BUSHVELD
MINERALS

Annual Report
2017

About Bushveld Minerals Limited

Bushveld Minerals is an AIM-listed mineral project development company with a portfolio of vanadium, tin and coal assets in Southern Africa, including an interest in a vanadium-producing operation.

While the Company's focus is on developing low-cost vertically integrated vanadium operations, the Company has multiple projects organised around three commodity-focused platforms through which it will unlock value for its shareholders:

V

Bushveld Vanadium – Aims to become the largest, lowest-cost, integrated primary vanadium producer globally through its owned high-grade assets.

Read more on page 12

Sn

Greenhills Resources – Developing a significant stand-alone pan-African portfolio of mineable tin assets.

Read more on page 22

C

Lemur Resources – Developing an integrated thermal coal mining and Independent Power Producer 'IPP' asset in Madagascar.

Read more on page 24

Highlights/Key Achievements

BUSHVELD VANADIUM

- In partnership with Yellow Dragon Holdings Limited, the Company completed, on 6 April 2017, the acquisition of a 78.8% interest in Strategic Minerals Corporation ("SMC"), which owns the primary vanadium mining and processing company Vametco Alloys (Proprietary) Limited ("Vametco") in South Africa.
- Signed cooperation Agreement between the Industrial Development Corporation of South Africa ("IDC") and Bushveld Energy Limited ("Bushveld Energy", a subsidiary of Bushveld Minerals Limited) for the joint development of market opportunities for Vanadium Redox Flow Batteries ("VRFBs") in Africa.
- Completed a techno-economic study on the manufacturing of electrolyte in South Africa.
- Completed a market study for VRFBs in Africa.
- Completed the Acquisition of the Brits Vanadium Project from Sable Metals Limited.

GREENHILLS RESOURCES

- Completed the Acquisition of a 49% interest in Dawnmin Africa Limited ("Dawnmin"), which holds an 85% interest in the Uis Tin Project in Namibia.

LEMUR RESOURCES

- Signed a Memorandum of Understanding ("MoU") with Sinohydro Corporation Ltd ("Sinohydro") for the development of a 60MW coal-fired power plant based at Lemur Resources' (a Bushveld Minerals subsidiary) Imaloto Coal Project in Madagascar.

Investment Case

WHY INVEST IN BUSHVELD MINERALS LIMITED?

- Low-cost and scalable vanadium production platform with significant cash-generating capacity, positioned for growth.
- Affords participation in the burgeoning global energy storage market demand.
- Exposure to the vanadium market that is in structural deficit, with significant headroom for price growth.
- Exposure to a sound portfolio of tin assets, on the expected to shortly crystalise value from an intended initial public offering (IPO) as a stand-alone mid-tier African tin champion with near term production profile.
- Potential re-rating of a coal project in Madagascar on the back of an IPP licence turning the project into a >$200m mining and power generation project.
- Access to deep technical and general management skills in the commodities of focus (over 100 years combined experience in the vanadium industry).
- Potential re-rating of Bushveld Minerals enabling significant growth in shareholder value.

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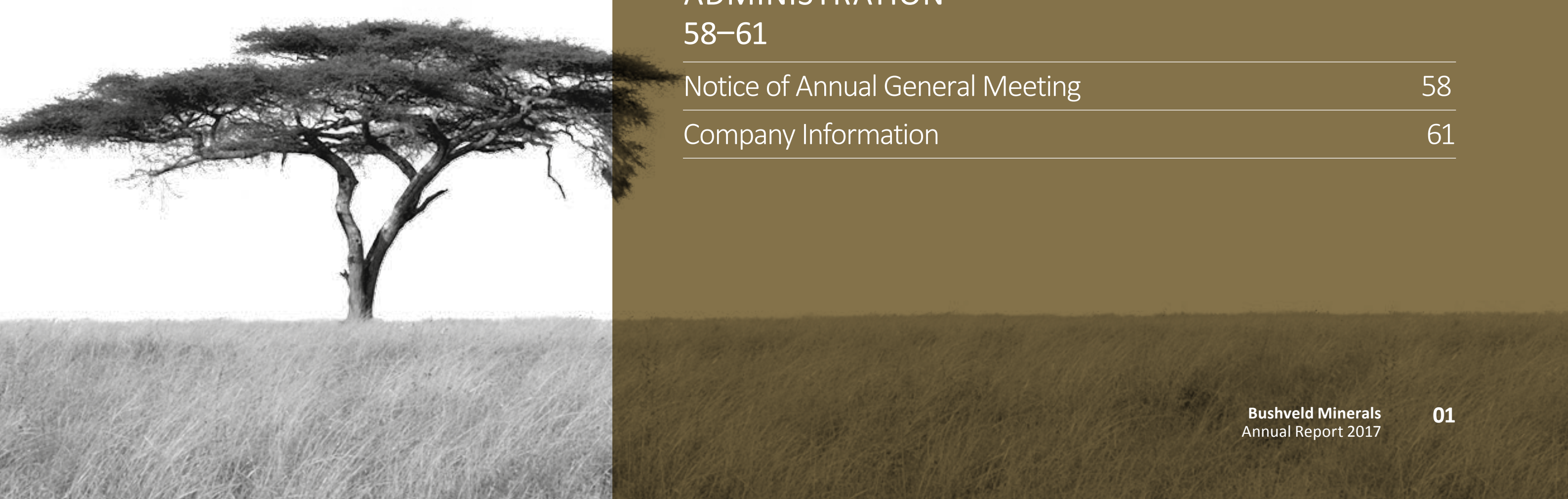
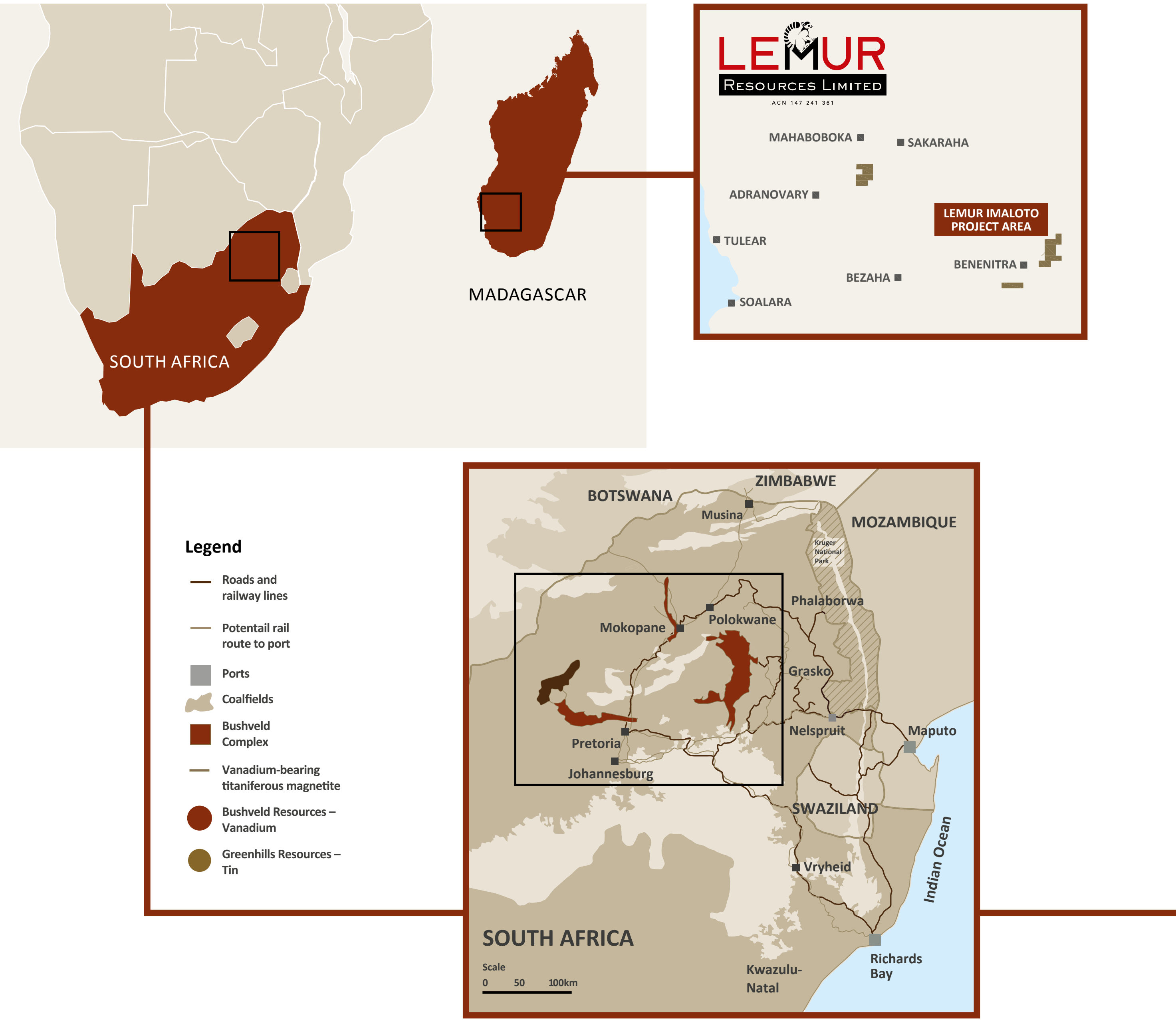


THREE COMMODITY FOCUSED PLATFORMS

While focus is on the vanadium operations, the Company has multiple projects organised around three commodity-focused platforms:



BUSHVELD MINERALS

A PORTFOLIO OF COMMODITY FOCUSED PLATFORMS STRUCTURED TO ENSURE ADEQUATE FOCUS AND DELIVER MAXIMUM SHAREHOLDER VALUE

BUSHVELD RESOURCES

Developing a significant low-cost integrated vanadium mining and processing platform

- Indirect holding in Vametco (mining and processing facility)
- Mokopane Vanadium Project
- Brits Vanadium Project
- Bushveld Energy

Opportunities to markedly grow footprint through a focused low-risk development strategy targeting brownfield assets.

Meanwhile, identifying catalysts for unlocking value in the PQ Project, which is based on the same mineral licence as the Mokopane Vanadium Project, and comprises the PQ Iron & Titanium Project, and the PQ Phosphate Project.

GREENHILLS RESOURCES LTD (A BUSHVELD MINERALS LIMITED COMPANY)

Developing a significant stand-alone pan-African portfolio of mineable tin assets

- Uis Tin Project
- Mokopane Tin Project
- Marble Hall Tin Project

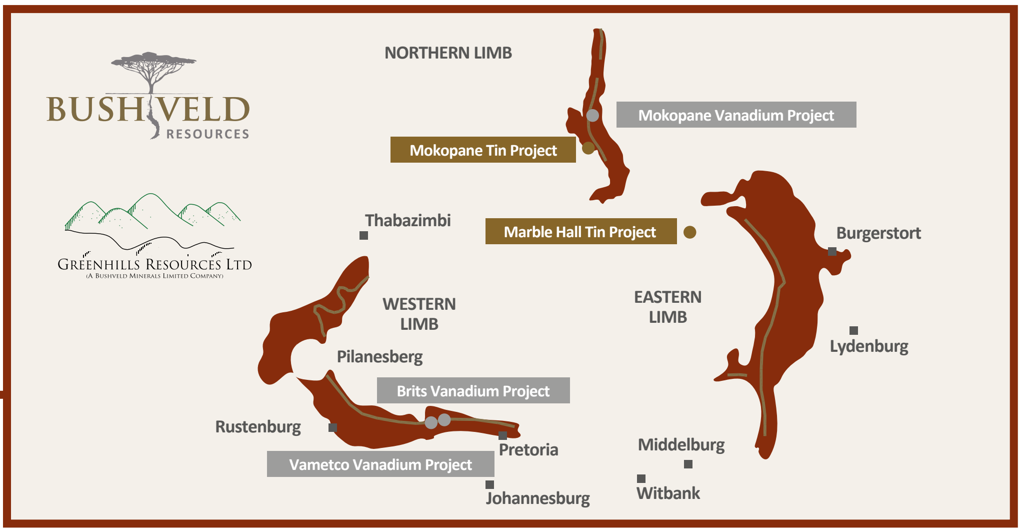
Early production targeting potential high-grade zones of the Namibian Uis deposit, with future expansion plans.

LEMUR RESOURCES LIMITED ACN 147 241 361

Developing an integrated thermal coal mining and Independent Power Producer ("IPP") project in Madagascar

- Imaloto Coal & Power Project

Securing an IPP licence for thermal coal power generation and completing a bankable feasibility study in partnership with Sinohydro, our strategic partner for development of the power plant, and supporting transmission infrastructure in Madagascar.



Business Review

Chairman's Report

TRANSFORMING OUR BUSINESS

"We articulated a commodity-focussed platform strategy in 2014 based on which we would develop each of the Company's three platforms, comprising Bushveld Vanadium, Greenhills Resources and Lemur Resources, with a view to building each on a path to independent existence with dedicated resources."

I am delighted to present the Annual Financial Statements of Bushveld Minerals for the year ended 28 February 2017. I am particularly pleased to be doing this at a transformational point in the Company's development, as we transition from a junior exploration company to a producing company. Though commodity markets have markedly recovered since the lows of 2015/16, capital markets remain challenging particularly for junior miners for whom access to capital continues to be largely constrained.

We articulated a commodity-focused platform strategy in 2014 based on which we would develop each of the Company's three platforms, comprising Bushveld Vanadium, Greenhills Resources and Lemur Resources, with a view to building each on a path to independent existence with dedicated resources. At the same time we outlined our intention to prioritise vanadium as the flagship of the Company. Finally, we outlined four key pillars guiding the development of our projects, being (a) choosing commodities with a positive market outlook; (b) developing assets with a low cost curve positioning; (c) executing a clear realisable path to production and, thus, cash flows and finally (d) ensuring scalability.

I am pleased to report that the Company has been disciplined and consistent in delivering on this strategy. Each of the three platforms has made strides in realising its objectives. At Lemur Resources, the efforts to secure an Independent Power Producer licence for the project continue apace and we hope that the licence will be agreed shortly. I am encouraged to see the prominence and attention given to the Lemur Power Project by the government, including the Presidency of Madagascar at the recent Madagascar Investment Conference hosted by the South African Government in Pretoria during mid-June 2017. The power project will provide a captive market for the Imaloto Coal Project and see the planned project capital investment grow from an initial estimate of US$16m to over US$200m.

Meanwhile, the acquisition of a 49.5% interest in the Uis Tin Project provides Greenhills with the critical mass necessary for a stand-alone tin platform. The

"I am pleased to report that the Company has been disciplined and consistent in delivering on this strategy. Each of the three platforms has made strides in realising its objectives."

fact that the Uis Tin Project comes with a mining licence and a pilot plant that can be refurbished is an additional benefit that allows the project path to production to be accelerated. Efforts to list the Greenhills Resources platform separately are now well underway and expected to be completed during the next financial year.

It is in the flagship vanadium platform, however, that the most progress has been made. Most notable is the completion of the acquisition on 6 April 2017, by Bushveld Vametco Limited (BVL), co-owned 45:55 with Yellow Dragon Holdings Limited, of the primary vanadium mining and processing company, Vametco Alloys (Proprietary) Limited. The Company also completed the acquisition of the Brits Vanadium Project, the development project which potentially hosts a significant strike extension of the current Vametco mine ore body. The acquisition of Vametco could not have been completed at a better time, with vanadium prices on a solid upward trajectory. Vametco is a quality low-cost producer with a sound financial position that has allowed us to use a significant amount of debt funding for the acquisition. That BVL has been able to pay back all the external debt and facilitate a BEE transaction for Vametco within three months of the completion of the transaction is testament to the strong balance sheet and cash-generation capacity of this important asset. In acquiring Vametco, BVL has not only acquired a quality operating mine and processing facility, but a management team with extensive experience in the vanadium industry combining more than 100 years of industry experience. In addition, the management team has worked on every one of the primary vanadium-processing plants in South Africa.

This intellectual capital will be important as we look to grow the combined Bushveld vanadium platform from its current 3.5% market share of the global vanadium supply to a share projected at more than 10% in the next three to five years.

I am also pleased to note the significant progress made by Bushveld Energy in establishing the market opportunity for vanadium redox flow batteries in Africa. Bushveld Energy has established an invaluable working relationship with its local partner, the Industrial Development Corporation of South Africa. Through delivery on our agreed objectives, we are on plan to vindicate the IDC's choice of large-scale energy storage as one of the significant new industries to support in South Africa. I look forward to seeing continued progress on what has been achieved to date over the course of the coming year.

All this progress is praiseworthy. It happens, however, amidst a time of significant uncertainty in the global political and economic sphere. The UK Brexit vote, US elections and elections in France where there was much at stake in terms of the future direction of these important economies, all contributed to an environment of general political and economic uncertainty. In South Africa, 2017 is an important year for the African National Congress (the country's ruling political party), which holds its congress to elect a new national leader at the end of the year. The significance of this lies in the nature of South Africa's constitutional democracy, with the party that wins the elections effectively appointing the president of the country. We watch this election process, one of the most contested in recent years, with much interest.

The South African government recently attempted to gazette a new Mining Charter, placing greater obligations on mining companies. It proposes greater representation of historically disadvantaged persons in procurement opportunities, shareholding, management and the board composition of mining companies. The Mining Charter has, however, since been suspended pending an outcome of legal challenges brought by the South African Chamber of Mines.

An important antidote to this uncertainty, however, has to be a sound and functional democratic system within which the politics play out. This presents a source of confidence in the long-term investment case of South African based projects. South Africa enjoys a constitutional democratic order that is sound and effective and is underpinned by an effective independent judiciary and chapter 9 institutions such as the Public Protector.

Geology plays a significant part in primary vanadium producers' resource bases. South Africa has the largest and best quality primary vanadium resource base of any nation. As a consequence Bushveld Minerals is well positioned as it develops its integrated vanadium platform. Moreover, with over 90% of its costs being Rand denominated and more than 95% of its forecast revenues being foreign-currency denominated, Bushveld has a natural hedge against any potential deterioration of local economic conditions, in addition to its already low cost curve positioning.

As the Company continues in its quest to become a significant vanadium producer and undertakes the listing of Greenhills Resources, it will see the already lean management team stretched across the two distinct platforms, imposing the need for more human capital. Accordingly in the coming year we will bolster the management team and the Board to ensure that the Company has the requisite capacity for the journey ahead, a journey I am delighted to be a part of.

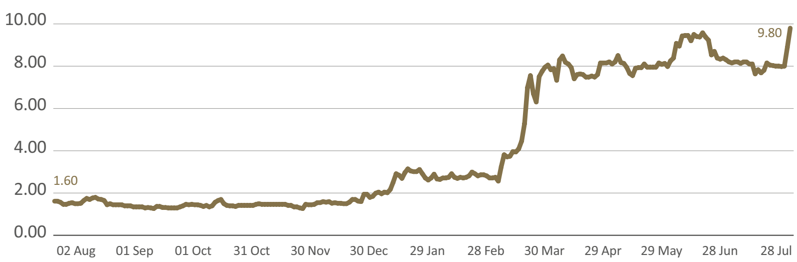
I would like to thank our management team for their considerable efforts in what has been a challenging but exciting time for our Company. The business is dependent upon the hard work, dedication and skills of all our team. I would in particular like to thank our CEO Fortune Mojapelo, who has led the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

Ian Watson
Non-Executive Chairman

EXECUTING ON OUR STRATEGY TO DELIVER GROWTH

"The acquisition consideration of US$16.47 million represents less than 10% of the replacement value of Vametco and the strong cash flow generating ability of the underlying operations enabled the acquisition to be largely debt-funded (US$14.0million)."

Historical Share Price (p): 02 Aug 2016-31 Jul 2017



It gives me great pleasure to present this annual report, following an eventful and indeed transformational year for Bushveld Minerals Limited. We have continued the disciplined execution of our strategy for our three key platforms, Bushveld Vanadium, Greenhills Resources and Lemur Resources, guided by our four key principles: (a) commodity choice with robust market fundamentals; (b) attractive cost position; (c) a realisable path to production; and (d) scalability.

THE VANADIUM FLAGSHIP

Nowhere are these principles given better expression than in the development of Bushveld Minerals' flagship vanadium platform:

- 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 in the near future;
- With some of the highest primary vanadium grade in the world, a low-cost open-cast simple mining proposition and access to brownfield processing infrastructure that can be acquired at a small fraction of its replacement cost, Bushveld will be one of the lowest production platforms on the vanadium cost curve;
- The participation alongside Yellow Dragon Holdings in the acquisition of Vametco gives the Company exposure to a production asset with a significant share of the global vanadium market and with scope to scale up production in future;
- A healthy pipeline of resources and complementary processing infrastructure to support the Company's growth aspirations. The acquisition of the Brits Vanadium project presents significant opportunities to significantly increase the Company's resource base, while the existence of several additional brownfield assets in South Africa in close proximity to the Company's vanadium deposits creates low cost and quicker opportunities for scale up.

Consequently we have crafted a vision to build the largest, lowest-cost vertically integrated vanadium company.

- The largest primary vanadium platform means having the largest high-grade primary vanadium resource base and the largest primary vanadium production in the world;

- The lowest cost means targeting the lowest cost position on the vanadium production cost curve, leveraging the high in-situ and in-magnetite V_2O_5 grades and the open-cast mining proposition of Bushveld Minerals' deposits as well as access to low-cost brownfield processing infrastructure;
- The most vertically integrated primary vanadium platform means development of downstream operations beyond production of end-use vanadium products to also 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 large-scale vanadium based VRFBs.

THE VAMETCO TRANSACTION

An important part of realising this vision was the Company's 45% participation with Yellow Dragon Holdings Limited (55%) in the acquisition, from the Evraz Group S.A. of a 78.8% shareholding in Strategic Minerals Corporation, the parent company for the primary vanadium mining and processing plant of Vametco Alloys (Proprietary) Limited.

The transaction, completed on 6 April 2017, was completed less than four years since the company announced, in November 2013, its focus on developing the vanadium platform. Since this announcement, we have made significant strides, including completing a Scoping Study on the Mokopane Vanadium Project in April 2014, followed by a Prefeasibility Study delivered in February 2016.

The Vametco vanadium mine is a high-quality, low-cost producer with a trademark vanadium product and a global vanadium customer base. Vametco is one of the cheapest primary producers of vanadium in the world. It currently has an approximate 3.5% share of global supply capacity and provides a solid platform for growing this production base. It is intended to leverage its processing capacity and broaden its product base to include vanadium chemicals, such as VRFB electrolyte. Our participation in the acquisition of Vametco as described in this report is therefore aligned with the Company's aspirations in the global energy storage market by providing capacity for potential electrolyte manufacturing.

The Vametco transaction gives impetus to the Company's vision to develop the largest, lowest-cost vertically integrated primary vanadium platform in the world. The transaction could not have been completed at a better time, with vanadium prices having staged a strong recovery. Vametco has an ungeared financial position and a healthy cash generation ability which enabled BVL to fund the acquisition largely through debt. US$14 million of the US$16.5 million acquisition consideration was fully repaid within three months of the completion of the transaction.

I am pleased that BVL was able to transfer customer contracts from Evraz Group seamlessly within a month of completion of the transaction, thanks in a large part to our partnership with Wogen Resources Limited, which brings decades of experience in metals trading, with a global footprint and established relationships with several of the Vametco customers.

Meanwhile Vametco has been delivering solid operational and financial performance. Production volumes in 2016 were a solid 2 804MTV, a 16% increase on 2015 volumes of 2 419MTV. The volume increase and weakening South African exchange rate (from ZAR12.75:US$1 in 2015 to ZAR$14.71:US$1) in addition to improved operational performance saw Vametco improve its already low production costs from US$17.23/kgV to US$14.50/kgV. Consequently EBITDA performance improved between the two years from ZAR15.7 million (US$1.2 million) to ZAR47.5 million (US$3.2 million). This performance improvement has continued into 2017 supported in part by the significant rises in vanadium prices. At ZAR85.5 million (US$6.5 million) EBITDA for the first half of 2017 is already 80% higher than that of the entire 2015.

Going forward, BVL will leverage the solid Vametco platform, its experienced management team and the South African base to grow production volumes, drive down costs and add new vanadium products to its portfolio.

FOUR KEY PRIORITIES

To give effect to this vision we identified four key priorities that guide the Company's action programme. I am pleased with the progress the Company has made on all of them:

a) Advance Mokopane Vanadium Project

Notwithstanding the growing focus on the Vametco mine and processing plant, the Mokopane Vanadium Project is an important part of Bushveld's future plans. With a resource of 298Mt, a completed Pre-Feasibility Study and a Mining Right under application, this project is an important part of our vanadium portfolio. The project Pre-feasibility Study, completed in February 2016, reported a pre-tax NPV and IRR of US$418m and 24% respectively against a capital expenditure of US$298 million for a project producing 9,525 mtv of 99.8% V_2O_5. The attractiveness of the project is under-scored by the conservative long term average price of US$7.50/lb V_2O_5 which is conservative relative to vanadium prices at the date of this report (US$9.40 mid Metal Bulletin, 4 August 2017).

Significant progress was made during the year in our efforts to secure a new order mining right, including securing environmental authorisation for the project. We look forward to finalising the mining right and developing the project going forward. Efforts to find partnerships for the project are continuing. Furthermore, the Company will explore opportunities for supplying unprocessed ore or concentrate to vanadium-processing facilities around the world that are starved of vanadium feedstock.

b) Identify and secure quality brownfield processing infrastructure

Bushveld's vanadium deposits are located in a mining region with established logistics infrastructure and a deep history of beneficiation. The Company investigated several opportunities and, as mentioned earlier, in 2016 negotiated and agreed, in partnership with Yellow Dragon Holdings, the purchase of a 78.8% in SMC in April 2017.

Our participation in the acquisition of an operating, profitable low-cost producer of vanadium at less than 10% of its replacement value is testament to the value in this approach.

The Company continues to explore further brownfield opportunities that are in close proximity to and are complementary with the Company's vanadium assets. This we will do by leveraging the strong technical skills within Bushveld Minerals and Vametco. Combining over 100 years of vanadium industry experience, the Vametco team has in-depth knowledge of vanadium mining, processing and marketing.

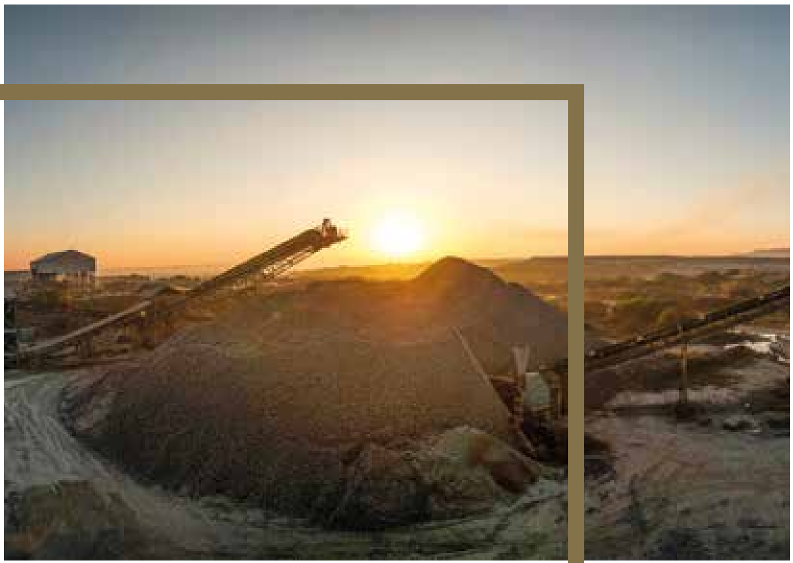
c) Support vanadium role in energy storage

The success of VRFBs in the burgeoning global energy market is important for the vanadium market – growing and diversifying the demand profile of a commodity that today is dominated by the steel industry with about 90% of vanadium consumption. In addition, the energy storage market itself offers a compelling commercial proposition for Bushveld Minerals. Yet the success of VRFBs must overcome two key hurdles: (a) security of supply and (b) security of cost of the VRFBs, both of which are accentuated by the significant reduction of supply in the past 18 months, with no significant new capacity in the horizon, as well as the more than 150% increase in vanadium prices to an 8 year high in the past 18 months.

We believe that the answer to these hurdles lies in a vertically integrated business model involving low-cost vanadium production assets. Bushveld is more than ever ideally placed, through its energy storage dedicated company Bushveld Energy Limited, to play a catalytic role in driving VRFB adoption in the global market by effectively addressing these two hurdles. This vertically integrated model is pursued through smart strategic partnerships along the value chain.

I am pleased that in the review period Bushveld added to its strategic relationship with technology partner UniEnergy Technologies, a leading US-based manufacturer of large-scale VRFBs, by signing a Cooperation Agreement with the Industrial Development Corporation of South Africa. Bushveld

Chief Executive Officer's Report
continued



Energy could not have found a better partner in the IDC. I am pleased with the positive outcome of the two completed studies in respect of VRFBs; these now pave the way for pursuing the VRFB opportunity further.

In addition, Bushveld Energy is developing optimal sites for large-scale VRFB demonstration systems of multiple megawatt hours in South Africa in parallel with building up a short-to-medium-term energy storage project development backlog across Africa to tap into the multi-gigawatt-hour opportunity for large-scale energy storage.

I am pleased to note that the benefits of VRFBs are increasingly recognised – long life cycle, low levelised cost of energy, etc. Bushveld Energy has and continues to play a key role in this respect, including being an important part of the Vanitec Energy Storage Committee, through which the vanadium industry cooperates to support the VRFB industry.

d) Consolidate primary vanadium resources

Bushveld Minerals believes the future of vanadium supply lies with high-grade primary vanadium suppliers. This is underscored by the structural challenges faced by vanadium-slag-producing steel plants, which account for as much as 64% of vanadium feedstock supply and yet whose viability is structurally challenged on account of their high magnetite iron input costs, high processing costs and general lack of influence on the low steel prices afflicting their profitability. Nowhere are the consequences of these constraints clearer than the shutdown of Highveld Steel and Vanadium during 2015.

The Company's efforts in this regard were focussed on completing the acquisition of the Brits Vanadium Project, which comprises prospecting rights on several farms adjacent to the producing Vametco plant. The Company was, as at the reporting date, in the process of securing regulatory approval in terms of section 11 of the Mineral and Petroleum Resources Development Act for change of control in respect of the acquired Sable Metals & Mining Limited's subsidiaries. Following approval, Bushveld Minerals will commence with activities to delineate the project's extensive shallow resource.

UNLOCKING VALUE FROM THE OTHER PLATFORMS

While our focus has been on the vanadium platform, we will continue to execute a strategy for the other two platforms – Greenhills Resources (tin) and Lemur (coal and power generation) – aimed at crystallising and realising value for our shareholders, as outlined in this report.

- For Greenhills Resources Limited that strategy entails consolidating a critical mass of tin resource inventory, implementing a pilot production programme and exploring options for a potential listing of Greenhills Resources.
- For Lemur this entails securing a power purchase agreement for a 60MW thermal coal power project as well as tying up partnerships with financial and EPC (Engineering, Procurement and Construction) partners ahead of a potential spin-off of Lemur.

Greenhills Resources Limited

Subsequent to the year in review saw Greenhills Resources complete the acquisition of a 49% interest in Dawnmin, which owns an 85% interest in the Uis Tin Project in Namibia.

With valid mining licences in place and an old processing plant (albeit in need of refurbishing), Greenhills Resources intends to accelerate this project into production. Greenhills Resources' approach to bringing this mine into full-scale production includes:

- Mapping out the higher-grade greisened zones that are the target for early stage mining;
- Completing the mineralogical and metallurgical studies to fine-tune the pilot plant for a consistent production phase based on which techno-economic parameters for the scaled up larger plant can be confirmed;
- Completing the refurbishment of the old pilot plant and running it on a consistent basis for several months; and
- Confirm the existing Uis Project resources in accordance with the JORC standards.

Having achieved a critical mass of tin resource inventory, and with a valid mining licence for the Uis Tin Project, Greenhills Resources is well positioned for life as a stand-alone platform through an IPO on AIM in the near term, efforts for which are now already underway. This will allow Greenhills Resources to attract the dedicated resources (financial and human capital) to be successful as an African focused tin and associated metals champion.

Lemur Resources Limited

The past year has seen significant progress in the development of Lemur's Imaloto coal project in Madagascar. The Company's strategy for the development of the project involves securing an Independent Power Producer licence and a Power Purchase Agreement for a thermal coal fired power station next to the coal mine, thereby providing a captive market for the Imaloto project run-of-mine coal. Negotiations with the Madagascar authorities regarding the PPA have progressed well during the year under review.

In addition, I am pleased that Lemur signed a Memorandum of Understanding with Sinohydro, a subsidiary of PowerChina, for the development of a 60MW thermal coal power plant in Madagascar. The MoU provides a sound framework for cooperation between Lemur and Sinohydro, which has extensive experience investing in and developing large-scale power projects in Africa. It further provides for Sinohydro funding the bankable feasibility for the power project, which will provide a ready and captive market for the Imaloto coal project. Since the signing of this MoU, Lemur has led a delegation to Madagascar intended, among other things, to help identify the optimal site for the power plant. Meanwhile, Lemur has also engaged the services of Advisian Advisory as the Owner's Engineer to represent Lemur in our engagement with Sinohydro, Jirama (the Madagascar national power utility) and external funders for the project, undertake several studies that form a part of the bankable feasibility study for power project and ensure that all environmental studies are done to internationally accepted standards.

The development of the Imaloto project, including the mine and the power plant, will see the region receiving new infrastructure and stable energy access. Thousands of new jobs will be created, over US$1 billion in new government revenue will be generated and approximately US$300 million in new investment in the country will be achieved. The design and location of the project are such that it will immediately increase the country's power supply by 15% and be able to scale up to supply more power to new electricity users in the region in the longer term.

GENERAL OPERATING ENVIRONMENT

The economic environment for mining and South Africa in particular remains a challenging one. Uncertainty relating to the new Mining Charter presents risks to Bushveld's South African operations, as does the overall political uncertainty prevailing in South Africa. We note, however, that political uncertainty is as much a global phenomenon as it is South African. Our assets are of a high quality and their export proposition, coupled with a local cost base, present a natural hedge against any adverse developments in the local economy.

A proactive strategy in dealing with various stakeholders is essential. Bushveld and its operating subsidiaries are well positioned to address issues with respect to stakeholder engagement at all major levels of government, communities and employees. Bushveld's transaction in support of a new Black Economic Empowerment partner for Vametco, Jaxson 640 (Proprietary) Limited ("Jaxson"), in terms of which Bushveld provided loan financing of approximately US$1 million for Jaxson to buy out the previous BEE shareholders in Vametco Holdings is an example of this proactive approach. As a consequence of this transaction, the local landowners and affected communities' shareholding in Vametco increased from 3.75% to about 12%.

Bushveld Minerals continues to make strides in developing its projects across all its three platforms in spite of the constrained operating environment.

FINANCIAL REPORT

As mentioned elsewhere in this report, the most significant transaction during the current financial year was the Company's participation in the Vametco acquisition by Bushveld Vametco Limited, which was completed post year end. The strong cash flow generating ability of the underlying operations enabled the acquisition to be largely debt-funded (US$14.0 million). BVL's equity component of US$2.47 million was settled in two parts, US$1.65 million during the current financial year, with a further US$0.82 million settled post year-end upon completion of the acquisition in April 2017.

Total cash and cash equivalents at the beginning of the financial year amounted to £478,619. During the current financial year Bushveld raised approximately £3.4 million from three separate capital raisings, as well as various warrant-for-share conversions by shareholders. The cash raised from these capital raises were largely used to pursue the Company's participation in the Vametco acquisition, plus associated due diligence and other expenditures, as well as settling all of our obligations (principal and interest) to Darwin Strategic. The Directors maintained tight discipline over cash operating expenses, which decreased by 10% from the previous financial year to approximately £1.4 million.

During the current financial year the Company's cash resources have materially been applied as shown in the table below:

Description	£'000
Net repayment of borrowings (Darwin Strategic) Settlement of outstanding Darwin Strategic borrowings from amounts held in Escrow	2,432
Payment of finance costs (Darwin Strategic) Additional cash payment of interest and fees associated with the Darwin Strategic facility paid out of the Company's cash resources	528
Operating costs and Vametco investment-related costs Company cash operating expenses for the year and cumulative costs associated with the negotiation and execution of Bushveld's participation in the Vametco acquisition transaction	1,869

THE YEAR AHEAD

In the year ahead Bushveld will continue to execute on its stated strategy, focusing on:

- Working with Yellow Dragon Holdings to grow Vametco's production volumes and exploring further brownfield opportunities complementary to the Company's vanadium assets.
- In addition, Bushveld Energy will work with its VRFB technology partners to unlock the potential for vanadium electrolyte production within the global energy storage market;
- Unlocking value in its Madagascar coal project through securing an IPP licence and continuing the feasibility studies on a 60MW thermal coal power project;
- Completing the listing of Greenhills Resources and thus establishing an AIM-listed dedicated African tin champion well placed to consolidate quality tin assets in Africa; and
- Growing our human capital base to meet the growing demands of a growing company. I look forward to building on our existing team and introducing more senior-level leadership in the areas of operations, investor relations and project development. At the same time, the Company will look to further strengthen the board of directors to ensure it is well suited to provide the kind of oversight and support required by management.

CONCLUSION

The year under review has been an eventful and transformational one underscored by BVL's acquisition of the Vametco primary vanadium mine and processing plant. This has reflected in a 641% surge in the Company's share price from 1.53p to 9.80p between 1 August 2016 and 31 July 2017. The re-rate to a market capitalisation of more than £78 million at the beginning of August 2017 reflects our on-going transformation into a portfolio that includes a mining operation with access to cash flows and a potential for further returns to our shareholders. Notably during the same period, Bushveld shareholders suffered only a modest dilution as a consequence of the Company's capital raising, increasing its issued shares from 591.6 million to 806.6 million. We believe there is significant growth yet to be realised as we execute on our strategy.

The BVL acquisition was not without its challenges; not least initially looking to raise financing that, at the time of the agreement execution, was more than Bushveld's market capitalisation and during a challenging capital raising environment for junior mining companies. Bushveld Minerals and its strategic partner in BVL, Yellow Dragon Holdings, are grateful to Wogen Resources Limited and the Barak Fund, who believed in our proposition and provided the needed financing to complete the transaction.

I am thankful for the support of the entire Bushveld Minerals team for continuing to show incredible commitment to the Company. I am also thankful for the support of the Board and most importantly of our shareholders. I believe Bushveld Minerals is at a critical transformational point in its story and look forward to the next chapter in its development.

We are excited about what the future holds as we continue on our journey to build the world's largest, lowest cost and most vertically integrated vanadium platform.

Fortune Mojapelo
Chief Executive Officer

Business Model

A CLEAR MODEL FOR LONG-TERM GROWTH

Bushveld Minerals' approach to project development rests on four key principles, all of which are critical to success. The approach recognises the need for commodities with sound economic outlook, projects with a low cost proposition and a clear path to production (and thus generating cash flows) while possessing scalability attributes. This philosophy is core to the Company's strategy in developing projects and is encapsulated below:

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.

Our preferred commodities are those that are in, or have the potential of, a structural deficit and therefore have a positive price outlook.

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.

We prefer projects or assets that show potential for first or second quartile cost positioning.

3 AN IDENTIFIED PATH TO 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 capex and are scalable.

4 SCALABILITY

Scale, combined with the other three criteria, will allow for a multiplier of exit value to be achieved. It also places our projects on the radar of major industry participants, creating significant opportunities for partnerships and/or outright sale.

	1. THE RIGHT COMMODITY	2. LOW COST CURVE POSITION	3. AN IDENTIFIED PATH TO PRODUCTION	4. SCALABILITY
Vanadium	The vanadium market is characterised by a structural deficit, supported by robust demand anchored in the steel market with further upside impetus derived from the growing energy storage market. Supply is both concentrated and constrained, shrinking by >15% between 2015 and 2017, with limited new production on the horizon. This has resulted in a >150% increase in vanadium prices since their nadir in January 2016.	Bushveld's vanadium assets offer a low cost proposition due to the high in-situ grades, open-cast mining methodology and access to existing brownfield processing infrastructure. BVL's Vametco operation has the lowest all-in production cost of any primary vanadium producer.	The acquisition of Vametco Alloys by BVL post year end, a primary vanadium mining and processing plant, at less than 10% of its replacement cost, allowed the Company to accelerate its path to production achieving production within four years of announcing its focus on a vanadium platform.	Bushveld's large resources base and exploration upside, combined with complementary brownfield assets available in the market, offer opportunities to significantly scale up production from its current level of 3.5% of global market share. The potential for VRFBs in the energy storage market could also provide further significant scalability of this platform.
Tin	The tin market has been in deficit for the past five years. Demand is anchored in the electronics industry where tin is used as solder while supply is generally constrained, with few new development projects on the horizon.	Greenhills Resources' tin assets are typically open-cast propositions whose metallurgy is generally amenable to simple gravity-based processing with good recoveries.	Tin processing plants can be built in small, modular and scalable format, which allows for modest initial capex requirements. The Uis project in Namibia already has a mining license with an old pilot processing plant which, when refurbished, will provide proof-of-concept tin concentrate production.	Greenhill Resources's tin assets provide a critical mass of mineable deposits that will form the basis for its scale-up plans.
Coal	In power-starved Madagascar, coal offers the best and quickest solution for low-cost power generation. The country therefore has a captive market for the Imaloto coal project, one of only three coal assets in Madagascar, and the only one that has been granted an exploitation licence.	By adding the downstream thermal coal power generation project (initial capacity of 60MW), the integrated project is set to deliver power at a competitive rate, cheaper than most other sources of power in Madagascar.	The power project has modest estimated capex of ~US$200m. Its development will be enabled in partnership with Sinohydro, a subsidiary of PowerChina (a major Chinese SOE with experience and expertise in power project development in Africa). The granting of a PPA licence with the Madagascar power utility, and offtake agreements with several industrial users, are key enablers to access project financing, including developmental financing.	The power project will be a major catalyst for economic development in southern Madagascar, which can in turn be expected to support further demand for power. The project is designed to be scalable through addition of further units up to > 100 MW capacity. Scope to export coal to other markets, once infrastructure is in place, provides additional upside to the project.

Business Review

Projects Overview

V

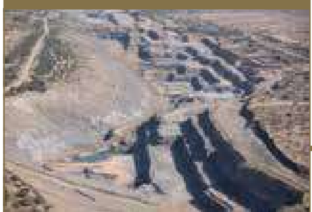
VERTICALLY INTEGRATED VANADIUM PLATFORM OVERVIEW

Our vision is to build the largest, lowest-cost vertically integrated and primary vanadium platform.

- The world's largest primary vanadium platform means having the largest high-grade primary vanadium resource base and the largest primary vanadium production in the world.
- The lowest cost means targeting the lowest cost position on the vanadium production cash cost curve, leveraging the high in-situ and in-magnetite V_2O_5 grades and the open-cast mining proposition of Bushveld Minerals' deposits as well as access to low-cost brownfield processing infrastructure.
- The most vertically integrated primary vanadium platform means development of downstream operations beyond production of end-use vanadium products to also include development and deployment of vanadium applications in the energy storage market, where Bushveld intends to manufacture vanadium electrolyte and to assemble large-scale VRFBs.

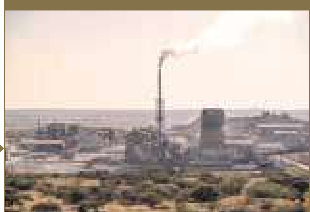
Below is an illustration of the envisioned integrated vanadium platform:

Mine



- **434 Mt** open-cast primary resource base (incl. 66Mt reserves)
- World's largest primary vanadium resource base
- Tier-1 vanadium grades (**>2% V_2O_5** in magnetite)
- Easy access to existing infrastructure

Processing Plant

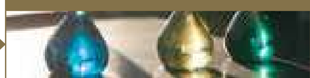


- Low-cost operational primary vanadium processing capacity
- Supplying over **3%** of the world vanadium market

Nitrovan™ Production

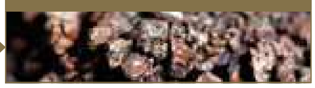
- Producing trademark Nitrovan™ & modified vanadium oxide products for the steel industry

Vanadium Chemicals



- Manufacturing capacity for chemicals, with focus on electrolyte for utility scale battery systems

Vanadium Alloys



Energy Storage

- **An energy platform**, initially assembling vanadium based utility scale energy storage systems with the focus of supporting Africa's energy requirements
- Captive market for BMN vanadium production

Resources
Bushveld Minerals' resources base comprises:
a) The Mokopane Vanadium Project in Limpopo Province, with a 298Mt JORC resource;
b) The Brits Vanadium Project in Brits, North West Province, which contains strike extensions of the Vametco mine and whose resource quantum is yet to be determined;
c) A 45% interest in the majority owner of Vametco in Brits, North West Province, which is a primary vanadium mining and processing company with a 136Mt JORC resource.

Together, the three deposits constitute the largest primary vanadium resource base globally, with a 434Mt JORC resource base, including 66Mt of JORC reserves. The resource vanadium grades are some of the highest primary grades in the world with over 2.0% V_2O_5 (in magnetite). These high-grade deposits are located on the Bushveld complex, which is host to the world's largest primary vanadium resources.

Processing
Bushveld Minerals intends to build its core processing capacity around brownfield processing infrastructure in close 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 primary vanadium mine and processing plant is a low-cost vanadium producing operation supplying more than 3.5% of the global vanadium market. It is only but one of the attractive vanadium brownfield targets the Company has identified. Post year end BVL completed the acquisition of Strategic Minerals Corporation, which owns 78.8% of Vametco's parent company, Vametco Holdings (Proprietary) Limited. Bushveld Minerals owns a 45% interest in SMC's acquiring vehicle, Bushveld Vametco Limited.

The Company continues to search for and evaluate complementary brownfield processing facilities in close proximity to its current resources.

Bushveld Energy
Developing a fully integrated vanadium platform allows Bushveld Minerals to consider other vanadium application opportunities. In this context, Bushveld Minerals has identified the fast-growing energy storage market as a key and attractive downstream industry where vanadium-based large-scale battery systems have the potential to take a significant share of the energy storage market. According to our research, some experts consider the overall energy storage market could grow to as large as US$350 billion by 2030.

Bushveld Minerals has accordingly established Bushveld Energy Limited to capture a share of this attractive market.

You can read more about Bushveld Energy on page 19

Projects Overview
continued

THE PROJECTS

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 as well as high in-situ (1.4%) and in-concentrate (1.75%) V_2O_5 grades.

Location

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.

Licensing

The Mokopane Vanadium Project has a prospecting right (LP95PR), which incorporates five farms, these being 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 South Africa's 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 submitted on 12 March 2015. 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.

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° to the west. The Project comprises three adjacent and parallel magnetite layers namely the Main Magnetite Layer ("MML"), the Main Magnetite Layer Hanging Wall layer ("MML-HW") and the AB Zone. The project has 298Mt (JORC) reserves and resources, across three parallel overlying magnetite layers – the MML, the MML Hanging Wall and the AB Zone, with grades ranging from 1.6% to over 2% V_2O_5.

Pre-feasibility Study

A 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% purity V_2O_5. The project economics are attractive: a base case operation of 1.0Mtpa of run-of-mine ("RoM"), producing 672,000tpa of V_2O_5 concentrate with an average V_2O_5 grade of 1.75%, which is then processed through a primary salt roast and leach process to produce 9,525tpa of a >99% purity V_2O_5 product. The study yielded a pre-tax NPV of US$418 million and a pre-tax IRR of 24% after a capital expenditure of US$298 million.

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.

Vametco Alloys (Proprietary) Limited

Bushveld Minerals has an interest in Vametco through its 45% shareholding in Bushveld Vametco Limited, which in turn owns a 78.8% shareholding in Strategic Minerals Corporation, the 75% majority shareholder in Vametco Holdings (Proprietary) Limited. Vametco Holdings holds 100% of the operating company Vametco Alloys (Proprietary) Limited.

Vametco is an integrated mining and processing plant situated 8km to the north-east of Brits in the North West Province of the Republic of South Africa. Vametco owns the new order minerals 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.

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 between 14° and 20° in a northerly direction. The mineral resource is estimated to be 136Mt (JORC) with average grades of 2.10% V_2O_5 in magnetite. This includes ore reserves of 27Mt (JORC) which have been shown to have some of the highest in-magnetite vanadium pentoxide (V_2O_5) grades in the world, averaging 2.55% V_2O_5 in magnetite.

Vametco's annual production capacity is approximately 2,800 metric tons vanadium ("MTV") and its product is a trademark vanadium nitride product called Nitrovan™, sold globally to steel mills where it is used as a micro-alloying additive to strengthen steel.

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

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	

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 post acquisition. Historical drilling shows in-magnetite grades of as much as 2.6% V_2O_5;
- The Company is in the process of securing 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 Limited, a South African based resources company. Following the regulatory approvals, Bushveld Minerals will commence with activities to delineate the shallow resource.

VANADIUM INDUSTRY OVERVIEW

The vanadium market is characterised by a robust and growing demand profile and a constrained and concentrated supply. Vanadium supply has seen significant reductions in the past 24 months resulting in a significant structural deficit projected to continue for the foreseeable future. This structural deficit has resulted in vanadium prices increasing from a low of US$13.55/kgV in January 2016 to US$23.60/kgV in December 2016. This price improvement has continued through 2017, with prices currently averaging in excess of US$40/kgV. Vametco achieved an average price of $18/kgV during 2016, which rose to an average of US$27/kgV for the first six calendar months of 2017.

Vanadium demand prospects look attractive. Approximately 90% of vanadium demand is still anchored in the steel industry, where growing intensity of use is expected driven primarily by greater enforcement of standards in China requiring higher-grade rebar (which requires greater amounts of vanadium). Meanwhile, reported growth in vanadium demand includes increased usage in non-ferrous alloys (consuming 4.5% of vanadium output) and the chemical industry (consuming 3.5%). The most significant driver of vanadium demand is expected to come from the energy storage sector. Industry estimates envisage vanadium flow batteries' share of vanadium consumption growing from approximately 1% in 2014, to 3% in 2016 and on to approximately 20% by 2030.

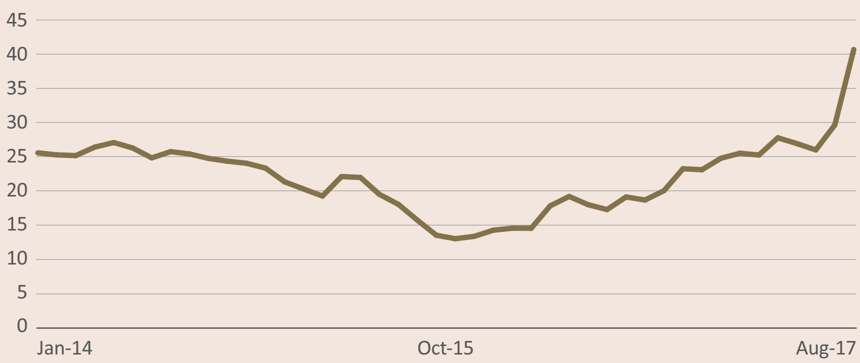
Vanadium supply, on the other hand, is significantly constrained. The closure of Evraz Highveld Steel and Vanadium's plant and Mapochs mine, as well as the suspension of operations at Vanchem in 2016, removed more than 15% of vanadium supply from the market and left the Vametco mine and Glencore's Rhovan operation as the only South African producers of vanadium, significantly contributing to the current global strain in vanadium feedstock.

The bulk of the supply feedstock in 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:

a) 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;
b) 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;
c) 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.

As a consequence, these plants are under enormous economic pressure, with some resorting to blending their ores with cheaper and higher-quality hematite ores (that contain no vanadium) resulting in further supply reductions. Meanwhile any new meaningful supply will requires higher vanadium prices to be sustained, and even then, there are limited new projects with the required vanadium grade to be economic for primary vanadium processing. However, persistent higher vanadium prices will likely provide an incentive for some suppliers to start producing vanadium, notably stone coal miners in China which host sedimentary style vanadium deposits. These operations, though, pose substantial environmental threats, which threaten the feasibility of bringing additional supply onto the market.

FeV Price, Metal Bulletin, mid point, US$/kgV



Projects Overview
continued

VAMETCO ALLOYS

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Resource & Mining

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 between 14° and 20° in a northerly direction. The mineral resource is estimated to be 136Mt (JORC) with average grades of 2.10% V_2O_5 in magnetite. This includes ore reserves of 27Mt (JORC) which have been shown to have some of the highest in-magnetite vanadium pentoxide (V_2O_5) grades in the world, averaging 2.55% V_2O_5 in magnetite.

The ore reserves are sufficient to support the operations for 24 years at current production levels. Reserves and resources are based on the April 2016 completed competent person's report (prepared by VBKom). Scope exists to increase the reserve base by targeted exploration of the inferred resources.

Processing

Vametco employs the standard salt roast and leach process to produce a trademark vanadium carbon nitride (VCN) product called Nitrovan™. The process comprises the following stages:

- **STEP 1:** Crushing, Milling and Magnetic Separation to produce a magnetite concentrate with average grades of approximately 2.0% V_2O_5;
- **STEP 2:** Salt roasting of concentrate involving roasting of the concentrate with sodium salts in a kiln at approximately 1,200 oC to form a water soluble sodium vanadate material;
- **STEP 3:** Leaching and purification involving dissolution of roasted vanadium concentrate in water, purification and precipitation of vanadium through the addition of ammonium sulphate followed by drying and rotary calcining in a reducing environment to produce a modified vanadium oxide product;
- **STEP 4:** Nitrovan™ production – the modified vanadium oxide is briquetted and fed into an induction shaft furnace under a nitrogen atmosphere to produce Nitrovan™.

Vametco has a current annual plant capacity of approximately 3,000MTV in the form of Nitrovan™, a patented vanadium product used in the steel industry and modified vanadium oxide ("MVO" or "V_2O_3"). In 2015, Vametco produced 2,419 metric tonnes of Nitrovan™ and MVO from its own magnetite concentrate production. Production grew during 2016 by 16% to 2,804MTV, reflecting a 3.7% share of global production. The first half of 2017 saw production levels similar to 2016 with 1,441MTV produced. Vametco has commenced a multi-phased expansion project to increase annual production to more than 5,000MTV over the next three to five years.

Revenue performance saw improvements largely on the back of production and vanadium price improvements. Vametco experienced difficult trading conditions during the first half of 2016, with depressed vanadium prices, but these improved markedly in the second half of 2016. Since early 2016 vanadium prices (as published by Metal Bulletin) have been on the increase, rising from a low of US$13.55/kgV in January 2016 to US$23.60/kgV in December 2016. This price improvement has continued into the first half of 2017, with an average price for the period of US$27.71/kgV. This has reflected in increased revenues, although this increase has been tempered by a strengthening exchange rate, with the South African Rand strengthening from ZAR14.71 to the US dollar in 2016 to ZAR13.22 in the first half of 2017.

Supply shortages are expected to continue driving vanadium prices higher. By the end of July 2017, above US$44/kgV prices were being reported by Metalbulletin in Europe and in China the prices were passing US$50/kgV.

Vametco's total cash production costs of US$14.50/kgV (equivalent US$3.55/lb V_2O_5) during the year ended 31 December 2016 were among the lowest in the world, partly driven by increasing production by the 16% increase in production volumes, thus placing Vametco in the bottom quartile of the international vanadium production cost curve. During the first half of 2017 cash costs (excluding selling expenses) have increased by only 7% over the 2016 financial year, a testimony to management initiatives focusing on tight cost control over all major components of the production value chain.

Earnings before interest, depreciation and tax for the year 2016 was ZAR47.5 million (in large part due to the low average vanadium prices realised), reflecting a 203% improvement from ZAR15.7 million in 2015. During the first half of 2017, this has grown to ZAR85.5 million, an 80% increase (260% on an annualised basis).

The table below shows a summary of the key figures for the years 2015 (audited), 2016 (audited) and first half 2017 (unaudited):

Description	Unit	6 months ended 30 June 2017	Year ended 31 December 2016	Year ended 31 December 2015
Vanadium produced	Metric tons vanadium (MTV)	1,441	2,804	2,419
Vanadium sold	Metric tons vanadium (MTV)	1,341	2,810	2,340
Average published selling price (Metal Bulletin FeV, midpoint)	US$/kg V	27.71	18.46	18.59
USD/ZAR exchange rate	$=ZAR	13.22	14.71	12.75
Revenue	ZAR'm	439.1	760.0	629.3
EBITDA	ZAR'm	85.5	47.5	15.7
Cash production costs*	US$/kg V	15.58	14.50	17.23

* Excluding selling expenses.

VAMETCO IN NUMBERS

BUSHVELD
VAMETCO ALLOYS

483

Number of employees at Vametco (including contractors)

136MT

Resource at Vametco's primary vanadium mine, including a 27 Mt reserve, with average in-magnetite grade of 2.55% V_2O_5

US$44/KGV

Vanadium prices reported in Europe by Metal Bulletin in July 2017

2,804MT

Total vanadium produced by Vametco in 2016, a 18% increase from 2015, 1,441 Mt produced during first half of 2017

ZAR 85.5M

Vametco EBITDA during the first half of 2017, reflecting a 26% margin, a 595% annualised increase from 2016 (ZAR47.5 m for the entire 2016)

ZAR 439M

Vametco revenues in first half of 2017

Projects Overview
continued

VAMETCO MANAGEMENT

The Vametco management combines more than 100 years of management experience in primary vanadium mining and processing. Among them, they bring experience from every primary vanadium mining and processing operation in South Africa. They are:

Malcolm Curror (Chem. Eng)
Chief Executive Officer

- CEO & Chairman of Vametco since April 2011;
- Formerly General Works Manager for Xstrata Vanadium's Rhovan Integrated Vanadium Operations in SA, a position held since mid-2005;
- Malcolm previously held a range of senior management positions with Xstrata SA from Production Manager to Operations Manager at Rhovan, Vantech and Lydenburg Operations, from 1995;
- Now President of Vanitec for second term running.
- Over 22 years' experience in the primary vanadium mining and processing industry.

Lyndon Williams (Met. Eng)
Chief Operations Officer

- Previously Vametco General Manager until promotion to COO role in 2015;
- Has held a range of roles with Highveld Steel & Vanadium including Metallurgist, Superintendent Vantra, Assistant Manager Steel Plant, Manager Vanchem, Manager Steelmaking, Manager Ironmaking, Works Manager Steel and Vanadium, and global Vanadium sales and marketing;
- Is a qualified Metallurgical Engineer.
- Over 35 years' experience in the extraction of vanadium as well as vanadium slag production and processing.

Tanya Mostert (Cert. Acc.)
Chief Financial Officer

- CFO since April 2011 with overall responsibility for Financial & Management Accounting and Procurement;
- Worked within the Financial and Internal Audit Functions of Highveld Steel & Vanadium;
- Various roles previously held at Highveld Steel & Vanadium include Senior Internal Auditor, Section Manager Management Accounting and Unit Manager Financial Accountant;
- Is a Certified Professional Accountant.
- Over 21 years' experience in management and financial accounting.

William Steinberg (M. Eng Metallurgy)
Works Manager

- Works manager since March 2012;
- Formerly Manager for Iron Plant 2 at Highveld Steel & Vanadium ("HSV");
- Prior positions at HSV include Project Manager Furnace 7 rebuild, Iron Making Technologist, Production Manager Iron making, Shift Manager Steel Making, EIT Steel Making;
- Holds a Master's degree in Metallurgical Engineering from the University of Pretoria, with a thesis in EAF control;
- Also has a Diploma in Organisational Management from the Moscow School of Business.
- Over 10 years' experience in iron, steel, vanadium processing and management.

BUSHVELD ENERGY

PROJECT OVERVIEW – BUSHVELD ENERGY

Bushveld Energy is an 84% 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 utility-scale energy storage applications of vanadium based redox flow batteries as presenting a significant commercial proposition as well as potential opportunity to support and diversify the vanadium demand profile.

The energy storage market is fast growing and forecast to reach US$350 billion by 2030. Of 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.

Bushveld Minerals is targeting 1,000MWh of energy storage capacity by 2020 focused in Africa with revenue potential in excess of US$500 million. The business has a technical partner in UniEnergy Technologies ("UET"), a U.S. firm that manufactures VRFBs and a financial partner in the Industrial Development Corporation of South Africa to determine the economic viability of VRFB use and manufacture in South Africa.

Key to capturing this market opportunity is overcoming two hurdles in the development of VRFBs – security of supply and stability of vanadium costs:

- **Security of supply**
  A 1GWh VRFB system requires approximately 5,000 metric tons of vanadium-in-electrolyte – more than 6% of current annual global vanadium consumption. With industry experts forecasting as much as 34GWh in energy storage requirements by 2025, a mere 10% market share of this industry for the VRFBs would require more than 15,000MTV, equivalent to approximately 19% of 2016's total global vanadium production. To date, the amount of vanadium deployed into VRFBs is growing exponentially. Accordingly, the ability to guarantee supply of vanadium for VRFBs will be key to the success of these systems. Bushveld can mitigate this risk through its large, high-grade, low-cost resource base and scalable processing capacity.
- **Stability of vanadium costs**
  Vanadium makes up 30-40% of the cost of a VRFB system. Sustainable adoption of VRFBs thus depends on the relative and absolute vanadium price. Bushveld can insulate VRFBs from price volatility, as it is a low-cost producer with significant production capacity and can guarantee supply at fixed prices for a longer period.

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:

- **Upstream:** Bushveld Energy's efforts are focused on solving the security of supply and cost of vanadium input into VRFBs through Bushveld's upstream vanadium mining and processing operations. Given vanadium makes up between 30% and 40% of the total cost of a VRFB system, and in the constrained vanadium supply outlook, the ability to solve these two risks and secure supply and low cost for the vanadium inputs is critical to the success of the VRFB systems in the global energy storage market.
- **Downstream:** Bushveld Energy will provide market development capacity to secure megawatt scale opportunities for energy storage, localisation of vanadium input costs through further beneficiation into vanadium electrolyte, VRFB assembly and ultimately VRFB manufacturing in South Africa. This is important as energy markets are highly structured and heavily regulated, requiring a concerted effort targeting multiple stakeholders to build a market opportunity for VRFBs at the scale that provides critical mass for the VRFB industry. The awarding of a 200MW/800MWh tender to Rongke Power in Dalian peninsular in China (over multiple sites) is typical of the sort of opportunities that Bushveld Energy seeks to develop. In this regard, Bushveld Energy has assembled and is growing a team of energy professionals that combine deep expertise and experience in the targeted utility-scale energy storage market, and is thus well placed to unlock market opportunities for VRFBs.

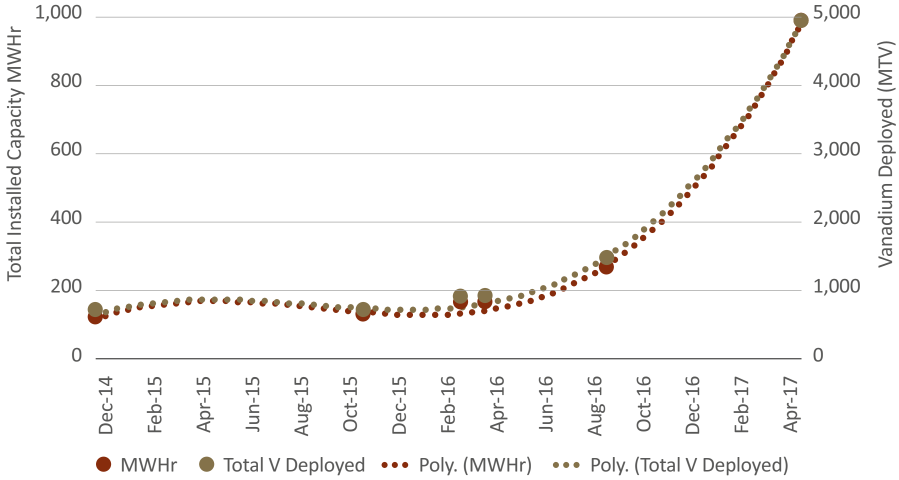
VRFB description and key characteristics

VRFB installation example – the UET system with Avista in Pullman, WA, USA – commissioned in 2015

VRFBs have several features that make them ideal for utility scale, stationary energy storage applications:

a) **Lifespan cycles** – able to charge and discharge repeatedly (>35,000 times) giving it a long (>20 years) lifespan;
b) Capacity for **100% discharge** without performance degradation is unique;
c) **Capacity** to store large quantities of energy and **scalable** up into the MW-range;
d) **Very fast response time (<70kms)**;
e) **Only one battery element** – therefore no cross-contamination – unique among flow batteries; and
f) **100% of vanadium is reusable** upon decommissioning of the system.

Vanadium usage in announced VRFB energy storage



Source: TTP Squared, Vanitec Energy Storage Committee, US Department of Energy's Global Energy Storage Database.

Projects Overview
continued

Partnerships

Smart partnerships along the value chain ensure that operating capacity and intellectual property can be developed quickly. Bushveld Minerals has the following existing partnerships:

Uni Energy Technologies – In April 2016, Bushveld Energy signed a MoU with UET, a US 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 vanadium redox flow battery, 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 Industrial Development Corporation. The partnership is focused on jointly determining the economic viability of vanadium redox flow batteries 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 has committed ZAR14 billion in support of renewable energy projects in the past five years and it has prioritised energy storage as one of the eight most attractive new industries in terms of financial and developmental returns. The IDC also has important stakeholder linkages with the South African government, regulators and 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.

As part of the cooperation agreement signed between Bushveld Energy and the IDC, the parties have completed two important studies in respect of VRFBs: a study for the market potential of VRFBs and vanadium electrolyte, and a techno-economic study of vanadium electrolyte in South Africa.

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. These are (in order of magnitude) mini/micro-grids (focusing on six-hour storage duration systems), decentralised power grid applications and regular grid storage (focusing on four-hour storage duration systems). It also showed that, at present, the vanadium electrolyte supply industry is heavily concentrated in China; moreover, whilst smaller production capacity exists in Europe and North America, there is none in the southern hemisphere or Africa / Middle East, regions of direct interest to Bushveld Energy.

Techno-economic study for the local manufacturing of vanadium electrolyte for the global VRFB market

The techno-economic study focused on a production facility of at least 200MWh in annual production. It would have the flexibility to double production and also adjust the manufacturing process to cater for electrolyte formulations with varying acids 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. The largest cost driver for electrolyte production is operating expenses, of which over 85% are reagent costs, primarily vanadium. This confirmed the essential need for local, cost-effective and reliable supply of vanadium as the critical factor to electrolyte production.

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, taking into account environmental requirements, logistics costs, ability to in-stream with existing vanadium processing and government incentives;
- Building a bankable financial model for the processing facility;
- Identifying potential South African and international partners to jointly develop and operate the facility.

In addition, optimal sites for a large-scale VRFB demonstration system of multiple megawatt hours are being developed in South Africa. Bushveld Energy is doing this in parallel with building up a short-to-medium-term energy storage project pipeline to tap into the multi gigawatt-hour opportunity for large-scale energy storage afforded by the development backlog across Africa.

Management

Bushveld Energy's management and advisory team combines technical expertise, business acumen and mineral beneficiation experience. The team combines:

- Executive-level experience in mining and power industries, including managing national utility power stations and pumped storage schemes;
- Senior strategy and policy experience in power sectors across Africa;
- Renewable generation and energy storage acumen including testing of utility scale battery applications;
- Extensive geological and metallurgical development expertise.

Mr. Mikhail Nikomarov
CEO of Bushveld Energy

Mr. Mikhail Nikomarov is an entrepreneur and African energy expert who has worked on strategic and operational energy issues across four continents, including eight African countries.

Prior to founding Bushveld Energy, Mikhail spent 6.5 years with McKinsey & Company in Moscow and Johannesburg, advising national governments, utilities and manufacturers on growth strategy & policy and leading operational turnarounds in the power sector. In 2015, he co-authored the McKinsey & Company's report "Brighter Africa: the growth potential of the sub-Saharan electricity sector." Prior to joining McKinsey, Mikhail worked as a banker in the US financial sector providing funding to mid-cap corporate clients. His other published work covers the topics of international trade and national competitiveness.

He holds an MBA from INSEAD (France), an Economics Diploma from the London School of Economics (UK) and two B.A. degrees in History and in Economics from the University of Massachusetts (USA).

Industry overview

The energy storage market can be divided into mobile applications and stationary applications. While mobile applications have enjoyed the bulk of the energy storage market share, stationary applications, particularly in utility-scale applications are growing and are expected to claim a significant share of the overall energy storage market. In this market, the vanadium redox flow batteries 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.

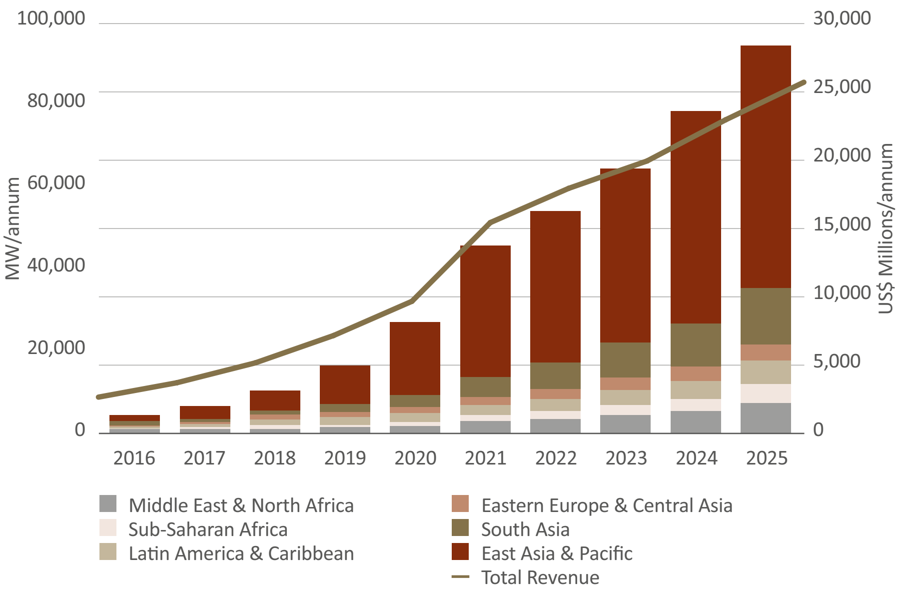
The stationary energy storage (ESS) market has continued to grow exponentially in the past few years and can well be considered to be at a tipping point. While market forecasts vary significantly, all experts concur that the market is set for exponential growth.

Citigroup estimates that the energy storage market will be greater than US$350 billion by 2030. According to the Energy Storage Association, the US market alone grew by 280MW in 2016 and is expected to reach nearly 500MW in 2017 and over 1,600MW by 2020. the deployment of energy storage systems through 2017 looks set for exponential growth. In 2017, Navigant expects the global market to grow 47% from the already record breaking year in 2016, when roughly 900MW of new ESS capacity was deployed. Through 2020 Navigant forecasts over 5GW of new ESS to be deployed in emerging markets across all sectors and a compound annual growth rate of 50 per cent.

The ESS market is also expanding into long duration systems, which prioritise energy (watt hours) over power (watts). This trend is especially favourable to VRFBs, which become especially cost-effective at higher energy configurations, usually from four hours of duration and up. Although lithium ion technology currently dominates the ESS market globally, deployment of large VRFBs is also increasing. The largest ESS installed in 2015 was a 15MW/60MWh VRFB by Sumitomo in Japan. The largest ESS expected for 2017 deployment is the 100MW/400MWh phase I of Rongke Energy's VRFB in China.

Despite this growth in large ESS, Bushveld Energy expects the market for ESS to eventually focus on 2MW-10MW-sized systems with four hour duration. Such battery sizes are ideal for utilites that plan to use all the capabilities of ESS, including its location benefits within a distribution network. This would also allow utilites to "stack" revenues and benefits from ESS, increasing the absolute amount of ESS needed within increasingly smarter and more resilient grids. Such sizes also ideally suit grid-connected commercial and industrial electricity customers looking to either reduce their electricity costs or stabilise price increases for the future. Off-grid and island ESS installations, often paired with solar photovoltaic (PV) generation, are also expected to be of similar size and configuration. This market is especially large for Africa due to low penetration of transmission and distribution networks that leaves most inhabitants and businesses without grid-supplied electricity access.

Projected Annual Stationary Energy Storage Deployments, Power Capacity and Revenue by Region



Source: International Finance Corporation, Navigant Research 2017.

Projects Overview
continued

Sn

TIN PLATFORM OVERVIEW

Greenhills Resources represents Bushveld Minerals' tin platform containing a pan-African portfolio of low-cost open-cast deposits in historically tin producing regions, with a near-term production profile. The three assets in the portfolio are the Uis Tin Project in Namibia and the Mokopane and Marble Hall Tin Projects, both located in South Africa.

Greenhills Resources is an attractive stand-alone platform with quality strategic partners and a strong dedicated management team to deliver long-term shareholder value. Greenhills Resources aims to capitalise on the solid supply/demand fundamentals of tin by developing a critical mass of tin resource inventory and achieving production in the near term and further scaling up production by consolidating tin assets in Africa.

The Tin Projects

The Mokopane Tin Project

The Mokopane Tin Project comprises prospecting rights over five farms on the northern limb of the Bushveld Complex, where four tin mineralisation targets have been identified. A fifth target is on an additional licence, which is the subject of the Company's prospecting right application. The five targets are all in close proximity to each other and comprise open-cast tin deposits hosted in granites. The mineralisation is disseminated cassiterite hosted in granite rocks of the Bushveld Complex, and is easily beneficiated using gravity-based methods such as spirals and shaking tables. Metallurgical test-work has demonstrated good recoveries in excess of 70% for a concentrate grade of 74.59% SnO_2.

The two deposits combine a total resource of 18,447 tons of contained tin, made up as follows:

- Groenfontein deposit (at a 0.1% Sn cut-off) with 5,995 tons of contained tin comprising mineral resources of 3,095,000 tons at 0.15% Sn (4,792 tons contained tin, Measured and Indicated) and 898,000 tons at 0.13% Sn (1,203 tons contained tin, Inferred).
- Zaaiplaats Deposit (at a 0.07% Sn cut-off) with 12,452 tons contained tin comprising mineral resources of 1,231,000 tons at 0.09% (1,110 tons contained tin, Indicated) and 10,503,000 tons at 0.108 % Sn (11,342 tons contained tin, Inferred).

A scoping study was completed in August 2014 confirming a base case production scenario of 691,000 tons run-of-mine processed into 1,380 tons per annum of 51.4% Sn concentrate, which would be smelted to produce approximately 700tpa of 99.5% Sn metal. The base case produced a pre-tax NPV of US$18 million and a pre-tax IRR of 49.8% with a payback period of two years from commissioning at a capital spend of US$16.7 million. Unit cash operating costs were estimated at US$14,276/mt against a forecast tin price of US$22,928/mt Sn. Should the project only produce a concentrate product, the operating costs would be US$6,902 per ton of Sn concentrate (equivalent to US$13,482 per ton Sn metal contained) and the capex would be reduced to US$16.6 million.

In June 2016, Bushveld Minerals presented the results from pilot-scale metallurgical test work and plant design at its Groenfontein Tin Deposit. The Groenfontein test work was intended to assess tin recovery on a plant-scale, gain insight into potential concentrate grades, and fine-tune plant flowsheet design parameters. The results of the test work included expected recovery using gravity concentration of over 70% for grind sizes of -1mm and achieved commercial concentrate grade of 74.59% SnO_2 (cassiterite – equivalent to 58.75% Sn).

A flowsheet was developed for gravity separation, with crushing and screening and rod-milling to -1mm. Run-of-mine material will be concentrated via spirals and shaking tables to maximise recovery and SnO_2 concentrate grade. The plant design envisages a 164,160 tpa operation producing up to 510 tons per annum SnO_2.

In November 2016, Greenhills and VBKom (Proprietary) Limited ("VBKom") agreed an MoU for the joint development of the Mokopane Tin Project. VBKom is a South African specialist consulting company operating primarily in the mining industry. The company was established in 2008 with extensive experience and specialist knowledge in mining engineering, geology, mineral processing, industrial engineering and project management.

Under the terms of the MoU, VBKom committed to conduct due diligence on the Mokopane Tin Project for a period up to 31 January 2017, following which the parties would enter into binding agreements for the provision of capital and technical support to develop the Mokopane Tin Project. Under the terms of the MoU VBKom could earn an equity participation in the project, not exceeding 50%. At the time of compiling this report, Greenhills and VBKoM were still in discussions regarding an optimal project development strategy.

Marble Hall Tin Project

The Marble Hall Tin Project comprises a prospecting right over four farms surrounding the Vlakfontein tin mine in Limpopo province, South Africa. An application to extend the prospecting area to include the additional portions of the identified mineralisation is yet to be finalised. The project hosts mineralisation in 1-8m thick gently dipping breccia. Historical drilling work sourced from Gold Fields Ltd includes 60 boreholes, which intersected significant mineralisation at relatively shallow depths of over 200m and recorded grades of 1.27% SnO_2 over 5m, 0.47% SnO_2 over 2m and 0.53% SnO_2 over 3m. A potential (non-JORC) resource of 3.75Mt at 0.32% SnO_2, representing 12,000 tons of contained tin, was calculated historically but the project was not pursued by Gold Fields.

The Uis Tin Project

In December 2016, Bushveld Minerals agreed terms to acquire a significant interest in the Uis Tin Project in Namibia through its wholly owned subsidiary, Greenhills Resources. In terms of this transaction, completed in April 2017, Greenhills Resources purchased a 49.5% interest in Dawnmin Africa Investments Ltd from a consortium of Namibian shareholders. Erongo Tin Ltd ("Erongo") holds the balance of Dawnmin shares. Dawnmin's interest in the Project is held through its 85% shareholding of Guinea Fowl Investments 27 (Pty) Ltd ("Guinea Fowl"), while the remaining 15% shareholding is held by the Small Miners of Uis, a Namibian Government entity. The acquisition positions Greenhills Resources as a significant tin platform. The acquisition also provided for Erongo, the majority shareholder in Dawnmin, to invest up to A$2.0 million towards a scoping study, including the acquisition of processing equipment where deemed appropriate by the Board and technical team of Dawnmin. While Erongo will hold an initial majority interest in Dawnmin, it has agreed to grant Greenhills Resources an ever-green option to acquire a controlling interest in Dawnmin through the acquisition of an additional 1% interest in Dawnmin for a total consideration of US$1.2 million;

The Uis Tin Project is one of the largest undeveloped open-cast hard rock tin deposits in the world and has a history of significant tin production. The project is located in the Erongo Region of Namibia and comprises three mining licences: ML 134, ML 129 and ML 133. Historic work suggests potentially significant tin resources on these licences, the largest of which is a historical estimate (non-JORC) of 70.3Mt at 0.14% Sn for a total potential resource of over 90,000 of contained tin within ML 134. In addition to this, ML 134 also contains the old Three Aloes Mine which is known to have produced tantalum concentrate in the past. ML 133 contains the old Nainais Tin-Tan Mine and ML 129 hosts the C1 and B1 pegmatites, which have small surface workings created by artisanal miners.

During its due diligence on the Uis Project, Greenhills's technical team identified large mineralised pegmatite ore bodies with localised samples of >0.3% Sn commonly found in greisenised zones. Greenhills estimated that these greisenised zones could host as much 20,000 tons of contained tin. Greenhills also found that the old existing plant at Uis could be refurbished for an initial 10tph pilot scale production of tin concentrate while geological work was undertaken to confirm a JORC compliant resource in support of feasibility studies towards larger scale production. Finally, Greenhills also identified the potential to increase plant feed grade through various ore sorting methods and targeting potential higher grade zones. These findings form the basis for the work carried out by Erongo pursuant to the completion of the Greenhills acquisition of a 49.5% interest in Dawnmin Africa Investment Limited described above.

The following work has been completed to date by Erongo Tin, the controlling shareholder of the Uis Tin Project:

1. Detailed geological mapping of eight previously mined pits at the Uis Tin Project within ML134 (containing over twelve pegmatite bodies) to characterise and delineate the higher-grade greisenised portions of the ore-body. An exploration target of more than 20,000 tons of contained tin will be the focus of further work (including drilling).
2. Grab sampling of pegmatites in the various licences (ML129, ML133 and ML134), with tin grades of over 0.6% Sn reported and numerous samples with over 0.3% Sn.
3. Size grading analysis of pegmatite from the V1/V2 pit within licence ML134 (containing the largest pegmatite body identified thus far), which shows that much of the cassiterite (SnO_2) is coarse and may be liberated as relatively large particle sizes (over 250 µm), and that classification of the ore into various size fractions could improve recovery efficiency in the plant.
4. Dense Media Separation (DMS) tests which showed that clean, saleable concentrate grades are achievable via a single stage of DMS, and that excellent separation occurs at a density of 2.90 and at coarse size fractions of -6 mm, with recoveries of over 70% achievable.

The results of this work will inform the exploration programme at the Uis Project, with the aim to drill and define a JORC-compliant resource. An existing pilot plant at the Uis Mine is currently being used to test gravity separation using jigs, spirals and shaking tables, with over 2 tons of cassiterite concentrate produced thus far. The size grading analysis results will help to improve the flowsheet at the plant and to further optimise recoveries at a pilot-scale. Additionally, the DMS results have indicated the suitability of DMS as a recovery method for the Uis cassiterite, and the intent is to incorporate a DMS plant into the pilot plant and to run this plant on a continuous basis, aimed at demonstrating the techno-economic parameters for a larger plant.

TIN INDUSTRY OVERVIEW

Tin was the second best performing metal in 2016. A tin industry forecast by BMI Research in the same year indicated an increase in tin prices from US$17,500/t to US$19,500/t in 2017. BMI Research also predicts an increase to US$22,000/t by the year 2020. According to BMI Research high global demand for the metal amidst limited production growth will lead the market into a deficit, expected to deepen to 9,400t by 2020 by when they predict prices could reach US$22,000/t.

The growing demand for tin is led by the construction and consumer electronics sectors, mainly in leading emerging markets including China, Taiwan, South Korea and in the US. Such demand is expected to keep the market tight in support of prices. These countries are leading global electronic producers and consumers for consumer electronics in which tin is used extensively as solder. The International Tin Research Institute (ITRI) believes that a potential opportunity exists for the use of tin in energy storage, which could further support the long-term growth of the tin industry.

The tin market is supported by strong fundamentals, with increasing demand and strong prices supported by a supply deficit that is expected to continue into the foreseeable future.

Projects Overview
continued

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PROJECT OVERVIEW – COAL & POWER

Lemur Resources Limited is a wholly owned subsidiary of Bushveld Minerals and is the Company's coal and power platform. The Company's flagship project is the Imaloto coal mine which is located in the southwest of Madagascar and has four exploration permits and one mining and exploitation permit covering a total area of approximately 81.25 square kilometres. Lemur has the only coal mining exploitation licence in the country. In 2012, Lemur took the decision to expand the scope of the project from coal mining only 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 Imaloto project is located in the Sakoa Basin in south-west of Madagascar. It has a total of 136Mt JORC compliant mineral resource (2012), of which 92Mt is measured. A valuation study completed in 2014 showed a positive NPV (10% 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. In addition, Lemur has two exploration permits covering a combined 87.5km^2 in close proximity to the Imaloto project.

Since 2008, Lemur has invested approximately US$10 million on developing the project. 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 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 the inhabitants and an emerging number of mining operations. The southern 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.

Therefore, not only will the initial revised 60MW capacity of the Imaloto Power Project substantially increase generation capacity, it will create a southern power grid and provide a reliable source of high quality electricity for residential and commercial offtakers, at tariffs that are substantially lower than the current Gen Set tariffs, which retail for up to US$0.25/kWh.

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.

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 project run-of-mine coal. The company is in discussions with the Madagascar authorities regarding the Concession.

After concluding an MoU with Jiro Sy Rano Malagasy (JIRAMA), the national power utility, the company has been in discussions with JIRAMA since 2012 regarding a PPA, which will allow the next stage in the development of the project to be implemented as an integrated mine to power and transmission project, providing a captive market for its coal resource and unlocking the intrinsic value in the underlying project.

Apart from JIRAMA, Lemur is simultaneously in discussions with various private mining and industrial companies for potential power off-take for the power plant.

In 2013, the company completed the following technical studies:

- Pre-feasibility Study for a 45MW power plant;
- Pre-feasibility Study for a 200km transmission line;
- Scoping study for the coal mine (following the completion of a full drilling programme).

In March 2017, the company finalised an MOU with Sinohydro, to cooperate on a technical and, potentially, financial basis. Under the terms of the MoU:

- shall complete the bankable feasibility study (BFS) for both a revised 60MW power plant and a 200km transmission line on behalf of Lemur;
- Sinohydro will be the Engineering, Procurement and Construction (EPC) and Operations and Maintenance (O&M) partner;
- The parties will explore debt financing and equity participation options with Sinohydro as well as with other Chinese funders.

Pursuant to the signing of the MoU with Sinohydro, a delegation of PowerChina's technical team (consisting of 13 engineers from PowerChina and Sinohydro) 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 commencement of the BFS and subsequent construction phase, which is subject to financial close and currently expected within the next 18 months.

Lemur-PowerChina technical workshop in Antananarivo, Madagascar (May 2017).

Lemur Resources and PowerChina teams after Technical Workshop (May 2017).

Furthermore, Lemur is in discussions to appoint an Owner Engineering team to guide the various studies that constitute part of the BFS for the power project to be jointly funded with Sinohydro.

On the mining side, the company is in discussions with a number of mining and mine 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 it will progress upon the successful completion of a favourable BFS by Sinohydro.

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

COAL INDUSTRY OVERVIEW

The coal price performed exceptionally well in 2016 following a 5-year long decline period, reaching an all-time low in Q1 of 2016. Prices improved by 29% in October 2016 and later rebounded by as much as 100% in less than a year. The Energy Information Administration (EIA), together with the World Bank, predicted a slight increase in coal prices for 2017 due to demand outweighing supply.

The fact that the Imaloto Project is specifically tailored to supply a mine-mouth power plant means that it is insulated from the volatility of world coal prices. Notwithstanding this, in addition to supplying domestic coal customers at cost-reflective prices, Lemur will keep an option to export some of its thermal from time to time, depending on favourable global market coal prices and favourable logistics costs.

Coal has been the driver of baseload power production for many years and the continent continues to tap into the resource for development purposes. The Brics New Development Bank and the African Development Bank both advocate for the development of coal-based power generation as a priority for development.

The Madagascan Government has developed a Madagascar Action Plan (MAP), aimed at improving the country's economy and fighting against poverty. The goals for the MAP are highly reliant on the power sector, which is currently facing major challenges. Electricity demand in Madagascar has increased by 5% per annum over the last 20 years. In 2015, the country's electrification fulfilled only 15% of the national electricity requirements. Madagascar's power sector is in dire need of improved distribution and transmission capacity. Electricity challenges in the country have resulted in an undesirable business environment, despite the country's high resource potential and opportunities.

The development of Lemur's Imaloto project including the mine and the power plant will see the region earning new infrastructure and stable energy access, thousands of new jobs created, over US$1 billion in new government revenue and approximately US$300 million in new investment in the country. The design and location of the project are such that it will immediately increase power supply by 15% in the country and be able to supply up to 1GW of power to new electricity users in the region in the long term.

OTHER RELATED PROJECTS

The PQ Iron & Titanium Project

The PQ Iron & Titanium Project ("PQ Project") is a multi-commodity project based on the same licence as the Mokopane Vanadium Project, located 45km north-northwest of Mokopane town in Limpopo Province, South Africa. The PQ Project has a JORC compliant resource of 939Mt with an average grade of 31% Fe and 14% TiO_2. 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 methods for processing the ore that are less capital intensive. To this end, the Company is following with interest the 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 442Mt, with average phosphate grades of 3.6% 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 the 37% P_2O_5 concentrate grade 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.

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.

Risk

Mineral rights and tenure security

Obtaining and maintaining mineral prospecting and mining rights

How we mitigate the risks that impact us

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.

a) 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.

b) 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) 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.

Risk

Infrastructure

Dependence on local utilities and logistics infrastructure

How we mitigate the risks that impact us

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 Resources' independent power production strategy in the country.

Risk

Funding

Raising capital to fund project development

How we mitigate the risks that impact us

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 Lemur Resources which provided access to a significant balance sheet as well as the recently announced proposed acquisition of Vametco's mining and processing operations. The Vametco acquisition will give the Company access to a cash flow producing operation within a short time frame and substantially reduced 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.

Risk

Human Resources

Retention of skilled personnel

How we mitigate the risks that impact us

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.

Board of Directors

IAN WATSON (74)

Non-executive Chairman

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

FORTUNE MOJAPELO (41)

Chief Executive Officer

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

ANTHONY VILJOEN (41)

Director, Chief Executive Officer, Lemur Resources

Anthony is a mining entrepreneur and founding shareholder and director of VM Investment Company (Pty) Ltd, a principal investments and advisory company focusing 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.

GEOFF SPROULE (75)

Chief Financial Officer

Geoff is a chartered accountant with more than 40 years' experience in various financial management roles. He is a former partner of auditing firm Deloitte & Touche, South Africa.

JEREMY FRIEDLANDER (62)

Non-executive Director

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

Directors' Report

The directors of Bushveld Minerals Limited ("Bushveld" or the "Company") hereby present their report together with the consolidated financial statements for the year ended 28 February 2017.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group (Bushveld and its subsidiaries) is the exploration and development of projects in the Bushveld Complex in South Africa. A review of the Group's progress and prospects is given in the CEO's review on pages 06 to 09.

A review of the risks and uncertainties impacting on the Group's long-term performance are included in the Corporate Governance Report on pages 33 to 34. Details of the Group's exposure to foreign exchange and other financial risks are included in note 19.

RESULTS AND DIVIDEND

The Group's results show a loss for the year attributable to the equity holders of the Company of £1.72m (2016: loss of £1.78m). The Directors are unable to recommend a dividend.

SHARE CAPITAL AND FUNDING

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

DIRECTORS

The Directors who served the Company since 1 March 2016 are as follows:

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

DIRECTORS' INTERESTS

The Directors' beneficial interests in the shares of the Company at 28 February 2017 were:

	Ordinary shares of 1p each 28 February 2017	Ordinary shares of 1p each 29 February 2016
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	504,000	504,000

None of the Directors have been awarded share options of the Company from inception to 28 February 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. The number of days of average daily purchases included in trade payables at 28 February 2017 was 30 days.

RELATED PARTY TRANSACTIONS

Details of related party transactions are detailed in note 22.

POST BALANCE SHEET EVENTS

Post balance sheet events are detailed in note 21.

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 has 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
14 August 2017

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 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, 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.

The key elements of the Group's corporate governance are 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	Director

Non-executive Directors

• Ian Watson	Chairman and Independent Non-executive Director
• Jeremy Friedlander	Independent Non-executive Director

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

GROUP BOARD MEETINGS

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

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

The matters reserved for the attention of the Group Board include, inter alia:
- the approval of financial statements, dividends and significant changes in accounting practices;
- Group Board membership and powers including the appointment and removal of Group Board members, determining the terms of reference of the Group Board and establishing the overall control framework;
- stock-exchange-related issues including the approval of the Company's announcements and communications with both shareholders and the stock exchange;
- senior management and subsidiary Board appointments and remuneration, contracts and the grant of share options;
- key commercial matters;
- risk assessment;
- financial matters including the approval of the budget and financial plans, changes to the Group's capital structure, the Group's business strategy, acquisitions and disposals of businesses and capital expenditure; and
- other matters including 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. The Chief Financial Officer, Geoff Sproule, attends Audit Committee meetings by invitation. This committee is responsible for:
- reviewing the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, stock exchange and legal requirements;
- receiving and considering reports on internal financial controls, including reports from the auditors and reporting their findings to the Board;
- considering the appointment of the auditors and their remuneration including reviewing and monitoring their independence and objectivity;
- meeting with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise; and
- developing and implementing policy on the engagement of the external auditor to supply non-audit services.

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

Remuneration Report

As an AIM-quoted company, Bushveld Minerals is not required to produce a remuneration report that satisfies all the requirements of the Companies Act. However, the Directors are committed to providing information on a transparent basis and present their Remuneration Report as follows:

REMUNERATION COMMITTEE

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

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

REMUNERATION POLICY

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

DIRECTORS' SERVICE CONTRACTS

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

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

INCENTIVE SCHEMES/SHARE OPTION SCHEMES

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

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

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

DIRECTORS' EMOLUMENTS

The remuneration of the individual Directors who served in the year to 28 February 2017 was:

	Salary £	Fees £	2017 Total £	2016 Total £
Fortune Mojapelo	108,333	–	108,333	108,333
Geoffrey Sproule	97,500	–	97,500	97,500
Anthony Viljoen	108,333	–	108,333	52,083
Ian Watson	–	40,000	40,000	40,000
Jeremy Friedlander	–	25,000	25,000	25,000
	314,166	**65,000**	**379,166**	**322,916**

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, go beyond the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may, in its discretion, determine.

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

OPINION ON FINANCIAL STATEMENTS

We have audited the group financial statements on pages 36 to 57. 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, the financial statements:

- give a true and fair view of the state of the group's affairs as at 28 February 2017 and of the group's loss for the year then ended;
- are in accordance with IFRSs as adopted by the European Union; and
- comply with the requirements of The Companies (Guernsey) Law, 2008.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 41 of the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a loss for the year ended 28 February 2017 of £1,720,067. Further funds will be required to finance the Group's working capital requirements and development of the Group's assets. These conditions, along with the other matters explained on page 41 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 32, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We read the other financial and non-financial information contained in the annual report and consider the implications for our report if we become aware of any material inconsistency with the financial statements or with knowledge acquired by us in the course of performing the audit, or any material misstatement of fact within the other information. We also read the information in the directors' report and consider the implications for our report if we become aware of any material inconsistency with the financial statements.

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
Chartered Accountants
25 Farringdon Street
London EC4A 4AB
14 August 2017

Consolidated Income Statement
For the year ended 28 February 2017

	Note	28 February 2017 £	29 February 2016 £
Continuing operations			
Administrative expenses	5	(1,550,087)	(1,556,216)
Operating loss		**(1,550,087)**	**(1,556,216)**
Other income		31,445	41,152
Finance income	7	1,093	77,992
Finance costs	8	(202,518)	(351,206)
Loss before tax		(1,720,067)	(1,788,278)
Income tax expense	9	–	–
Loss for the year		**(1,720,067)**	**(1,788,278)**
Attributable to:			
Owners of the parent		(1,705,920)	(1,699,000)
Non-controlling interests		(14,147)	(89,278)
		(1,720,067)	**(1,788,278)**
Loss per ordinary share			
Basic and diluted loss per share (in pence)	10	(0.28)	(0.39)

All results relate to continuing activities.

The notes on pages 40 to 57 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 28 February 2017

	28 February 2017 £	29 February 2016 £
Loss for the year	(1,720,067)	(1,788,278)
Other comprehensive income, net of tax:		
Items that may be subsequently reclassified to profit or loss:		
Currency translation differences	2,887,415	(1,262,002)
Total comprehensive income for the year	**1,167,348**	**(3,050,280)**
Attributable to:		
Owners of the parent	783,430	(2,961,002)
Non-controlling interests	383,918	(89,278)
Total comprehensive income for the year	**1,167,348**	**(3,050,280)**

Consolidated Statement of Financial Position

As at 28 February 2017

Company number: 54506

	Note	28 February 2017 £	29 February 2016 £
Assets			
Non-current assets			
Intangible assets: exploration and evaluation	11	60,201,729	56,386,494
Property, plant and equipment	12	304,910	321,206
Total non-current assets		**60,506,639**	**56,707,700**
Current assets			
Trade and other receivables	13	2,507,027	3,066,855
Cash and cash equivalents	14	131,155	478,619
Total current assets		**2,638,182**	**3,545,474**
Total assets		**63,144,821**	**60,253,174**
Equity and liabilities			
Current liabilities			
Borrowings	15	(128,767)	(2,984,044)
Trade and other payables	16	(1,286,340)	(527,587)
Total current liabilities		**(1,415,107)**	**(3,511,631)**
Net assets		**61,729,714**	**56,741,543**
Equity			
Share capital	17	6,962,141	4,863,373
Share premium	17	60,923,922	59,927,541
Accumulated deficit		(8,771,794)	(7,320,313)
Warrant reserve	18	594,127	422,386
Foreign exchange translation reserve		(11,607)	(2,500,957)
Equity attributable to the owners of the parent		**59,696,789**	**55,392,030**
Non-controlling interests		2,032,925	1,349,513
Total equity		**61,729,714**	**56,741,543**

The notes on pages 40 to 57 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 14 August 2017.

G N SPROULE
Director
14 August 2017

Consolidated Statement of Changes in Equity

For the year ended 28 February 2017

	Attributable to owners of the parent company								
	Share capital £	Share premium £	Accumulated deficit £	Revaluation reserve £	Warrant reserve £	Foreign exchange translation reserve £	Total £	Non-controlling interests £	Total equity £
Total equity at 28 February 2015	**4,863,373**	**59,927,541**	**(5,109,965)**	**(138,628)**	**422,386**	**(1,238,955)**	**58,725,752**	**4,404,516**	**63,130,268**
Loss for the year			(1,699,000)				(1,699,000)	(89,278)	(1,788,278)
Other comprehensive income, net of tax:									
Currency translation differences						(1,262,002)	(1,262,002)		(1,262,002)
Total comprehensive loss for the year	–	–	(1,699,000)	–	–	(1,262,002)	(2,961,002)	(89,278)	(3,050,280)
Transactions with owners:									
Revaluation reserve transfer			(138,628)	138,628			–		–
Treasury shares			(27,678)				(27,678)		(27,678)
Non-controlling interest							–	205,909	205,909
Minority shareholder acquired			(345,042)				(345,042)	(3,171,634)	(3,516,676)
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:									
Warrants in year					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**

Consolidated Statement of Cash Flows
For the year ended 28 February 2017

	Note	28 February 2017 £	29 February 2016 £
Cash flows from operating activities			
Loss before taxation		(1,720,067)	(1,788,278)
Adjustments for:			
Depreciation property, plant and equipment	12	9,892	–
Impairment of property, plant and equipment	12	138,708	–
Finance income	7	(1,093)	(77,992)
Finance costs	8	202,518	351,000
Changes in working capital:			
Decrease/(increase) in receivables		559,828	(320,144)
Increase in payables		854,476	63,638
Net cash generated from/used in operating activities		**44,262**	**(1,771,776)**
Cash flows from investing activities			
Finance income	8	1,093	77,992
Purchase of exploration and evaluation assets	11	(821,937)	(1,498,013)
Purchase of property, plant and equipment	12	(25,996)	(275,682)
Net cash used in investing activities		**(846,840)**	**(1,695,703)**
Cash flows from financing activities			
Finance costs		(528,400)	–
Net proceeds from issue of shares and warrants		3,200,381	–
Net repayments of borrowings		(2,675,000)	–
Cost of purchase of treasury shares		–	(27,678)
Cost of acquisition of non-controlling interest in subsidiary		–	(2,991,812)
Proceeds from borrowings		140,000	
Net cash generated from/(used in) financing activities		**136,981**	**(3,019,490)**
Net decrease in cash and cash equivalents		**(665,597)**	**(6,486,969)**
Cash and cash equivalents at the beginning of the year		478,619	7,595,777
Effect of foreign exchange rates		318,133	(630,189)
Cash and cash equivalents at end of the year	14	**131,155**	**478,619**

The notes on pages 40 to 57 form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 28 February 2017

1. CORPORATE INFORMATION AND PRINCIPAL ACTIVITIES

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

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

The wholly owned Guernsey subsidiaries Bushveld Resources Limited (BRL) and Greenhills Resources Limited (GRL) were acquired by Bushveld under the terms of a Share Exchange Agreement entered into on 15 March 2012. In 2015 the Company completed the acquisition of Lemur Holdings Limited (Lemur).

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.

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

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 28 February 2017, the Bushveld Group comprised:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
Bushveld Minerals Ltd	N/A	Guernsey	Ultimate holding company
Bushveld Resources Ltd [1]	100%	Guernsey	Holding company
Pamish Investments 39 (Pty) Ltd [2]	64%	South Africa	Vanadium & iron ore exploration
Amaraka Investments 85 (Pty) Ltd [2]	68.50%	South Africa	Vanadium & iron ore exploration
Frontier Platinum (Pty) Ltd [2]	100%	South Africa	Group support services
Bushveld Energy Ltd [1]	84%	Mauritius	Holding company
Bushveld Energy (Pty) Ltd [6]	100%	South Africa	Energy development
Greenhills Resources Ltd [1]	100%	Guernsey	Holding company
Mokopane Tin Company (Pty) Ltd [3]	100%	South Africa	Holding company
Renetype (Pty) Ltd [4]	74%	South Africa	Tin exploration
Lemur Holdings Ltd [1]	100%	Mauritius	Holding company
Lemur Investments Ltd [5]	100%	Mauritius	Holding company
Coal Mining Madagascar SARL [7]	99%	Madagascar	Coal exploration
Imaloto Power Ltd [5]	100%	Mauritius	Holding company
Imaloto Power Project Company SARL [8]	99%	Mauritius	Power generation company
Lemur South Africa Ltd [5]	100%	Mauritius	Holding company
Pamish Investments 71 Ltd [9]	99%	Mauritius	Holding company
Zaaiplaats Mining Ltd [9]	74%	South Africa	Property owning
Pan African Drilling Limited [5]	100%	British Virgin Islands	Coal exploration

1 Held directly by Bushveld Minerals Limited.
2 Held by Bushveld Resources Limited.
3 Held by Greenhills Resources Limited.
4 Held by Mokopane Tin Company (Pty) Limited.
5 Held by Lemur Holdings Limited.
6 Held by Bushveld Energy Limited.
7 Held by Lemur Investments Ltd.
8 Held by Imaloto Power Ltd.
9 Held by Lemur South Africa 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 adopted during the year

New standards, amendments to published standards and interpretations to existing standards effective in 2016, with their dates of adoption adopted by the Group and brief description:

Annual Improvements to IFRSs 2014–2016 Cycle*	1 January 2017 & 1 January 2018	The improvements in this amendment clarify the requirements of IFRSs and eliminate inconsistencies within and between standards, including clarification of the scope of IFRS 12.
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017	Clarifies deferred tax on unrealised losses generated by debt instruments carried at fair value.
Amendments to IAS 7: Disclosure Initiative*	1 January 2017	The amendments clarify and improve information provided to users of financial statements about changes in liabilities arising from financing activities.

* not yet endorsed by the EU.

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

Accounting standards and interpretations not applied

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, 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.

* 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 ("adopted IFRS"), and are in accordance with IFRS as issued by the IASB.

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

Going concern

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 the 2017 financial statements. Further funds will be required to finance the Group's working capital requirements and development of the Group's assets. If cash flow from existing sources was not sufficient to meet the Group's commitments the Directors are confident that additional funds would be successfully raised from other sources. However, there are no binding agreements in place to date. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

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 with 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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 steering committee 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, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or costs". All other foreign exchange gains and losses are presented 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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
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.

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.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Impairment of exploration and evaluation assets

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

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

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

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.

Property, plant and equipment

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

Land is not depreciated. Depreciation is provided on all plant and equipment at rates calculated to write each asset down to its estimated residual value, using the straight-line method over their estimated useful life of the asset as follows:

- The mining assets amortised over the life of the mine or 20 years whichever is the lesser;
- Geological equipment over one to three years;
- Motor vehicles over three years; and
- Fixtures and fittings over two years to five years.

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment of property, plant and equipment

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

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

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

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

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

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are classified into specified categories dependent upon the nature and purpose of the instruments and are determined at the time of initial recognition. All financial assets are recognised as loans and receivables or available for sale investments and all financial liabilities are recognised as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Financial assets and liabilities continued

Trade and other receivables

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

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

Cash and cash equivalents

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

Trade and other payables

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

Available for sale financial assets

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

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

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

Financial liabilities and equity

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

Critical accounting 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.

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

Management's critical estimates and judgements in preparing the financial statements relate to the going concern assumption (see above) and the valuation of intangible exploration assets of £60.2m (2016: £56.4m).

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 vanadium, iron ore and tin prices, future capital expenditures and environmental, regulatory restrictions and the succesful renewal of licences. The directors have concluded that there are no indications of impairment in respect of the carrying value of intangible assets at 28 February 2017 based on planned future development of the projects and current and forecast commodity prices.

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

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 28 February 2017 the Group operated within three operating segments, mineral exploration activities for iron ore and vanadium, tin and coal. Exploration activities take place in South Africa (iron ore and tin), Namibia (tin) 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 £	Tin exploration £	Coal exploration £	Total £
As at 28 February 2017				
Results				
Operating segmental loss	(50,516)	(239,225)	(256,932)	(546,673)
Segmental loss	**(50,516)**	**(239,225)**	**(256,932)**	**(546,673)**

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

	Year ended 28 February 2017 £	Year ended 29 February 2016 £
Segmental loss	(546,673)	(487,514)
Unallocated costs	(971,969)	(1,027,550)
Finance income	1,093	77,992
Finance costs	(202,518)	(351,000)
Loss before tax	**(1,720,067)**	**(1,788,278)**

Other segmental information

	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
Other 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**

	Iron ore exploration £	Tin exploration £	Coal exploration £	Consolidated Group £
29 February 2016				
Intangible assets – exploration and evaluation	38,649,101	17,737,393	–	56,386,494
Other reportable segmental net (liabilities)/assets	(46,511)	38,450	390,744	382,683
Unallocated net liabilities				(27,634)
Total consolidated net assets				**56,741,543**

5. EXPENSES BY NATURE

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

	Year ended 28 February 2017 £	Year ended 29 February 2016 £
Staff costs	422,634	463,478
Commission paid	114,250	130,000
Depreciation of properpty, plant and equipment (PPE)	9,892	–
Impairment of PPE	138,708	–
Professional fees	216,422	635,778
Travelling expenses	26,571	21,908
Other costs	621,610	305,052
	1,550,087	**1,556,216**

6. STAFF COSTS

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

Emoluments of £108,333 (2016: £108,333) were paid in respect of the highest paid Director.

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

7. FINANCE INCOME

	Year ended 28 February 2017 £	Year ended 29 February 2016 £
Bank interest	1,093	77,992

8. FINANCE EXPENSE

	Year ended 28 February 2017 £	Year ended 29 February 2016 £
Loan interest payable	202,518	351,206

9. TAXATION

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

Factors affecting tax for the year:	Year ended 28 February 2017 £	Year ended 29 February 2016 £
The tax assessed for the year at the Guernsey corporation tax charge rate of 0%, as explained below:		
Loss before taxation	(1,720,067)	(1,788,278)
Loss before taxation multiplied by the Guernsey corporation tax charge rate of 0%	–	–
Effects of:		
Non-deductible expenses	–	–
Tax for the year	–	–

Accumulated losses in the subsidiary undertakings for which there is an unrecognised deferred tax asset are £276,900 (2016: £102,617).

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

10. LOSS PER SHARE

From continuing operations

The calculation of a basic loss per share of 0.28 pence (2016: 0.39 pence), is calculated using the total loss for the year attributable to the owners of the Company of £1,705,920 (2016: £1,699,000) and the weighted average number of shares in issue during the year of 601,801,830 (2016: 460,361,182). There are no potentially dilutive shares in issue.

11. INTANGIBLE EXPLORATION AND EVALUATION ASSETS

	Vanadium and iron ore £	Tin £	Total £
As at 28 February 2015	37,919,544	17,851,700	55,771,244
Exchange differences	(605,074)	(277,689)	(882,763)
Additions	1,334,631	163,382	1,498,013
As at 29 February 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**

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 purchased consideration and is included in the additions in the year to exploration activities. A corresponding increase is credited to non-controlling interest.

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

Brits Vanadium Project

The Company completed the purchase during the year of the following licences totalling £535,631 through the acquisition of subsidiary undertakings of Sable Metals & Minerals Limited which have been treated as assets in additions rather than business combinations:

- 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; and
- GP 30/5/1/1/02/10142 PR – held through Gemsbok Magnetite (Pty) Ltd.

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.

At the date of approval of these financial statements, three of the Group's exploration licences remain due for renewal. Applications have been submitted for renewal of these licences as they become due and the directors have no reason to believe that these renewals will be unsuccessful.

12. PROPERTY, PLANT AND EQUIPMENT

	Mining asset £	Motor vehicles £	Geological equipment £	Fixtures and fittings £	Total £
Cost					
As at 28 February 2015	–	50,058	235,843	20,205	306,106
Additions	206,272	–	65,073	4,337	275,682
Exchange differences	–	(9,382)	(24,643)	(9,028)	(43,053)
As at 29 February 2016	**206,272**	**40,676**	**276,273**	**15,514**	**538,735**
Additions	25,996	–	–	–	25,996
Exchange differences	68,917	14,303	97,513	5,457	186,190
As at 28 February 2017	**301,185**	**54,979**	**373,786**	**20,971**	**750,921**
Depreciation					
As at 28 February 2015	–	45,310	167,904	12,407	225,621
Charge for year	–	4,160	15,605	4,190	23,955
Exchange differences	–	(8,794)	(17,288)	(5,965)	(32,047)
As at 29 February 2016	**–**	**40,676**	**166,221**	**10,632**	**217,529**
Impairment charge	–	–	138,708	–	138,708
Charge for year	–	–	6,906	2,986	9,892
Exchange differences	–	14,303	61,841	3,738	79,882
Depreciation at 28 February 2017	**–**	**54,979**	**373,676**	**17,356**	**446,011**
Net Book Value					
At 28 February 2017	**301,185**	**–**	**110**	**3,615**	**304,910**
At 29 February 2016	206,272	–	110,052	4,883	321,206

Mining asset

In 2016 financial year the Group acquired the shares in Zaaiplaats Mining (Proprietary) Limited the owner of the following properties:

- Remaining Extent of Portion 25 of the farm Groenfontein 227 KR Limpopo Province; and
- Portion 5 of the farm Roodepoort 222 KR Limpopo Province.

The tailings dumps situated on the property are currently being exploited for building sand. An Application for a Mining Right has been lodged with the Department of Mineral Resources to enable the Group to commence mining activities for tin.

During the year depreciation of £nil was capitalised to the intangible exploration and evaluation asset (2016: £23,955).

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

13. TRADE AND OTHER RECEIVABLES

	28 February 2017 £	29 February 2016 £
Advances and deposits	192,937	2,625,000
Amounts due from associate	2,314,090	–
Other receivables	–	441,855
	2,507,027	3,066,855

Advances and deposits in 2016 related to amounts held in escrow in relation to the Darwin Facility (see note 15).

The amounts due from associate relate to advances to BVL in respect of the post year end SMC transaction (see note 21).

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 £464,041 (2016: £120,140) and denominated in Australian Dollars amount to £1,237 (2016: £20,718).

14. CASH AND CASH EQUIVALENTS

	28 February 2017 £	29 February 2016 £
Cash at hand and in bank	131,155	478,619

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 £92,913 (2016: £49,622) and £3,154 (2016: £83,135) is denominated in Australian Dollars.

15. BORROWINGS

	28 February 2017 £	29 February 2016 £
Short-term loans	128,767	2,984,044
	128,767	**2,984,044**

During the year the Company released the £2.6m previously held in escrow to Darwin in accordance with the agreed terms of the facility and subsequently terminated the agreement. All interest relating to the facility was settled with cash during the year.

16. TRADE AND OTHER PAYABLES

	28 February 2017 £	29 February 2016 £
Trade payables	254,574	141,217
Other payables	109,137	11,192
Accruals	922,629	375,178
	1,286,340	**527,587**

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

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-arranged credit terms. No interest has been charged by any suppliers as a result of late payment of invoices during the 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 £312,756 (2016: £187,849) and £18,535 (2016: £14,012) is denominated in Australian Dollars.

17. 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 to Sable	7,000,000	70,000	56,000	126,000
Beaufort Capital raise	48,333,334	483,333	386,667	870,000
Shares issued to Yellow Dragon	50,000,000	500,000	400,000	900,000
Beaufort Capital raise August 2016	38,666,668	386,667	193,333	580,000
Beaufort Capital raise October 2016	53,571,430	535,714	214,286	750,000
Warrants exercised 18 January 2017	7,021,511	70,215	98,301	168,516
Warrants exercised 14 January 2017	2,537,224	25,372	35,521	60,893
Warrants exercised 31 January 2017	2,066,666	20,667	28,933	49,600
Warrants exercised 14 February 2017	463,333	4,633	6,487	11,120
Warrants exercised 22 February 2017	216,667	2,167	3,033	5,200
Share issue costs	–	–	(426,180)	(426,180)
Balance at 28 February 2017	**696,214,271**	**6,962,141**	**60,923,922**	**67,886,063**

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 28 February 2017 the Company owns 670,000 (2016: 670,000) treasury shares with a nominal value of 1 pence.

During the year the Company issued 7,000,000 new ordinary shares at a price of 1.8 pence per share in respect of the remaining consideration payable for the Brits Vanadium Project.

During the year the Company issued a total of 98,333,334 new ordinary shares at a price of 1.8 pence per share raising gross proceeds of £1,770,000.

During the year the Company issued a total of 38,666,668 new ordinary shares at a price of 1.5 pence per share raising gross proceeds of £580,000.

During the year the Company issued a total of 53,571,430 new ordinary shares at a price of 1.4 pence per share raising gross proceeds of £750,000.

18. WARRANTS

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

Warrants granted

Date of grant	27/10/2016	1/09/2016	1/09/2016	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

Warrants granted

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

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

18. WARRANTS CONTINUED

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

Warrants scheme

Date of grant	27/10/2016	24/08/2016	24/08/2016	09/06/2016
Share price at grant date	1.5p	1.4p	1.4	1.9p
Exercise price	2.8p	1.5p	2.4p	2.4p
Expected life	5 months	6 months	2 years	2 years
Expected volatility	61%	61%	61%	61%
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate	2.74%	2.11%	1.23%	3.58%

Warrants scheme

Date of grant	09/06/2016	09/06/2016	09/06/2016	06/06/2016
Share price at grant date	1.9p	1.9p	2.1p	1.9p
Exercise price	6.9p	4.6p	1.8p	2.4p
Expected life	4 years	4 years	9 months	6 months
Expected volatility	60%	60%	60%	60%
Expected dividends	Nil	Nil	Nil	Nil
Risk-free interest rate	2.38%	2.38%	8.17%	3.58%

The following warrants were granted in previous years:

Warrants granted

Date of grant	28/05/15	26/03/14	01/10/13
Number granted	4,000,000	3,000,000	3,507,975
Contractual life	3 years	5 years	5 years
Estimated fair value per warrant	£0.001	£0.02	£0.016

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

Warrant scheme

Date of grant	28/05/15	26/03/14	01/10/13
Share price at grant date	£0.040	£0.055	£0.050
Exercise price	£0.100	£0.080	£0.050
Expected life	3 years	5 years	2 years
Expected volatility	65%	61.7%	32%
Expected dividends	Nil	Nil	Nil
Risk-free interest rate	3.00%	2.99%	3.0%

The warrants in issue during the year are as follows:

	Number of warrants	Weighted average exercise price £
Outstanding at 1 March 2016	10,507,975	0.08
Granted during the year	83,663,144	0.02
Exercised during the year	(12,305,401)	0.02
Outstanding at 28 February 2017	81,865,718	0.03
Exercisable at 28 February 2017	81,865,718	0.03

The warrants outstanding at the year-end have an exercise price of £0.02, with a weighted average remaining contractual life of 2 years.

The Group has recognised a charge amounting to £426,180 (2016: £nil) during the year which has been deducted from share premium as the warrants were issued as consideration for professional fees in relation to the issue of shares.

19. 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.

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.

Categories of financial instruments

The Group holds the following financial assets:

	28 February 2017 £	29 February 2016 £
Loans and receivables		
Trade and other receivables	2,507,027	3,066,855
Cash and cash equivalents	131,155	478,619
Total financial assets	**2,638,182**	**3,545,474**

The Group holds the following financial liabilities:

	28 February 2017 £	29 February 2016 £
Other financial liabilities at amortised cost		
Trade and other payables and borrowings	1,415,107	3,511,631
Total financial liabilities	**1,415,107**	**3,511,631**

General objectives, policies and processes

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

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

Credit risk

The Group's principal financial assets are bank balances and trade and other receivables.

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

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

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

19. FINANCIAL INSTRUMENTS CONTINUED

Credit risk continued

The concentration of credit risk was as follows:

Currency	28 February 2017 £	29 February 2016 £
Sterling	35,088	345,862
South African Rand	92,913	49,622
Australian Dollar	3,154	83,135
	131,155	**478,619**

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

At 28 February 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 28 February 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 28 February 2017, the Group had £131,155 (2016: £478,619) 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

The Group was 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 in the Group's functional currency:

	28 February 2017 £	29 February 2016 £
Cash and cash equivalents	96,067	132,757
Other receivables	465,278	441,855
Trade and other payables	(331,291)	(206,686)
	230,054	**367,926**

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.

19. FINANCIAL INSTRUMENTS CONTINUED

Market risk continued

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

2017	Rand currency impact strengthening £	Rand currency impact weakening £
Assets	612,658	501,266
Liabilities	(344,032)	(281,480)
	268,626	**219,786**

2017	Australian currency impact strengthening £	Australian currency impact weakening £
Assets	4,830	3,952
Liabilities	(20,389)	(16,682)
	(15,559)	**(12,730)**

20. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2017 £	Land and buildings 2016 £
Within one year	135,730	92,388
Between one and two years	145,255	107,469
	280,985	**199,857**

21. EVENTS AFTER BALANCE SHEET DATE

Investment in Strategic Minerals Corporation

Following the Company's 25 July 2016 announcement of Bushveld Vametco's execution of a Share Purchase Agreement ("SPA") with Evraz Group S.A. for the conditional purchase of Evraz's 78.8 per cent economic interest in Strategic Minerals Corporation, which owns the producing Vametco vanadium mine and plant in South Africa (the "Acquisition"), the Company completed the transaction on schedule on 6 April 2017.

The investment is in line with Bushveld's stated strategy to develop a significant, vertically integrated vanadium platform and accelerate the path to production by several years.

BVL is co-owned 45:55 between the Company and its strategic partner, Yellow Dragon Holdings.

Deal structure

BVL financed the US$16.466 million investment as follows:

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

On 15 June 2017, BVL announced it had fully settled the US$11.0 million Barak Fund SPC Limited bridge loan plus US$961,010 in fees and interest to complete payment of all outstanding obligations in terms of the bridge loan facility agreement.

Vametco Alloys

Vametco Alloys is a high quality, low cost mine and plant with a patented vanadium product and a global vanadium customer base. The property is located 8 kilometres to the Northeast of Brits, in the North West Province of the Republic of South Africa, and is owned by SMC through its 75% shareholding in South African domiciled Vametco Holdings. Vametco Alloys is a 100% subsidiary of Vametco Holdings.

Notes to the Consolidated Financial Statements continued

For the year ended 28 February 2017

21. EVENTS AFTER BALANCE SHEET DATE CONTINUED

Completion of Bushveld supported Black Economic Empowerment ("BEE") transaction

In connection with the transaction, on 22 February 2017 the Company agreed to facilitate a change in the ownership of one of Vametco Holdings' BEE partners. Bushveld agreed terms with Jaxson 640 (Pty) Limited ("Jaxson 640") to support Jaxson 640's acquisition of a controlling interest in the BEE shareholdings in Vametco (the "Jaxson Transaction").

Jaxson 640 completed the Jaxson Transaction on 5 June 2017 with payment of ZAR8,522,103 (US$655,189) to the Avacap (Proprietary) Limited consortium ("Avacap Consortium") to replace the Avacap Consortium as major BEE partner to SMC. Jaxson 640 together with the local communities, on whose land the Vametco mine deposit and processing plant are located, hold a 25% shareholding in Vametco.

Under the terms of the agreement Jaxson 640 agreed to purchase the Avacap Consortium's interest in Vametco for a total sum of ZAR8,522,103 (US$655,189), comprising a purchase consideration of ZAR5,000,000 (US$384,405), the settlement of a shareholder loan, with interest, of ZAR2,000,000 (US$153,762) principal and an additional ZAR1,000,000 (US$76,881) premium. In addition, Jaxson assumed its share of the existing debt of approximately ZAR39.5 million (US$3.04 million) historically incurred in establishing the existing BEE shareholding in Vametco.

Accordingly, the total outlay by Bushveld in respect of the BEE transaction was ZAR16,200,087 (US$1,245,480), comprising:

- A vendor funding agreement with Jaxson 640 in terms of which Bushveld provided to Jaxson 640 the requisite ZAR8,522,103 (US$655,189) transaction funding to enable it to complete the transaction. The funding was provided in the form of a vendor loan and will be repaid to Bushveld from dividends due to Jaxson 640 from Vametco over a period of 5 years from acquisition date; and
- A Settlement and Undertaking Agreement with Gingko Trading (Proprietary) Limited ("Gingko") for the payment of ZAR7.678 million (US$0.59 million) to Gingko to replace Gingko as co-lender to Vametco's BEE shareholding structure.

Imaloto Independent Power Producer MoU signed with Sinohydro

On 5 April 2017 the Company announced the signing of a Memorandum of Understanding ("MoU") between its wholly owned subsidiary, Lemur Holdings Limited ("Lemur") and Sinohydro Corporation Limited ("Sinohydro"). The MoU gives both companies exclusive rights to work with each other on the development of an initial 60 MW independent power producer ("IPP") coal power plant and associated 200 kilometre transmission line in southern Madagascar (the "Project"). It is anticipated that the coal fuel for the power station will be provided from Lemur's coal mining permit area in Madagascar.

The MoU's objectives include:

- Development of a Bankable Feasibility Study ("BFS") and a Project Implementation Proposal for the project by Sinohydro, at its own cost, within 12 months of signing the MoU;
- Preparation by both parties of an Environmental Impact Assessment for the Project;
- Preparation by both parties of EPC and O&M contracts for the IPP plant and the EPC contract for the transmission line within 18 months;
- Cooperation between the two parties to secure both debt and equity funding for the project;
- Potential establishment of a future company for the Project upon completion of the BFS, in which Sinohydro's parent company, PowerChina, may take an equity interest; and
- Lemur will continue the development of its asset in order to supply coal to the Imaloto IPP.

Lemur has to date completed a conceptual study, followed by more detailed pre-feasibility studies ("PFS") for the mine, power plant and transmission line. These studies demonstrated favourable project economics, including the existing and future demand for electricity in the area. Sinohydro will use its vast expertise in power plant and transmission line engineering and construction to build on the work already done by Lemur in the PFS.

The Project stands to have a transformational impact on Madagascar. At present, no electricity grid exists in the southern part of the island. The Project would be able to not only supply electricity cheaper to existing mining and industrial operations in the region, but to also deliver electricity to tens of thousands of people currently without access to power. Realising this, the Madagascar power utility, Jirama, is currently negotiating an offtake agreement with Lemur for electricity for the IPP.

21. EVENTS AFTER BALANCE SHEET DATE CONTINUED

Greenhills' acquisition of the Uis tin project

The Company's wholly owned subsidiary Greenhills Resources Limited ("Greenhills") completed the acquisition of a 49.5% interest in Dawnmin Africa Investments Limited ("Dawnmin") from a consortium of Namibian shareholders (the "Sellers"). In accordance with the terms of the signed Sale of Shares and Claims Agreement, 41 million ordinary shares of 1.6 pence each in Bushveld ("Consideration Shares") were issued to the Sellers and admitted to trading on AIM on 21 June 2017.

Dawnmin's interest in the Uis tin project (the "Project") is held through its 85% shareholding of Guinea Fowl Investments 27 (Proprietary) Limited ("Guinea Fowl"). The remaining 15% shareholding in Guinea Fowl is held by the Small Miners of Uis, a Namibian Government entity.

Under the terms of the transaction:

- The Consideration Shares are subject to a six months trading encumbrance and/or sale restriction from the date of issue;
- Erongo, the majority shareholder in Dawnmin, will spend up to A$2.0 million (two million Australian Dollars) to complete a scoping study at the project, including the acquisition of processing equipment where deemed appropriate by the board of Bushveld and Technical team of Dawnmin, which will be comprised of representatives from Bushveld and Erongo;
- Greenhills was granted an ever-green option to acquire a controlling interest in Dawnmin through the acquisition of an additional 1% interest in Dawnmin for a total consideration of US$1.2 million, plus a further option to earn an additional 20% in Dawnmin following Erongo's completion of the scoping study, as follows:
  - An additional 10% shareholding in Dawnmin in return for providing funding of up to US$1.0 million to take the Project to pre-feasibility stage;
  - A further 10% shareholding in Dawnmin in return for providing an additional up to US$1.0 million to deliver a bankable feasibility study; and
  - Greenhills has appointed two directors to the boards of Dawnmin and Guinea Fowl to sit alongside the two Erongo-nominated directors;
- No regulatory approvals were required from the Namibian Minister of Mines for the acquisition.

Uis Tin Project

The Uis Tin Project is one of the largest undeveloped opencast hard rock tin deposits in the world and has a history of significant tin mining and an estimated 70.3Mt non-JORC resource at 0.14% Sn for a total potential resource of over 90kt of contained tin.

The Project is located in the Erongo Region of Namibia and comprises three mining licences, ML 134, ML 129 (B1 and C1) and ML 133. Historic work confirmed a significant tin resource on all three licences, the most significant of which is the ML 134 resource estimated at 70.3Mt at 0.14% Sn for a total potential resource of over 90kt of contained tin.

- Due diligence confirms large well developed pegmatite ore body with 0.3% Sn commonly found in greisenised zones, estimated to host approximately 20,000 tons of tin.
- Intent to confirm JORC compliant resource, advance feasibility studies, while simultaneously refurbishing an old existing plant for a 10tph pilot scale production of tin concentrate, with a view to scale up targeting the identified high grade zones.

Following due diligence work recently completed, the Company has identified significant high grade zones that it recommends form the basis for early production with pilot scale production, at the existing plant which is currently being refurbished by Erongo, targeted for the second half of 2017.

The Company continues to advance its stated strategy to build a critical mass of tin resources with a near term production profile, to advance the projects towards production and to establish Greenhills as a stand-alone tin platform offering exposure to a pan-African tin portfolio to investors. Options for listing Greenhills as a stand-alone platform are currently being considered by the Company.

22. RELATED PARTY TRANSACTIONS

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

VM Investments is a related party due to two of the Executive Directors (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 £39,712 (2016: £26,134). During the year, VM Investments charged the Group £nil (2016: £67,047) for office accommodation and other office services.

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

	28 February 2017 £	29 February 2016 £
Fees for services as Directors	65,000	65,000
Short-term employee benefits	346,466	257,916
	411,466	**322,916**

Included within the above figure of short-term employee benefits is an amount of £240,224 (2016: £97,500) which has been capitalised as part of intangible exploration expenditure.

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

21 August 2017

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 (the "Company") to be held at 11:00am on Tuesday 12 September 2017 at 18–20 Le Pollet, St Peter Port, Guernsey GY1 1WH. Members of the Company are requested to return the enclosed Form of Proxy which, to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's Registrars, Capita 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, the Directors' Report and the report of the Auditors for the year ended 28 February 2017.
2. To approve the Directors' Fees as reflected in the Remuneration Report and in note 22 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.
5. That A. Viljoen shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
6. That G. Sproule shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
7. That the Company be generally and unconditionally authorised for the purposes of Article 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 69,621,427 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% of the average closing price of such shares on AIM for the 5 business days 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).

SPECIAL RESOLUTION

8. That the Directors by and are hereby generally and unconditionally authorised pursuant to Article 8.3 of the Articles of Incorporation of the Company to allot and issue (or grant rights to subscribe for, or to convert any security into) up to 250 million shares and that the provisions of Article 9.2 and 9.9 of the Articles of Incorporation of Company be and are hereby excluded generally in relation to the allotment and issue of such shares. This authority (and the exclusion of Article 9.2 and 9.9) shall expire at the conclusion of the next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or issued (or rights to be granted) after such expiry and the Directors may allot and issue shares (or grant rights(in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

F. Mojapelo
Director
21 August 2017

ACTION TO BE TAKEN

A Form of Proxy is enclosed. Whether or not you intend to be present at the Annual General Meeting you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's Registrars, Capita 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 8 September 2017 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 them. The proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or notarially certified copy of such authority) must be deposited at Capita Asset Services, PXS, 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 close of business on 8 September 2017 (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 determining the right of any person to attend or vote at the Annual General Meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order to be valid the appropriate CREST Proxy Instruction must be transmitted so as to be received by the Company's agent by the latest time(s) for receipt of proxy appointments specified in the Notice.

Notes

www.bushveldminerals.com

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