.85 million.

A one percentage point change in the assumed interest rate would have the following effect on the present value of the unfunded obligation; Plus 1%: £0.2 million; Less 1%: £1.8 million.

24. Environmental rehabilitation liability

	31 December 2017 £	28 February 2017 £
As at 1 March 2017	**–**	–
Arising on acquisition (note 32)	**4,943,249**	–
As at 31 December 2017	**4,943,249**	–

Provision for future environmental rehabilitation costs are made on a progressive basis. Estimates are based on costs that are regularly reviewed and adjusted as appropriate for new circumstances.

24. Environmental rehabilitation liability continued

The rehabilitation provision represents the present value of rehabilitation costs relating to the mine sites, which are expected to be incurred up to 2037, which is when the producing mine properties are expected to cease operations. The provisions are based on management's estimates and assumptions based on the current economic environment. Actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works and timing of when the mine ceases operation.

The discount rate used in the calculation of the provision as at 31 December 2017 was 9.79%.

25. Share capital and share premium

	Number of shares issued and fully paid	Nominal value of shares of 1 pence each £	Share premium £	Total share capital and premium £
Balance at 1 March 2016	486,337,438	4,863,373	59,927,541	64,790,914
Shares issued for warrants exercised	12,305,401	123,054	172,276	295,330
Other issues	197,571,432	1,975,714	1,250,286	3,226,000
Share issue costs	–	–	(426,180)	(426,180)
Balance at 28 February 2017	**696,214,271**	**6,962,141**	**60,923,922**	**67,886,063**
Balance at 28 February 2017	696,214,271	6,962,141	60,923,922	67,886,063
Shares issued for warrants exercised	70,858,086	708,581	982,430	1,691,011
Shares issued in respect of convertible bonds	13,056,184	130,562	919,438	1,050,000
Other issues – Dawnmin	41,000,000	410,000	240,000	650,000
Distribution of capital on de-merger	–	–	(16,148,000)	(16,148,000)
Shares issued on acquisition	54,766,364	547,664	4,388,659	4,936,323
Balance at 31 December 2017	**875,894,905**	**8,758,948**	**51,306,449**	**60,065,397**

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.

As at the 31 December 2017 the Company owns 670,000 (February 2017: 670,000) treasury shares with a nominal value of 1 pence.

Dawnmin

On 15 June 2017, Greenhills Resources Limited acquired a 49.5% interest in Dawnmin Africa Investments Limited ("Dawnmin") from a consortium of Namibian shareholders. In accordance with the terms of the SSCA, 41 million ordinary shares of 1 pence each in Bushveld ("Consideration Shares") were issued to the Sellers.

Capital reduction on de-merger of Greenhills

As explained in note 12, on 9 November 2017, the group completed a de-merger of Greenhills Resources.

Upon Admission of AfriTin, the following occurred:

- the sub-division of the Company's share capital into Ordinary Shares and Redeemable Shares (on a one for one basis);
- 85% of the issued share capital of Greenhills Resources was transferred by the Company to AfriTin at the Deemed Value;
- AfriTin issued the Demerger Shares to the Bushveld Shareholders; and
- the Company redeemed the Redeemable Shares, at an aggregate redemption price equal to the Deemed Value, which will be deemed to have been satisfied by the Company effecting the transfer of 85% of the Greenhills Shares to AfriTin and procuring the issue by AfriTin of the Demerger Shares to the holders of the Redeemable Shares in accordance with the Demerger Agreement.

The Demerger constituted a reduction of capital by Bushveld Minerals and an indirect distribution to Bushveld Shareholders of 85% of their indirect interest in Greenhills Resources.

Notes to the Consolidated Financial Statements continued
For the ten months ended 31 December 2017

26. Provisions

	Leave pay and bonus £	Performance bonus £	Surface lease £	Other £	Total £
Balance at 1 March 2017		–	–	–	–
Acquired during the period	688,945	958,655	851,558	74,131	2,573,289
Balance at 31 December 2017	688,945	958,655	851,558	74,131	2,573,289

Leave pay and bonus
Leave pay represents employee leave days due multiplied by their cost to the company employment package. The bonus represents the estimated amount due to employees based on their approved bonus scheme.

Performance bonus
The performance bonus represents an incentive bonus due to senior employees, calculated in terms of an approved scheme based on the company's operating results.

27. Warrants
The following warrants were granted during the 10 months ended 31 December 2017:

Warrants granted

Date of grant	07/04/2017	15/09/2017	18/12/2017
Number granted	15,197,368	6,332,236	4,925,073
Contractual life	3 years	3 years	3 years
Estimated fair value per warrant	£0.04	£0.03	£0.02

The following warrants were granted during the year ended 28 February 2017:

Warrants granted

Date of grant	27/10/2016	01/09/2016	01/09/2016	07/06/2016
Number granted	5,357,143	3,866,667	19,333,334	24,166,667
Contractual life	3 years	5 years	2 years	2 years
Estimated fair value per warrant	£0.004	£0.007	£0.003	£0.005
Date of grant	07/06/2016	07/06/2016	02/06/2016	07/06/2016
Number granted	434,000	652,000	4,833,333	25,000,000
Contractual life	4 years	4 years	5 years	2 years
Estimated fair value per warrant	£0.003	£0.005	£0.01	£0.05

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

Warrants scheme

Date of grant	07/04/2017	15/09/2017	18/12/2017
Share price at grant date	8p	9p	8p
Exercise price	6.9p	14.2p	14.2p
Expected life	12 months	12 months	2 years
Expected volatility	66%	66%	66%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	3.00%	3.00%	3.00%

The warrants in issue during the year are as follows:

	Number of warrants	Weighted average exercise price £
Outstanding at 1 March 2017	81,865,718	0.03
Granted during the 10 months to 31 December 2017	26,454,677	0.09
Exercised during the 10 months to 31 December 2017	(83,193,487)	0.02
Outstanding at 31 December 2017	25,156,980	0.08
Exercisable at 30 December 2017	25,156,980	0.08

The warrants outstanding at the year-end have a weighted average exercise price of £0.08, with a weighted average remaining contractual life of 2.2 years.

The group has recognised a charge amounting to £972,628 during the 10 months (year to February 2017: £426,180).

28. 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. At the reporting date, the group had borrowings of £6,827,582 which have been fully settled post year end.

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
- Borrowings
- Investments in listed shares

Categories of financial instruments

The group holds the following financial assets:

	31 December 2017 £	28 February 2017 £
Loans and receivables		
Trade and other receivables	**10,286,266**	2,507,027
Restricted investment	**3,844,454**	–
Cash and cash equivalents	**7,218,820**	131,155
Available for sale financial assets	**1,224,626**	–
Total financial assets	**22,574,166**	2,638,182

The group holds the following financial liabilities:

	31 December 2017 £	28 February 2017 £
Other financial liabilities		
Trade and other payables	**15,007,199**	1,286,340
Borrowings	**5,676,927**	128,767
Total financial liabilities	**20,684,126**	1,415,107

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

Credit risk arises principally from the group's cash balances with further risk arising due to its other receivables and available-for-sale investments. Credit risk is the risk that the counterparty fails to repay its obligation to the group in respect of the amounts owed. The group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk.

It is the group's policy that all customers and suppliers who wish to trade on credit terms are subject to credit verification procedures. Credit risk arises from credit exposure to customers, including outstanding receivables and committed transactions.

Notes to the Consolidated Financial Statements continued
For the ten months ended 31 December 2017

28. Financial instruments continued

Credit risk continued

Trade account receivables comprise a limited customer base. Ongoing credit evaluation of the financial position of customers is performed and granting of credit is approved by Directors.

The group's credit risk is considered by counterparty, geography and by currency. The group has a significant concentration of cash held on deposit with large banks in South Africa, Mauritius and the United Kingdom and America with A ratings and above (Standard and Poors).

The concentration of credit risk by currency was as follows:

Currency	**31 December 2017 £**	28 February 2017 £
Sterling	**1,996,281**	35,088
South African Rand	**4,810,123**	92,913
United States Dollar	**412,416**	3,154
	7,218,820	131,155

At 31 December 2017, 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 31 December 2017, 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 31 December 2017, the group had £7,218,820 (February 2017: £131,155) 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's only interest bearing assets or liabilities were the convertible loan notes issued during the year (see note 21), which carry a fixed rate of interest and have been redeemed or settled in full subsequent to the reporting date. The group was therefore exposed to minimal interest rate risk during the year. 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:

	31 December 2017 £	28 February 2017 £
Cash and cash equivalents	**5,277,171**	96,067
Other receivables	**4,150,145**	465,278
Trade and other payables	**(15,007,199)**	(331,291)
	(5,579,883)	230,054

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.

28. Financial instruments continued

Market risk continued

The following table details the group's sensitivity to a 10% increase and decrease in Pound Sterling against the Rand and the US Dollar. 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 year 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:

10 months to 31 December 2017	Rand currency impact strengthening £	Rand currency impact weakening £
Assets	**15,913,715**	**19,450,096**
Liabilities	**(15,982,262)**	**(19,533,876)**
	(68,547)	**(83,780)**

10 months to 31 December 2017	US$ impact strengthening £	US$ impact weakening £
Assets	**1,218,602**	**(1,489,402)**
Liabilities	**(23,262)**	**28,431**
	1,195,340	**(1,460,971)**

29. Operating lease commitments

The group had total commitments at the reporting date under non-cancellable operating leases falling due as follows:

	31 December 2017 Land and buildings £	28 February 2017 Land and buildings £
Within one year	**142,782**	135,730
Between one and two years	**284,760**	145,255
	427,542	280,985

30. Contingent liabilities

As required by the Minerals and Petroleum Resources Act (South Africa), a guarantee amounting to £4,862,328 before tax and £3,500,896 after tax was issued in favour of the Department of Mineral Resources for the unscheduled closure of the mine. This guarantee was issued on condition that a portion be deposited in cash with Guardrisk Insurance Company Ltd with restricted use by the Group, as per the below:

The restricted cash disclosed as a current asset consist of £2,112,835 (2016: £nil) paid to lnvestec Bank Limited and £1,731,619 (2016: £nil) paid to Guardrisk Insurance Company Ltd, to enable Guard risk Insurance Company Ltd to issue a guarantee to the Department of Mineral Resources for the mine's environmental rehabilitation obligation. The insurance company deposited this balance in a Money Market account and interest at a rate of 5.75% is earned on the net credit balance. The guarantee is valid for three years, commencing on 1 April 2015 and the funds are only available if the agreement is terminated with a three months' notice period. The contract was renewed on 1 April 2018.

31. Capital commitments

	31 December 2017 £	28 February 2017 £
Authorised and contracted for	**2,172,737**	–
Authorised but not contracted for	**1,143,463**	–
	3,316,200	–

32. Acquisition of subsidiary

On 21 December 2017, the group completed the acquisition of 55 per cent of Bushveld Vametco, being all the ordinary shares in Bushveld Vametco not currently owned by the Company ("Acquisition"). The Acquisition constituted a reverse takeover under the AIM Rules and was therefore subject to shareholder approval and re-admission of the Enlarged group to trading on AIM ("Admission"). Following the Acquisition, the Company holds 100 per cent of the issued share capital of Bushveld Vametco Limited ("BVL") and, through BVL, owns a 78.8 per cent economic interest in Strategic Minerals Corporation. Strategic Minerals Corporation ("SMC"), in turn holds a 75 per cent interest in Vametco Holdings Limited, which has a 100 per cent interest in the Vametco vanadium mine, a high quality, low cost mine and plant producing a trademark protected vanadium product and a global vanadium customer base.

The Acquisition increased the Company's indirect interest in Vametco Holdings from 26.6 per cent to 59.1 per cent and resulted in the group obtaining control, thus enabling it to fully consolidate the SMC group in its financial statements from the date of Acquisition. The Directors believe that the Acquisition benefits the Company and its shareholders as follows:

- Increased exposure to vanadium, a commodity with a robust and growing demand profile amid a constrained and concentrated supply environment resulting in a sustained structural deficit with no significant new supply anticipated in the near future;
- Bushveld owns a majority shareholding in a high grade, low-cost open-cast and simple mining proposition with access to brownfield processing infrastructure that is being acquired for considerably less than its replacement cost;
- Vametco enjoys a significant c.3 per cent share of the global vanadium market;
- The vanadium price has enjoyed a strong performance in 2017 with prices increasing by 54% (source: Metal Bulletin) and the trading price being in excess of US$40/kgV (at the end of December 2017);
- The production base is planned to expand to over 5,000 mtV per annum by 2020, supported by one of the largest primary vanadium resource bases in the world (under the ownership of Bushveld);
- Productivity initiatives targeting further production cost efficiencies;
- Vametco has the potential to diversify its product range beyond its Nitrovan® product; and
- The Acquisition is further aligned with the Company's aspirations in the global energy storage space by providing capacity for potential electrolyte manufacturing.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred.

	Note	£
Cash		3,336,744
Equity instruments (54,766,364 ordinary shares)	I	4,936,425
Deferred consideration	II	739,391
EBITDA earn out	III	3,717,286
		12,729,846

I. Equity instrument issued

The fair value of the ordinary shares issued was based on the listed share price of the Company of 9 pence per share at the time of acquisition.

II. Deferred consideration

The group has agreed to pay the selling shareholder two deferred payments of US$0.6 million each, payable following publication of the accounts for Vametco Holdings Limited for respectively the years ending 31 December 2018 and 31 December 2019. The consideration has been discounted at a rate of 12.5%.

III. EBITDA earn out

A final payment is payable on publication of the Vametco Holdings Limited accounts for the year ended 31 December 2020, to be calculated by reference to the EBITDA of Vametco Holdings Limited for the period covered by its 2020 accounts. The consideration has been calculated based on forecast 2020 EBITDA and has been discounted at a rate of 12.5%.

Acquisition related costs

The group incurred acquisition-related costs of £744,000. These costs have been included in 'administration expenses'.

32. Acquisition of subsidiary continued

B. Identifiable assets and liabilities acquired

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition.

	£ Fair value
Property, plant and equipment	32,820,006
Residential properties	2,401,073
Deferred tax asset	3,058,677
Inventories	12,480,971
Trade and other receivables	7,241,259
Restricted investment	3,770,005
Income tax receivable/payable	(708,116)
Cash and cash equivalents	4,749,656
Deferred tax liability	(533,009)
Deferred consideration/earn-out	(3,739,716)
Post-retirement medical liability	(2,023,090)
Environmental rehabilitation liability	(4,847,521)
Trade and other payables	(11,967,302)
Provisions	(2,523,456)
Total identifiable net assets acquired	40,179,437

I. Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	The fair value of Property, Plant and Equipment has been calculated based on the fair value of total consideration paid in an arm's length transaction between knowledgeable market participants.

C. Accounting for the step acquisition

The step acquisition has been accounted for as follows:

The fair value of associates was re-measured on date of acquisition as £10,419,517, with no gain or loss arising from this re-measurement.

Goodwill was calculated as follows:

	£
Fair value of consideration	12,729,846
Fair value of non-controlling interests	17,030,074
Fair value of previously held investment	10,419,517
Fair value of net assets acquired	(40,179,437)
Goodwill/(gain on bargain purchase)	–

D. Other information

Since acquisition, the Vametco group has contributed £2.2 million of revenue and £637,680 of profit. Had the acquisition taken place at the start of the period, the Vametco group would have contributed approximately ZAR 877m (~£52m) of revenue and ZAR 146m (~£9m) of profit before tax from the Vametco operations, based on 10 months pro-rating of the audited results of Bushveld Vametco Holdings for the period.

33. 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 year end, the group owed VM Investments Ltd £nil (2017: £39,712).

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.

33. Related party transactions continued

	10 months ended 31 December 2017 £	12 months ended 28 February 2017 £
Fees for services as Directors	**48,750**	65,000
Short-term employee benefits	**249,167**	346,466
	297,197	411,466

Included within the above figure of short-term employee benefits is an amount of £75,000 (February 2017: £240,224) which has been capitalised as part of intangible exploration expenditure.

34. Post balance sheet events

Settlement of convertible bonds

Since year-end the outstanding convertible bonds balance was reduced by the following conversions:

- £250,000 of convertible bonds converted into 3,078,817 ordinary shares of 1 pence each of the Company at a conversion price of 8.12 pence each on 18 January 2018. Following the exercise, Atlas held a total of £6,700,000 Convertible Bonds;
- £700,000 of convertible bonds converted into 8,620,689 ordinary shares of 1 pence each of the Company at a conversion price of 8.12 pence each on 23 January 2018. Following the exercise, Atlas held a total of £6,000,000 Convertible Bonds;
- £1,000,000 of convertible bonds converted into 11,990,407 ordinary shares of 1 pence each of the Company at a conversion price of 8.34 pence each on 19 February 2018. Following the exercise, Atlas held a total of £5,000,000 Convertible Bonds;
- £725,000 of convertible bonds converted into 8,809,234 ordinary shares of 1 pence each of the Company at a conversion price of 8.23 pence each 14 March 2018. Following this exercise, Atlas held a total of £4,275,000 Convertible Bonds.

On 14 June 2018, Bushveld fully redeemed the issued Convertible Bonds. The Convertible Bonds were settled in full for a final aggregate cash payment of £5.116 million, including interest and early redemption charges.

Equity placing

On 26 March 2018, the Company raised approximately US$22.2 million (£15.7 million) (before expenses) by way of an oversubscribed placing of 152,749,172 new ordinary shares of 1 penny each at a price of 10.3 pence per share with leading institutional and mining investors (the “Placing”). The price was calculated as the 5 day volume weighted average price (as published by Bloomberg) at close of trading Monday 19 March 2018. The Placing shares represented approximately 14.4% of the Company’s issued share capital on admission.

The planned use of the net proceeds of the Placing, being approximately US$20.9 million (£14.9 million), was to:

- Redeem the outstanding Atlas Capital Convertible Bond (US$6.3m) (£4.5 million);
- Simplify Bushveld’s organisational and corporate structure to improve Bushveld’s exposure to the underlying cash flows of its assets (US$9.0m) (£6.4 million); and
- Support Bushveld’s vanadium expansion programme: Expansion of the vanadium reserves and resources at the Vametco mine and Brits Project for future production and support Vametco’s expansion plans to increase production to more than 5,000 mtV and beyond (US$5.6m) (£4.0 million).

AfriTin demerger

Following the de-merger of Greenhills Resources Limited, Bushveld Minerals retained a 17.48 per cent shareholding in AIM-listed AfriTin Mining Limited from the 17th of November 2017. Post-year end, on the 20th of June 2018, AfriTin successfully completed a private placement of new ordinary shares, with the result that Bushveld Minerals was diluted from 17.48 per cent to 10.04 per cent As Bushveld Minerals did not exercise significant influence over AfriTin, the investment has since been accounted for as a financial asset available for sale.

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 June 2018

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 Market 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 to be held at 11:00 am on 8 August 2018 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, Link Asset Services, 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 10 months ended 31 December 2017.
2. To approve the Directors Fees as reflected in Remuneration Report and in Note 33 of the Annual Financial Statements.
3. That Messrs RSM 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 to the Company.
5. That Fortune Mojapelo shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
6. That Ian Watson shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
7. That Jeremy Friedlander shall be re-elected as a Director, having retired by rotation and offered hi self for re-election.
8. 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 87,589,490 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 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).
9. To approve the issue and allotment of 24,847,310 New Ordinary shares proposed to be issued to certain Directors and senior employees of the company as previously disclosed in the company's Admission document dated 30 November 2017.
10. The Directors of the Company be and are hereby authorised to exercise all powers of the Company to issue, grant rights to subscribe for, or to convert any securities into, up to 358,451,550 shares (together "Equity Securities") in the capital of the Company being approximately one third of the issued share capital of the Company (excluding treasury shares) in accordance with Article 8.3 of the Articles of Incorporation of the Company such authority to expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, but in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require Equity Securities to be issued or granted after the authority given to the Directors of the Company pursuant to this Resolution ends and the Directors of the Company may issue or grant Equity Securities under any such offer or agreement as if the authority given to the Directors of the Company pursuant to this Resolution had not ended. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities; and

SPECIAL RESOLUTION

11. If Resolution 10 is passed, the Directors of the Company be and they are hereby authorised to exercise all powers of the Company to issue or grant Equity Securities in the capital of the Company pursuant to the issue or grant referred to in Resolution 10 as if the pre-emption rights contained in Article 9.9 of the Articles of Incorporation of the Company did not apply to such issue or grant provided that: (A) the maximum aggregate number of Equity Securities that may be issued or granted under this authority is 107,535,465 shares, being approximately 10.0 per cent of the issued share capital of the Company (excluding treasury shares); and (B) the authority hereby conferred, unless previously renewed, revoked or varied by the Company by special resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be issued or granted after such expiry and the Directors may issue or grant Equity Securities in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities in the capital of the Company as if the pre-emption rights contained in Article 9.9 of the Articles of Incorporation of the Company did not apply to such issue or grant.

By order of the Board

F MOJAPELO
Director
28 June 2018

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 for form of Proxy in accordance with the instructions printed thereon and to return it to the Company's registrars, Link Asset Services, 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 6 August 2018 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 Link Asset Services, 34 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 the close of business on 6 August 2018 (being not more than 48 hours adjourned, such time being not more than 48 hours prior the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in 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 Person 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

Company Information

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