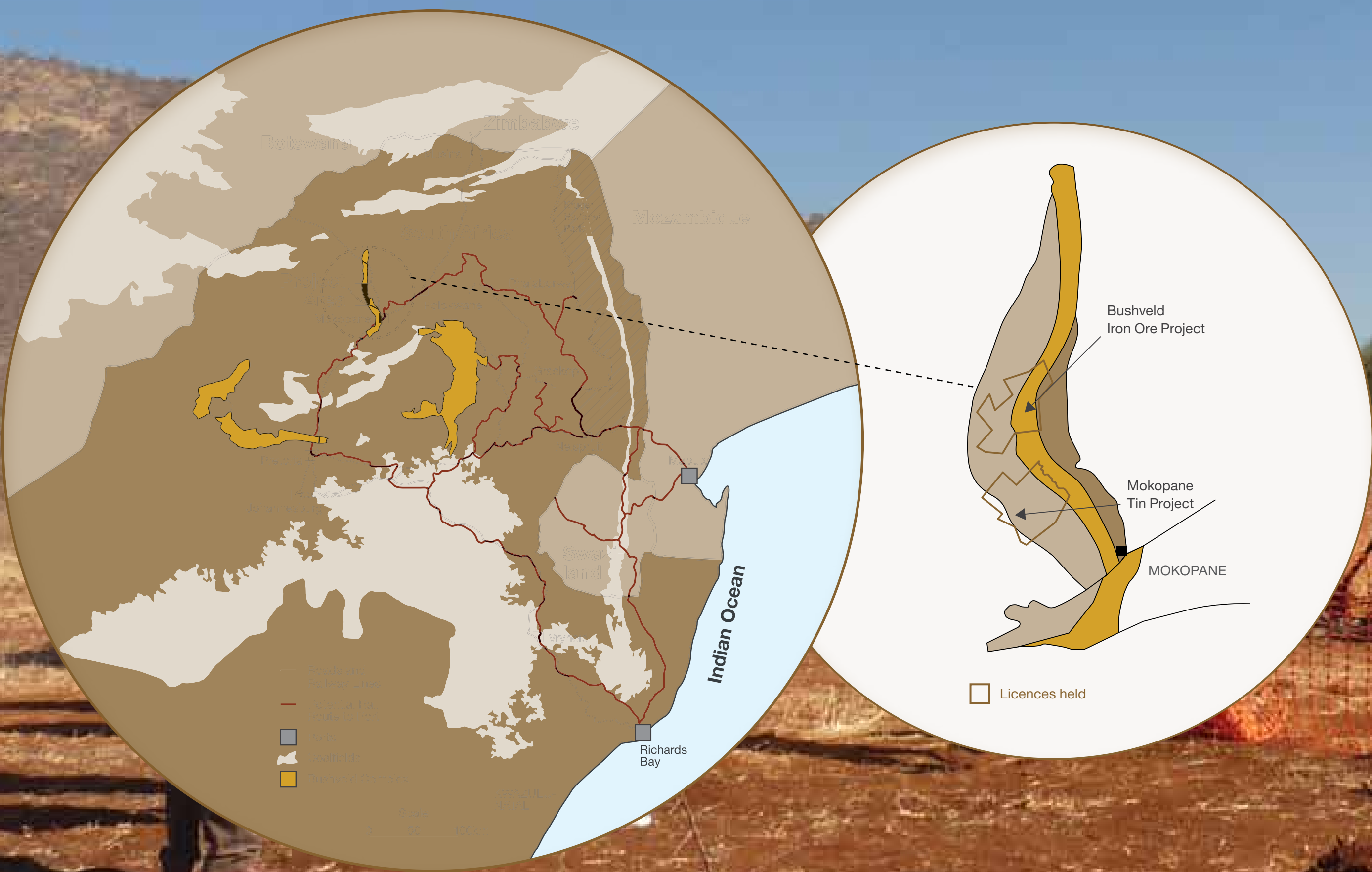
On track

Meeting our delivery targets in 2013

Bushveld Minerals Limited Annual Report 2013

About Us

Bushveld Minerals Limited (Bushveld Minerals) is an **AIM-listed** mineral project development company that is currently exploring and developing projects in the **Bushveld Complex** in Southern Africa. Our portfolio comprises the 770 Mt **Bushveld Iron Ore Project** and the **Mokopane Tin Project**, both located in the Northern limb of the Bushveld Complex. The Company's vision is to open a new frontier for iron ore and tin mining on the Bushveld Complex in South Africa.



Facts and Figures

5,995t

JORC compliant tin resource established on 1 of 5 identified targets

770 Mt

JORC compliant iron ore resource

>40%

indications of support from Lemur shareholders in bid for Lemur

Highlights

During the period:

+ Cash of £1.30 million at 28 February 2013
+ £1.57 million spent on exploration work in the period:
  – £0.93 million and £0.64 million spent on the Bushveld Iron Ore Project and the Mokopane Tin Project respectively
+ Bushveld Iron Ore Project's operational highlights:
  – Extension of the strike of mineralisation and in-fill diamond core drilling to upgrade the P-Q Zone resource to an aggregate 712 million tonnes ('Mt') Indicated and Inferred Resource, bringing total JORC compliant resource (including the Main Magnetite Layer ('MML')) to 770 Mt
  – Positive preliminary magnetite recoveries and concentrate grades for Fe_2O_3, TiO_2 and V_2O_5
  – Section 102 application to extend area (under license 95PR) granted: Facilitating further drilling along an additional ~3-4 km strike to increase resource
+ Mokopane Tin Project's operational highlights:
  – Drilling completed on the second tin target (Zaaiplaats): Results show encouraging ore grades and resource definition underway
  – Metallurgical test-work targeting the Groenfontein and Zaaiplaats targets underway
  – Additional brownfield tin exploration targets identified: Negotiations in progress for acquisitions
+ Acquisition of a 2.67% shareholding in ASX listed coal-project development company, Lemur Resources Limited in November 2012

Post period end:

+ Scoping Study released for P-Q Zone of Iron Ore Project with positive economics:
  – Viability of project confirmed: Low capital expenditure (US$126 million) concentrate product route at base case scenario run-of-mine ('RoM') of 5 Mt per annum
  – Net Present Value ('NPV') of US$140 million at 12.5% discount rate with 34.2% real Internal Rate of Return ('IRR')
  – Payback: Two years from start of mining
+ Iron Ore Project's resource extension and upgrade on the P-Q Zone refined to an aggregate 718 Mt Indicated and Inferred Resource
+ MML Mineral Resource upgraded from Inferred to Indicated category
+ Ongoing discussions with potential strategic partners
+ Launch of acquisition of all the Ordinary Shares in Lemur Resources Limited in progress

Chairman's Statement Ian Watson

A year of steady progress

"It is with a sense of pride that I reflect on Bushveld's progress since its admission to AIM in March 2012."

It has been particularly rewarding to experience first hand the significant progress made by the Bushveld team in a short space of time. During my long career in mining I have been involved in a number of exploration and development projects, but have been singularly impressed by this team's achievements against objectives on a modest budget in 2013.

In its first year since admission to AIM, Bushveld has laid the foundations of a solid track record of delivery.

The progress outlined in this report has been achieved with a modest overhead structure, as more than 63% of total expenditure was incurred against actual work progress on the Iron Ore and Tin Projects rather than high corporate costs.

Bushveld Iron Ore Project

A notable feature of the year has been the progress on the Iron Ore Project, culminating in the Scoping Study, released post year end in April 2013 which shows positive economies of scale for the project. The Company was also granted additional licences, extending the strike of iron ore mineralisation, after the year end in March 2013 by almost 100%. This important milestone, together with our extensive geotechnical and geophysical knowledge and the historical drilling information, should enable the Company to meet its target of exceeding the 1 billion tonne threshold on the iron ore resource.

I am pleased to say that for the year under review, Bushveld met all but one of the commitments made to the market in March 2012. The delays in the licensing process meant that we could not continue drilling along the identified strike of the iron ore mineralisation, which was key to meeting our 1 billion target. With this matter now resolved, we can look forward to the Company continuing its drilling campaign and meeting this milestone.

Against the context of a 770 Mt resource and the completion of a Scoping Study based on only 12% of this resource, the rationale for deprioritising the 1 billion tonne target would, in our view, be justifiable. For us, however, the scope for scaling up this project will always be an important feature, in addition to our commitment to build a track record of delivery on all our commitments.

Our aim is not to pursue size for the sake of size, in bulk commodities, it provides potential economy of scale benefits. In addition to the magnitude of the Bushveld Iron Ore Project, the presence of a robust (approximately 20 metre) high grade massive zone, provides the option of selective higher grade mining without compromising scale. Against this backdrop, we remain committed to our iron ore development plans but are mindful of the tough economic conditions and the associated challenges of extensive capital investment required by projects of this nature. Accordingly, we opted for a low capital expenditure, 5 million tonnes per annum run of mine operation in our Scoping Study, that can be delivered by leveraging existing infrastructure in a relatively short timeframe.

"Despite its relative youth, the dynamic Bushveld Minerals team showed its mettle during 2013."

Mokopane Tin Project

We are equally pleased with our progress with the Tin Project and are optimistic that the assets we are consolidating will result in a high potential and unique tin play, with brownfields projects in historical tin producing districts of South Africa. We are on track to release a Scoping Study early in the 2014 financial year – an important milestone towards our objective of building up tin assets with the critical mass to support short to medium-term production.

Political environment

We continue to monitor labour issues, especially in the aftermath of the tragic events at the Marikana mine in August 2012. We are encouraged by the absence of further evidence that the situation has since deteriorated. However, we recognise there is room for improvement to encourage positive investor sentiment in the South African mining sector. We believe that ongoing government and industry efforts to resolve the unrest and labour issues are gradually bearing fruit.

These events have raised awareness relating to productivity in mining, particularly in light of likely labour cost increases. Against this backdrop, Bushveld is well placed with its robust, open castable resource that is consistent along strike, making it amenable to mechanical mining methods while also mitigating higher labour costs.

Corporate action

We reached a significant milestone post year end that has the potential to transform Bushveld into a company with a geographically diversified portfolio of assets with significant scale and positive near term cash flow potential. In May 2013, we launched an off-market takeover bid for Lemur Resources Limited ('Lemur'), an ASX-listed coal project development company in which we had acquired a 2.7% stake in November 2012. The rationale for a transaction includes the potential to leverage the combined management capabilities of Lemur and Bushveld and Lemur's considerable balance sheet to identify, acquire and develop attractive projects.

We are confident that any transaction will generate value for shareholders in the short to medium-term in attractive commodity segments.

Management believes that the bid has a high likelihood of success, having received indications of support from shareholders holding more than 40% of the issued shares in Lemur.

Stakeholder engagement

Bushveld is focused on building sound projects and has met its near term objectives and commitments. However, similarly to other junior resource companies, we do not believe that the market value reflects Bushveld's strong fundamentals. The continuing global economic climate notwithstanding, a challenge for companies such as ours has been a relatively illiquid stock with limited free float. We are mindful of this issue and believe that our ongoing efforts to improve liquidity, including the scrip acquisition of Lemur, could significantly broaden our shareholder base. This will be complemented with a focused investor marketing campaign to build awareness of Bushveld's exciting prospects to unlock value for shareholders.

We trust that our continued focus on building our projects in a practical and measured manner, combined with efforts to broaden the shareholder base will, in the coming year, start to reflect the inherent value of our high potential assets.

Acknowledgements

Despite its relative youth, the dynamic Bushveld Minerals team showed its mettle during 2013. I congratulate the executives for their measured and pragmatic approach to project design and development, which will pay off as the Company extends its track record of delivery against its commitments.

I also thank my fellow Directors for their contribution to the progress that was made during the year.

Ian Watson
Non-Executive Chairman

CEO's Statement Fortune Mojapelo

On track

Bushveld Minerals was admitted to trading on AIM on 26 March 2012. The Group is developing iron ore and tin projects on the Bushveld Complex in South Africa. Gross IPO proceeds amounting to £5.5 million (£4.5 million, net of expenses) were raised to fund the exploration programme, with the Group intent on proving a resource greater than 1 billion tonnes, undertaking a Scoping Study within 12 months of listing on its Iron Ore Project as well as consolidating a critical mass of brownfield tin projects with reasonable prospects for early production. We are pleased to report that there has been solid progress towards meeting these objectives.

Bushveld Iron Ore Project

Scoping Study

We are pleased to have completed the Scoping Study on the Bushveld Iron Ore Project, which was published to the market on 22 April 2013. The Scoping Study brought together several studies undertaken during the period under review, including:

Drilling and resource modelling

The Company conducted a drilling and resource modelling programme through much of 2012 and reported several resource updates:

+ 5 December 2012 – additional drilling on the P-Q Zone resulted in a resource upgrade of the P-Q Zone to 674 Mt, from a previous 567 Mt
+ 7 February 2013 – additional drilling as well as the modelling of the resource into geologically defined stratigraphic units resulted in an increase of the P-Q Zone resource to 752 Mt, for a gross total resource of 818 Mt if the MML resource is included
+ 27 March 2013 – weathered resource delineated and established to be 38 Mt in the indicated resource category (JORC) and total P-Q Zone resource revised downwards to 718 Mt due to a more refined resource model

A total of 51 boreholes totaling 3,489.5 metres were drilled during the period under review.

Metallurgical test-work programme

The focus of the metallurgical test-work was on both extractive metallurgy to determine grade and recovery parameters for a concentrate product at various grind fraction sizes and pyrometallurgy to establish the scope for downstream beneficiation through reduction and/or smelting.

+ extractive metallurgy – excellent magnetite liberation was achieved at 500 µm with concentrate grades of ~55% Fe, 19.0% TiO_2 and 0.33% V_2O_5. Furthermore, the high grade Q2 unit of the P-Q Zone was shown to be amenable to beneficiation at coarse grain sizes (up to 12 mm)
+ pyro-metallurgy – concentrate samples from the Bushveld Iron Ore Project were shown to be amenable to pre-reduction at both coarse and fine grain sizes, and at relatively low temperatures (1,100 – 1,150°C). Preliminary smelting test-work also showed scope for a pig iron product (96% – 98% Fe, 0.18% – 0.27% V) and a high Ti slag (>60% TiO_2)

Infrastructure studies

Infrastructure studies were undertaken to investigate options for the project in respect of logistics (rail and port), power and hydrology requirements, which were all positive for the scope of 5 million tonnes per annum ('Mtpa') run of mine ('RoM') envisaged in the Scoping Study.

Marketing studies

The Company appointed CRU Strategies to advise on the marketing options for the potential products from the Bushveld Iron Ore Project, paying particular attention to market opportunities for high-Ti containing product among steel producers with a history of processing Ti-magnetites. The studies identified key market considerations for the project, including the potential for the Bushveld Iron Ore Project concentrate to provide blending-up feed for Ti-magnetite steel producers looking to extract titanium credit.

Scoping Study results

The Scoping Study's economics are very encouraging and set the scene for an accelerated Pre-Feasibility Study ('PFS') programme due to commence imminently. Importantly, the project has been designed with a modest initial phase (5 Mtpa RoM ore to produce 2.2 Mtpa of concentrate) that can be delivered using existing infrastructure and a relatively low capital expenditure of US$126 million to produce a project with an IRR of 34.2% and an NPV of US$140 million at a 12.5% discount rate. Beyond this, the project has significant upside potential from:

"We retain a positive outlook of the iron ore, titanium and vanadium as well as tin industries."

- scaling up the operations, which can have a real potential to be achieved given the size of the resource (the Scoping Study is based on only 12% of the existing resource of 718 Mt)
- developing the downstream beneficiation opportunities associated with the project
- investigating the potential of the robust phosphate rock mineralisation (distinct and separate from the iron ore mineralisation) identified in the hanging wall above the P-Q Zone

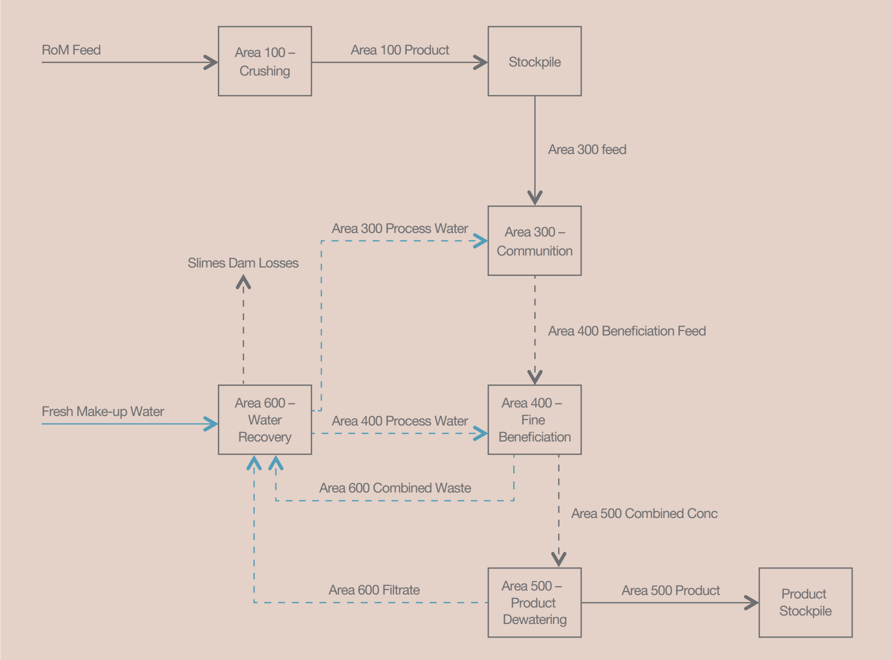
We look forward to the commencing Pre-Feasibility Study, which we anticipate to complete early in 2014.

Strategic partnership

Meanwhile, Bushveld is engaged with several potential strategic partners for the further development of the Bushveld Iron Ore Project. The Company has always been of the view that the Bushveld Iron Ore Project, with its scale and economic proposition, is ideally suited to be developed, post-Scoping Study, in conjunction with a strategic partner who has a strong balance sheet and can support co-developing the project with the potential sharing of technology as well as providing off-take opportunities. The Company will continue to provide updates on this matter as and when appropriate.

Furthermore, Bushveld is involved in discussions with the government of South Africa to identify and pursue synergies between the Company and the Government's stated intent to develop a downstream iron and steel beneficiation industry in the country.

Process flow



Concentrate from the massive mineralisation of the P-Q Zone obtained at coarse (6 mm) passing 80% fraction size:
Fe (50.1%), TiO_2 (19.0%), V_2O_5 (0.33%) and recoveries of 86%.

Concentrate from the massive mineralisation of the P-Q Zone obtained at a 500 µm passing 80% fraction size:
Fe (55.0%), TiO_2 (18.5%), V_2O_5 (0.39%) and recoveries of 86.5%.

CEO's Statement
continued

Section 102 application granted
Bushveld is pleased to report the approval of the application in terms of Section 102 of the Minerals and Petroleum Resources Development Act ('MPRDA') of 2002 to include the mineral phosphate and to extend the area under license 95PR. The Amended Right was executed on 15 May 2013, paving the way for the drilling programme along a further ~3-4 km strike of the iron ore mineralisation of the Bushveld Iron Ore Project. This strike extension – which is well-mapped based on soil geochemistry and geophysical analysis and is confirmed by a historical diamond borehole drilled in the 1970's, more than doubles the total strike length of the Bushveld Iron Ore Project and will be key in the Company's efforts to define a resource exceeding 1 billion tonnes.

Mokopane Tin Project

Bushveld is developing its tin projects through a wholly-owned subsidiary, Greenhills Resources Limited. The Company's strategy is to build a critical mass of tin resources targeting brownfield projects in South Africa and to develop at least one of the projects towards production in the short-term.

The Company's single license has five identified targets where exploration work has been focused. After establishing a 6,000 tonne contained tin resource on the first target at Groenfontein (prior to admission to AIM), the Company has been involved in carrying out a drilling programme on the Zaaiplaats target, located approximately 200 metres from the Groenfontein target. The drilling programme, comprising 43 diamond boreholes and covering a total 2,067.26 metres was completed on 25 February 2013. Samples are being assayed and will be incorporated into a resource model in the short-term.

Simultaneously, a metallurgical test-work programme has been underway on the Groenfontein and Zaaiplaats targets as well as on several other potential acquisition targets. This will be completed together with the resource definition work described above and will be consolidated into a Scoping Study to be released towards the end of 2013.

As such, the Company is on track with its stated ambition of building a mid-sized tin play with potential for near term production.

Cash and project development

Our focus during the period ended 28 February 2013, has been in relation to exploration and metallurgical studies for the Mokopane Tin Project and the Bushveld Iron Ore Project.

The technical exploration activities (drilling, assaying, technical consultants, etc.) reflect our focus on maintaining a lean overhead structure and spending the majority of the funds raised on advancing the projects under development.

The Group's cash position of £1,305,089 (at 28 February 2013) will be utilised to complete the Scoping Study for the Mokopane Tin Project pursuant to which the Group expects to start accelerated Pre-Feasibility Studies.

With the current Group cash position of around £430,000, we are currently in the process of raising additional cash funding of circa £1.5 million to focus on the Group's strategy to create commodity-focused platforms that can attract project specific funding following a Scoping Study.

With the Scoping Study for the Iron Ore Project complete, as announced to the market on 22 April 2013, the Group is now in discussions with several potential strategic partners for funding the project to completion of feasibility studies.

The Mokopane Tin Project is currently at a resource definition and metallurgical studies stage with a Scoping Study expected to be completed within the fourth quarter of 2013, after which a strategic partner will be sought for the further development of that project.

Lemur Resources (Post Balance Sheet Date)

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

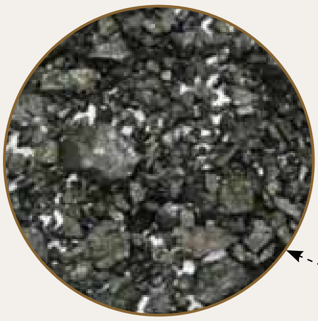
The all-scrip offer of three Bushveld shares for every five Lemur shares values Lemur (at the time of the bid) at A$19.1 million or A$0.099 per share, which is a 65.5% premium to Lemur's closing price on Friday 10 May, 2013. Lemur Resources has a 136 million tonne thermal coal project in Madagascar,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

Bushveld's rationale for the Lemur bid includes the following:

+ the opportunity to leverage the combined management capabilities of Lemur and Bushveld as well as Lemur's considerable balance sheet to identify and acquire and develop attractive projects
+ the attraction of a diversified portfolio of assets with significant scale upside and near term cash flow opportunities
+ the scope to increase Bushveld's liquidity through a compelling and attractive offer to Lemur's broad shareholder base
+ scope for deployment of cash resources toward investment in near-production assets which present improved opportunities to generate value for shareholders in the short to medium-term, and in attractive commodity segments

Iron Ore Project: Significant scope to scale up
Located close to supportive bulk commodity infrastructure

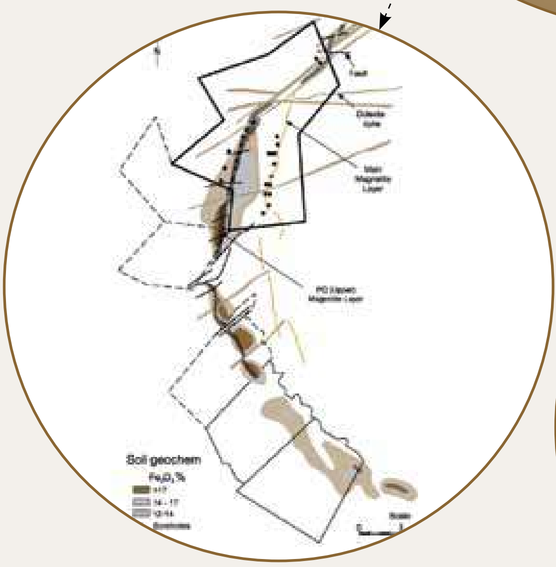
Coalfields:
Project located in close vicinity of coalfields for power generation and metallurgy process



Rail infrastructure:
Project located ~40 km from rail linking project to ports on the East coast

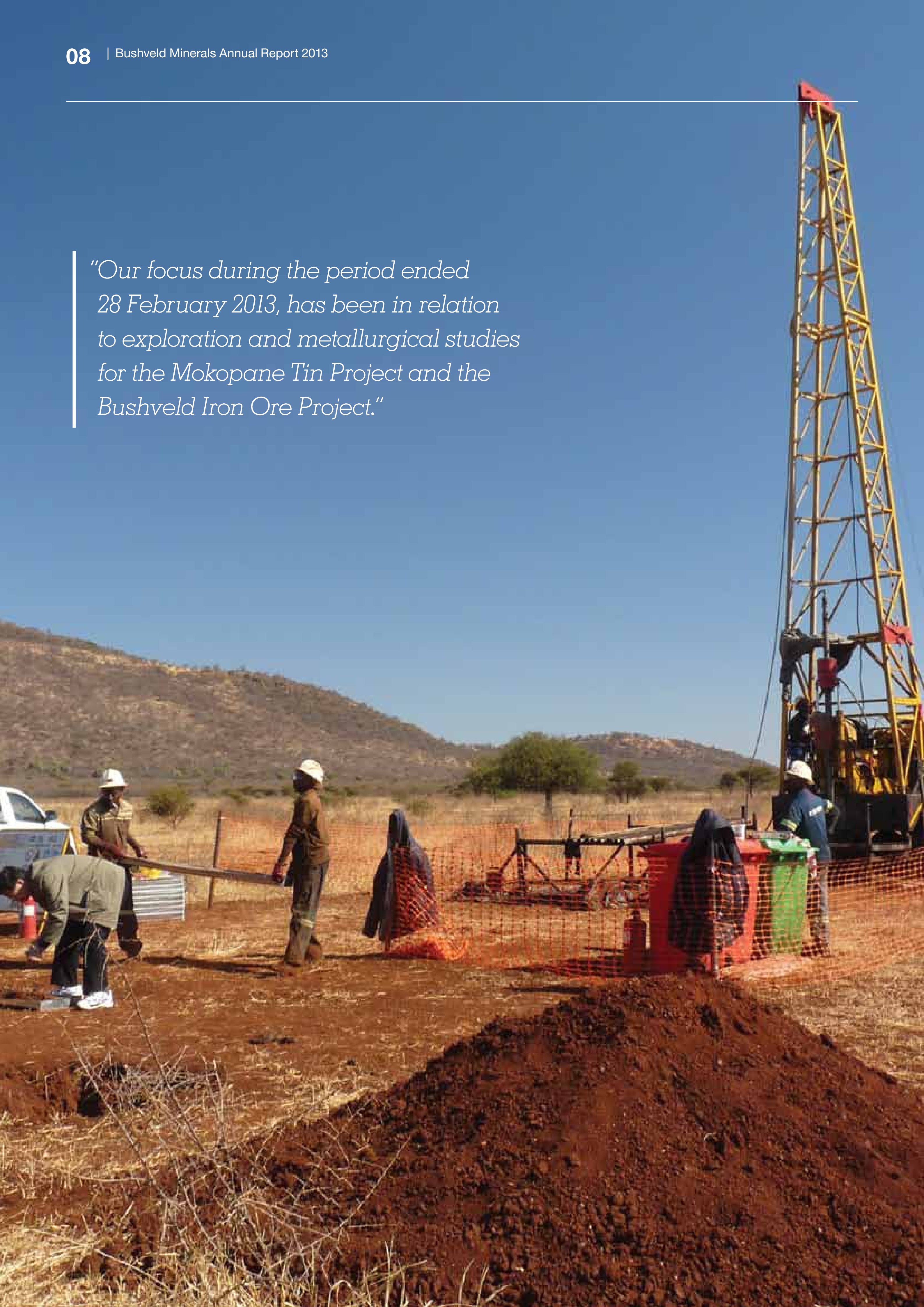
Maputo Terminal at Matola in Mozambique:
6 Mtpa capacity expanding to 20 Mtpa

Project has significant scale potential:
770 Mt JORC compliant resource defined on only 5.5 km strike out of a potential 18 km total strike extent



Richards Bay Port:
Expansion programme underway to also include magnetite and coal deep water port

"Our focus during the period ended 28 February 2013, has been in relation to exploration and metallurgical studies for the Mokopane Tin Project and the Bushveld Iron Ore Project."



CEO's Statement
continued

Bushveld believes that the bid is compelling to Lemur shareholders as:

+ the offer is at a significant premium to the Company's current and three month moving average share price
+ it will give Lemur shareholders exposure to the Bushveld Iron Ore Project and the Mokopane Tin Project in South Africa, which benefit from attractive long-term iron ore and tin market fundamentals and strong forward demand profiles
+ it will align the interests of the Company's various shareholder groups;
+ it will enable Lemur shareholders to benefit from the Bushveld Board and management team's technical and management expertise which can deliver the development strategy for the combined portfolio of assets and generate enhanced value
+ it will enhance global capital market and institutional investor awareness through an anticipated increase in broker research coverage and greater access to capital markets in the United Kingdom and Australia

We believe the bid has a high likelihood of success, having received indications of support from shareholders holding more than 40% of the issued shares in Lemur Resources. At date of this document, Bushveld had increased its interest in Lemur to 16.77% due to acceptances of the Company's bid.

Escrowed shareholders with 27.27% of Lemur's issued shares have confirmed their intent to accept Bushveld's takeover offer, in the absence of a superior bid and upon the escrow restrictions being lifted or ceasing to apply.

The bid is now unconditional and the offer period has been extended to 30 August 2013.

Outlook

Priorities

Going forward Bushveld's priorities are:

In respect of the Bushveld Iron Ore Project:

+ sourcing a strategic partner for the project
+ launching the pre-feasibility study programme

In respect of the Mokopane Tin Project:

+ completing a Scoping Study, focusing on the two targets, namely Groenfontein and Zaaiplaats
+ acquiring additional brownfield tin exploration projects

In respect of Lemur Resources:

+ completing the acquisition of Lemur Resources
+ playing a lead role in the roll-out of Lemur's growth strategy targeting near cash flow opportunities

Market conditions

We retain a positive outlook of the iron ore, titanium and vanadium as well as tin markets. The decrease in GDP growth rates in China and the as-yet unresolved economic crisis in Europe notwithstanding, we believe long-term demand for iron ore and tin will continue to be robust. We are also mindful of the recent fall in iron ore prices and recent downward revisions to long-term price outlook for iron ore, which were factored into the Scoping Study. All of this further underscores our belief and the philosophy guiding our project design and development – that of developing the project in a manner that places it favourably on the cash cost curve, thus making the project less vulnerable to downward trends in commodity prices.

Tin market fundamentals remain positive in our view. Tin demand is expected to continue holding up relatively firmly, driven largely by the electronics market. The supply side, however, is expected to contribute to a tighter market, with the availability of new high grade deposits continuing to decrease without adequate replacement from much lower grade resources that are not being developed fast enough. Accordingly, tin is one of only a few base metals where demand is expected to outstrip supply in 2013.

Fortune Mojapelo
Chief Executive Officer

> *"At date of this document, Bushveld had increased its interest in Lemur to 16.77% due to acceptances of the Company's bid."*

Risk Factors

A balanced approach

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

Category	Risk	How we mitigate the risks that impact us
Mineral Rights and Tenure Security	Obtaining and maintaining mineral (prospecting and mining) rights	Secure mineral titles are at the heart of every mining enterprise. Accordingly, it is a key priority for Bushveld to make sure that the mineral rights (prospecting and/or mining) that we hold are in good standing at all times. We employ a dedicated mineral rights tenure manager who is responsible for this. Additionally, delivering on our growth strategy is partially dependent on our ability to secure additional prospecting rights on properties, and this is an area of continual focus. Threats to mineral title security that we proactively manage are a) Political risk and b) Regulatory compliance. **a) Political risk** Until the recent economic downturn, the global boom in commodity prices has attracted the attention of the governments of resource rich countries, most of which have sought to increase state benefits in the mining sector. This has taken different forms, including the imposition of increased taxes (e.g. windfall taxes) and discussions in South Africa about an increased role of government in the mining sector. While South Africa has not escaped this to date, we believe the South African government will continue to recognise the importance of a vibrant commodity and mining sector to the prosperity of all South Africans and its duty to uphold the constitution (which protects private property ownership). Based on our analyses, we have no reason to doubt the South African government. Notwithstanding this we believe is prudent for Bushveld to develop a geographically diverse portfolio of assets to mitigate political risks in one geography. To this end, we actively investigate value-adding projects that meet our criteria of scope for scale and favourable cost curve positioning. The current bid for Lemur Resources, announced post year end, is in line with this diversification strategy.

Category	Risk	How we mitigate the risks that impact us
Mineral Rights and Tenure Security continued	Obtaining and maintaining mineral (prospecting and mining) rights	**b) Regulatory compliance** ***i) BEE/communities partnerships*** South Africa has a robust World Bank-compliant mineral law that is underpinned by a sound constitution and independent functional judiciary that lends much to the security of mineral title. The following are examples of regulatory compliance risks we manage: + BEE partnerships: The South African government has adopted a Mining Charter that requires economic participation in mining projects by historically disadvantaged South Africans ('HDSA'). The Mining Charter outlines several metrics spanning from equity participation, management representation and preferential procurement, among others. Bushveld has entered into several BEE partnerships to ensure its compliance + community involvement: Beyond the equity participation of the BEE partners in the projects, Bushveld adopts a holistic approach that includes local communities who live in the areas we operate. Bushveld proactively and continually engages with its BEE partners and communities to realise the objectives of the Mining Charter in a sustainable manner ***ii) Environmental and safety legislation*** Bushveld continually monitors the environmental and safety legislation as it relates to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection, among others, to ensure that we quickly adapt to all relevant legislative changes. Although our projects are still in the scoping phase, our executive team has adopted a proactive approach to make sure that the processes and procedures pertaining to sustainable development are integrated into the development plans.
Infrastructure	Dependence on local utilities and logistics infrastructure	We recognise that our ability to achieve our exploration and mine development goals depends on adequate infrastructure, including but not limited to rail, power sources and water supply. While the electricity supply in South Africa has been under pressure, the significant investments by Eskom, the domestic power utility, to increase its power generation capacity, will alleviate these issues in the medium-term. In addition, Bushveld's projects are located in close vicinity to thermal coal deposits, providing an alternative opportunity to produce our own power.

Risk Factors
continued

Category	Risk	How we mitigate the risks that impact us
Infrastructure continued	Dependence on local utilities and logistics infrastructure	A number of multinational mining companies operate successfully in the Bushveld Complex, using the existing road and rail infrastructure network. It is widely recognised that further investment is required in the rail network to optimise the local railway lines and ports to create sufficient capacity to effectively transport minerals in the volumes anticipated. Transnet has budgeted an investment of more than ZAR300 million over the next seven years to upgrade its logistics infrastructure, a significant portion of which is earmarked for a bulk commodity rail network. With several bulk commodity projects under development in Limpopo, a sizable proportion of this investment will invariably be spent upgrading infrastructure that can be utilised by Bushveld.
Metallurgy	Commercially viable resources	The P-Q Zone, which is the flagship deposit of the Bushveld Iron Ore Project, exhibits clear and consistent mineralisation with fairly well understood geological characteristics. This mineralisation consists of titaniferous magnetite, which contains iron ore, vanadium and titanium and needs some metallurgical processing to produce a saleable product(s). An inability to process this mineral resource or a processing approach that is too expensive would undermine the viability of the project. Extensive test-work was conducted during the year, as part of the Scoping Study, and this confirmed the concentrate products that can be produced from Bushveld's P-Q Zone. A process flow diagram ('PFD') was proposed for the processing of the RoM ore which comprised a conventional circuit for magnetite recovery (crush, mill, magnetic separation). This PFD produced the highest grade product that ultimately yielded the most iron. There is significant scope to reduce the concentrate product grind size and obtain better grades without significantly changing the project capital expenditure. There is also the potential for titanium and vanadium credits based on optimising the current metallurgical test-work and assessing the market through extensive field-based research with potential customers. To mitigate the metallurgical risk of high capital expenditure and complex processing, we chose to adopt an initial low capex route to enable Bushveld to reach production and cash flows in a shorter time. We believe our approach is low risk, particularly given the challenging global markets for project financing. Yet the project retains the flexibility to scale up the mining operations and the option of developing modular integrated pig iron or steel facilities. The Pre-Feasibility Studies will begin soon with completion scheduled for early in 2014.

Category	Risk	How we mitigate the risks that impact us
Metallurgy continued	Commercially viable resources	Other mitigation measures include: + project design that seeks to be bankable on the basis of iron ore products alone, with any vanadium and titanium credits considered a bonus + applying learned expertise from other operations that have similar mineralisation. Sufficient processing precedents, producing at least iron products or steel and a vanadium product exist that have been applied to the same mineralisation type as Bushveld. This will assist us to mitigate any risks involved in the processing of the ore + employing best in class metallurgical expertise with experience in designing and implementing metallurgical processes for titaniferous magnetite, which South Africa has in abundance + the emerging importance of magnetite deposits in the face of declining direct shipping ore deposits means greater industry effort to develop cost-effective beneficiation processes that titaniferous magnetite deposits, such as Bushveld's project, will be required by
Funding	Raising capital to fund development of projects	We recognise that developing our magnetite Iron Ore Project to the production stage will entail significant capital investment. Our Scoping Study for the Iron Ore Project, released on 22 April 2013 provided a low capital expenditure (US$126 million) and concentrate product route at base case RoM of 5 Mtpa, underscoring the viability of the project. The study produced a NPV of US$140 million (12.5% discount rate) and 34.2% IRR (real) with a 2 year payback from start of mining. Our admission to AIM has given us access to the equity markets as an alternative funding mechanism for these projects. There is inherent risk in raising a significant amount of capital, which is linked to systemic issues such as the health of the global financial system. We are mitigating this risk by making a compelling business case and maintaining our awareness in the investment community. We are also building optionality into our development plans, including modular alternatives for the roll out of our projects. We will continue to evaluate opportunities to develop strategic partnerships that have the potential to provide alternative sources of funding for our projects.
Skills	Retention of skilled personnel	As a new company with a small management team, we are aware of the potential impact of losing a key member of our team. We have attracted a highly experienced team with multi-disciplinary skills who all share our long-term vision. Following our admission to AIM, we are now planning a share incentive scheme whereby our key members of the management team will share directly in the successes of the Company which should assist in the retention of key skills.

Board and Management

Relevant experience

Ian Watson (aged 70),
Non-Executive Chairman

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

Fortune Mojapelo (aged 37),
Chief Executive Officer and Non-Executive Director of Lemur Resources

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

Anthony Viljoen (aged 37),
Executive Director and Non-Executive Director of Lemur Resources

Anthony is a mining entrepreneur and founding shareholder and director of VM Investment Company (Pty) Ltd, a principal investments and advisory company focusing 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. He is a Non-Executive Director of Lemur Resources.

The Zaaiplaats mine, site of the Mokopane Tin Project.

**Geoff Sproule (aged 71),
Finance Director**

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

**Jeremy Friedlander (aged 58),
Non-Executive Director**

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

Technical Team

Professor Richard Viljoen

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

Professor Morris Viljoen

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

Directors' Report

The Directors of Bushveld Minerals Limited ('Bushveld' or the 'Company') hereby present their report together with the consolidated financial statements for the period from incorporation from 5 January 2012 to 28 February 2013.

Principal activities, business review and future developments

The principal activity of the Group is mineral project development focused on exploring and developing mineral projects in the Bushveld Complex in South Africa. A review of the Group's progress, key performance indicators and prospects is given in the CEO's Statement on pages 4 to 9.

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

Exploration costs

The Group continues to devote considerable resources to exploration costs.

Results and dividend

The Group results show a loss for the period attributable to the equity holders of the Company of £2.6 million. The Directors are unable to recommend a dividend.

Share capital and funding

Full details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in Notes 17 and 18. 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.

The Company has unlimited authorised share capital divided into Ordinary Shares of 1 pence each, of which 283,969,110 had been issued as at 28 February 2013.

At a general meeting held on 3 June 2013, two resolutions were passed. The first authorised the Directors to allot and issue up to 125,000,000 Ordinary Shares of 1 pence each for the acquisition by the Company of the share capital in Lemur Resources Limited. By special resolution, the Directors are generally and unconditionally authorised to issue 150,000,000 shares for a period of 12 months at their discretion.

Directors

The Directors who served the Company since its incorporation on the 5 January 2012 are as follows:

Fortune Mojapelo	Chief Executive Officer	(appointed 1 March 2012)
Geoffrey Sproule	Chief Financial Officer	(appointed 1 March 2012)
Anthony Viljoen	Chief Operations Officer	(appointed 1 March 2012)
Ian Watson	Chairman and Independent Non-Executive Director	(appointed 1 March 2012)
Jeremy Friedlander	Independent Non-Executive Director	(appointed 1 March 2012)

Oak Directors Limited were appointed as Director on incorporation and resigned on 1 March 2012.

Directors' interests

The Directors' beneficial interests in the shares of the Company at 28 February 2013 were:

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

None of the Directors have been awarded share options of the Company since inception to 28 February 2013.

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 2013 was 30 days.

Related party transactions

Details of related party transactions are detailed in Note 22.

Share issues

On 15 March 2012 255,304,110 Ordinary Shares of 1 pence were issued at 20 pence per share as fully paid in exchange for the acquisition of Bushveld Resources Limited and Greenhills Resources Limited for total consideration of £51,060,822. Share premium of £48,507,781 arose as a result of the transaction.

On admission to the AIM Market of the London Stock Exchange on 26 March 2012 a further 28,665,000 Ordinary Shares of 1 pence each were issued at 20 pence per share. Of this amount, 27,300,000 were issued for cash consideration and fully paid on admission raising £5,460,000. 1,365,000 shares were issued for non-cash consideration. Share premium of £5,446,350 arose as a result of the transactions.

Post balance sheet events

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

Statement as to disclosure of information to auditor

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

Auditor

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

Electronic communications

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

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

By order of the Board

G N Sproule
Director
27 June 2013

Statement of Directors' Responsibilities

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

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Corporate Governance Report

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

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

The Board of Directors

The Board currently is comprised as follows:

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

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

Group Board meetings

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

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

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

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

Corporate Governance Report
continued

The Audit Committee

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

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

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

The Remuneration Committee

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

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

Remuneration Report

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

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

Remuneration Committee

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

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

Remuneration policy

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

Directors' service contracts

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

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

Incentive schemes/share option schemes

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

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

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

Remuneration Report
continued

Directors' emoluments

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

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

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

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

We have audited the Group financial statements of Bushveld Minerals Limited for the year ended 28 February 2013 on pages 16 to 44. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with section 262 of The Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 18, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Scope of the audit

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

Opinion on the financial statements

In our opinion the financial statements:

+ give a true and fair view of the state of the Group affairs as at 28 February 2013 and of the Group's loss for the period then ended;
+ the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
+ the Group financial statements have been prepared in accordance with the requirements of The Companies (Guernsey) Law 2008.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 30 of the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net loss for the period ended 28 February 2013 of £2,253,939 and is currently in a process of raising additional capital funding. These conditions, along with the other matters explained on page 30 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Matters on which we are required to report by exception

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

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

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

27 June 2013

Consolidated Income Statement
for the period to 28 February 2013

	Note	5 January 2012 to 28 February 2013 £
Continuing operations		
Administrative expenses	7	(2,358,639)
Operating loss		**(2,358,639)**
Investment income	8	104,700
Loss before tax		(2,253,939)
Tax	9	–
Total loss for the period		**(2,253,939)**
Attributable to:		
Owners of the Company		(2,253,939)
Non-controlling interests		–
		(2,253,939)
Loss per Ordinary Share		
Basic and diluted loss per share (in pence)	10	(0.96)

All results relate to continuing activities.

The notes on pages 28 to 44 form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the period to 28 February 2013

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

Consolidated Statement of Financial Position
as at 28 February 2013

	Note	28 February 2013 £
Assets		
Non-current assets		
Intangible assets: exploration activities	11	53,313,928
Investments	12	248,854
Property, plant and equipment	13	74,487
Total non-current assets		**53,637,269**
Current assets		
Trade and other receivables	14	50,157
Cash and cash equivalents	15	1,305,089
Total current assets		**1,355,246**
Total assets		**54,992,515**
Equity and liabilities		
Current liabilities		
Trade and other payables	16	(199,142)
Total current liabilities		**(199,142)**
Net assets		**54,793,373**
Equity		
Share capital	17	2,839,691
Share premium	18	53,811,401
Accumulated deficit		(2,253,939)
Revaluation reserve		(138,628)
Foreign exchange translation reserve		(234,021)
Equity attributable to the owners of the Company		**54,024,504**
Non-controlling interests		**768,869**
Total equity		**54,793,373**

The notes on pages 28 to 44 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 27 June 2013.

G N Sproule
Director
27 June 2013

Consolidated Statement of Changes in Equity
for the period ended 28 February 2013

	Equity attributable to owners of the parent company							
	Share capital £	Share premium £	Accumulated deficit £	Revaluation reserve £	Foreign exchange translation reserve £	Total £	Non-controlling interests £	Total equity £
Loss for the period	–	–	(2,253,939)	–	–	(2,253,939)	–	(2,253,939)
Foreign currency translation	–	–	–	–	(234,021)	(234,021)	–	(234,021)
Fair value loss on available for sale investment	–	–	–	(138,628)	–	(138,628)	–	(138,628)
Total recognised income and expense for the period	–	–	(2,253,939)	(138,628)	(234,021)	(2,626,588)	–	(2,626,588)
Transactions with Owners:								
Non-controlling interests	–	–	–	–	–	–	768,869	768,869
Issue of shares	2,839,691	53,954,131	–	–	–	56,793,822	–	56,793,822
Less issue costs	–	(142,730)	–	–	–	(142,730)	–	(142,730)
Balance at 28 February 2013	**2,839,691**	**53,811,401**	**(2,253,939)**	**(138,628)**	**(234,021)**	**54,024,504**	**768,869**	**54,793,373**

Consolidated Statement of Cash Flows
for the period ended 28 February 2013

	Note	Period ended 28 February 2013 £
Loss before taxation		(2,253,939)
Adjustments for:		
AIM listing expenses settled with shares		273,000
Interest income	8	(104,700)
Operating cash flows before movements in working capital		(2,085,639)
Decrease in receivables		33,487
Increase in payables		199,142
Net cash used in operating activities		**(1,853,010)**
Cash flows from investing activities		
Interest received	8	104,700
Purchase of exploration and evaluation assets	11	(2,100,284)
Purchase of tangible fixed assets	13	(62,975)
Cash acquired on acquisition of subsidiary	19	266,267
Purchase of available for sale investments	12	(386,053)
Net cash used in from investing activities		**(2,178,345)**
Cash flows from financing activities		
Proceeds from issue of shares	17	5,460,000
Costs taken against share premium from issue of shares		(142,730)
Net cash generated from financing activities		**5,317,270**
Net increase in cash and cash equivalents		**1,285,915**
Cash and cash equivalents at the beginning of the period		–
Effect of foreign exchange rates		19,174
Cash and cash equivalents at end of the period	15	**1,305,089**

The notes on pages 28 to 44 form part of these financial statements.

Notes to the Consolidated Financial Statements
for the period ended 28 February 2013

1. Corporate information and principal activities

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

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

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

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

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

As at 28 February 2013, the Bushveld Group was comprised as follows:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
Bushveld Minerals Limited	N/A	Guernsey	Ultimate Holding Company
BRL	100%	Guernsey	Holding Company
Pamish 39	64%	South Africa	Iron Ore Exploration Prospecting Right 95
Amaraka	68.5%	South Africa	Iron Ore Exploration Prospecting Right 438
Frontier Platinum	100%	South Africa	Group Support Services
GRL	100%	Guernsey	Holding Company
Mokopane	100%	South Africa	Holding Company
Renetype	74%	South Africa	Tin Exploration Prospecting Right 2205

These financial statements are presented in Pounds Sterling because that is the currency the Group has raised funding on the AIM market. Foreign operations are included in accordance with the policies set out in Note 3.

2. Adoption of new and revised standards

Standards issued but not yet effective

The following standards and amendments to existing standards have been published and are mandatory from the financial year on or after the effective dates shown below but are not currently relevant to the Company (although they may affect the accounting for future transactions and events).

Topic	Key requirements	Effective date
IFRS 7, Financial Instruments: Offsetting Financial Assets and Financial Liabilities'	The amendments require entities to disclose information about the rights of offset and related arrangements for financial instruments, under an enforceable master netting agreement or similar agreement.	1 Jan 2013
IFRS 9, Financial Instruments	The standard is the first standard issued as part of a wider project to replace IAS 39. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The classification depends on the entity's business model and the contractual cash flow characteristics of the instrument. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply.	1 Jan 2015
IFRS 10, Consolidated financial statements	The standard's objective is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.	1 Jan 2013
IFRS 11, Joint arrangements	IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures proportional consolidation of joint ventures is no longer allowed.	1 Jan 2013
IFRS 12, Disclosures of interests in other entities	IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.	1 Jan 2013
IFRS 13, Fair value measurement	IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.	1 Jan 2013
IAS 27 (revised 2011), Separate financial statements	IAS 27 (revised 2011) includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.	1 Jan 2013
Amendment to IAS 1, Financial statement presentation regarding other comprehensive income	The main change resulting from these amendments is a requirement for entities to Group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.	1 Jul 2012
IAS 28 (revised 2011), Associates and joint ventures	IAS 28 (revised 2011) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.	1 Jan 2013

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

Notes to the Consolidated Financial Statements
continued

3. Significant accounting policies

Basis of accounting

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

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

Going concern

In preparing the financial statements, the Directors have considered the current financial position of the Group and the likely future cash flows for the period to 30 June 2014. The cash flow forecasts to 30 June 2014 assume that a cash injection of circa £1.5 million completes in July 2013. The purpose of the cash injection by means of a round of fundraising currently in discussion is to focus on the Group's strategy is to create commodity focused platforms that can attract project specific funding post a Scoping Study. With the Scoping Study for the Iron Ore Project complete, as announced to the market on 22 April 2013, the Group is now in discussions with several potential strategic partners for funding the project to completion of feasibility studies.

The Tin Project is currently in a resource definition and metallurgical studies stage with a Scoping Study expected to be completed within Q4 2013, after which a strategic partner will be sought for the further development of the project.

The Directors are therefore confident the cash injection of circa £1.5 million will be successful and that this will ensure that the Group will have adequate cash resources to pay debts as they fall due and to continue its operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the Group's financial statements.

With the current cash position of around £430,000, without the cash injection the Group would not be able to complete all its intended projects and certain expenditure planned will need to be curtailed. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Basis of consolidation

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

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

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

Foreign currencies

Functional and presentational currency

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

3. Significant accounting policies (continued)

Transactions and balances

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

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

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

Finance income

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

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the 'balance sheet liability' method.

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

Intangible exploration and evaluation assets

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

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

Notes to the Consolidated Financial Statements
continued

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

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

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

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

Depreciation is provided on all plant and equipment at rates calculated to write each asset down to its estimated residual value, using the straight-line method over their estimated useful life of the asset as follows:
+ geological equipment over 2 years;
+ motor vehicles over 3 years; and
+ office equipment and computers over 2 years.

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

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

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

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

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

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

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

3. Significant accounting policies (continued)

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.

Trade and other receivables

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

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

Cash and cash equivalents

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

Trade and other payables

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

Available for sale financial assets

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

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

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

Financial liabilities and equity

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

4. Use of estimates and judgements

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

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

Notes to the Consolidated Financial Statements
continued

4. Use of estimates and judgements (continued)
Management's critical estimates and judgements in determining the value of assets, liabilities and equity within the financial statements relate to the valuation of intangible exploration assets of £53.3 million and the going concern assumptions.

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

5. Segmental reporting
The reporting segments are identified by the Directors of the Group (who are considered to be the chief operating decision makers) by the way that Group's operations are organised. As at 28 February 2013 the Group operated within two operating segments, mineral exploration activities for Iron Ore and for Tin. All exploration activities take place in South Africa.

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

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

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

	Period ended 28 February 2013 £
Gross loss	(166,684)
Unallocated administration expenses	(2,191,955)
Finance income	104,700
Loss before tax	**(2,253,939)**

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

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

All of the Group's operations are based in South Africa.

6. Loss for the period

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

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

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

7. Administrative expenses by nature

	Period ended 28 February 2013 £
AIM listing expenses	1,443,097
Professional fees	322,815
Employee benefits expense	250,377
Travelling expenses	20,586
Foreign exchange loss	171,795
Other costs	149,969
	2,358,639

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

8. Investment revenue

Interest revenue:

	Period ended 28 February 2013 £
Bank interest	104,700

9. Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the 'balance sheet liability' method.

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

Notes to the Consolidated Financial Statements
continued

9. Taxation (continued)

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

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

10. Loss per share

From continuing operations

The calculation of a basic loss per share of 0.96 pence, is calculated using the total loss for the period attributable to the owners of the Company of £2,253,939 and the weighted average number of shares in issue during the period of 235,900,175. There are no potentially dilutive shares in issue.

11. Intangible assets

	Exploration activities – Iron Ore £	Exploration activities – Tin £	Total £
Cost			
As at 5 January 2012	–	–	–
Acquired on acquisition of a subsidiary	34,932,526	16,415,872	51,348,398
Additions	1,593,370	625,090	2,218,460
Foreign exchange translation	(162,081)	(90,849)	(252,930)
As at 28 February 2013	**36,363,815**	**16,950,113**	**53,313,928**

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

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

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

12. Investments

	Available for sale investments £
As at 5 January 2012	–
Additions	386,053
Fair value loss	(138,628)
Foreign exchange movement	1,429
As at 28 February 2013	**248,854**

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

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

Further information on the Group's shareholding in Lemur Resources Limited can be found in Note 21 to these financial statements.

13. Property, plant and equipment

	Motor vehicles £	Geological equipment £	Fixtures and fittings £	Total £
Cost				
As at 5 January 2012	–	–	–	–
Additions	40,961	7,676	2,700	51,337
Acquisition of subsidiary	26,078	27,069	9,828	62,975
Exchange differences	(1,491)	(773)	(279)	(2,543)
At 28 February 2013	**65,548**	**33,972**	**12,249**	**111,769**
Depreciation				
As at 5 January 2012	–	–	–	–
Charge for the year	22,374	8,079	7,678	38,131
Exchange differences	(498)	(180)	(171)	(849)
At 28 February 2013	**21,876**	**7,899**	**7,507**	**37,282**
Net book value				
At 28 February 2013	**43,672**	**26,073**	**4,742**	**74,487**

Depreciation of £38,131 has been capitalised as exploration activities in the period.

14. Trade and other receivables

	28 February 2013 £
Other receivables	50,157
	50,157

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

The amount of trade and other receivables denominated in South African Rand amount to £27,976.

Notes to the Consolidated Financial Statements
continued

15. Cash and cash equivalents

	28 February 2013 £
Cash at hand and in bank	1,305,089

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

16. Trade and other payables

	28 February 2013 £
Trade payables	107,383
Other payables	23,846
Accruals	67,913
	199,142

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

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

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

The amount of trade and other payables denominated in South African Rand amount to £79,333.

17. Share capital

Issued and fully paid	£
283,969,110 Ordinary Shares of 1 pence each	2,839,691

The Company was incorporated on 5 January 2012 with unlimited authorised share capital. On incorporation 100 Ordinary Shares of £1.00 each were issued at par. On 12 March 2012 the Ordinary Shares were subsequently converted into 10,000 Ordinary Shares of 1 pence each.

On 15 March 2012 255,304,110 Ordinary Shares of 1 pence were issued at 20 pence per share as fully paid in exchange for the acquisition of Bushveld Resources Limited and Greenhills Resources Limited for total consideration of £51,060,822. Share premium of £48,507,781 arose as a result of the transaction.

On admission to the AIM Market of the London Stock Exchange ('AIM') on 26 March 2012 a further 28,665,000 Ordinary Shares of 1 pence each were issued at 20 pence per share. Of this amount, 27,300,000 were issued for cash consideration and fully paid on admission raising £5,460,000. 1,365,000 shares were issued for non-cash consideration. Share premium of £5,446,350 arose as a result of the transactions.

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.

18. Share premium account

	Share premium £
Balance on incorporation	–
Premium arising on issue of equity shares	53,954,131
Expenses of issue of equity shares	(142,730)
Balance as at 28 February 2013	**53,811,401**

19. Acquisition of subsidiaries

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

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

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

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

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

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

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

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

20. Financial instruments

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

Notes to the Consolidated Financial Statements
continued

20. Financial instruments (continued)

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

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

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

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

Principal financial instruments
The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:
+ trade and other receivables;
+ cash at bank;
+ trade and other payables; and
+ available for sale investments.

Categories of financial instruments
At 28 February 2013, the Group held the following financial assets:

	28 February 2013 £
Loans and receivables	
Trade and other receivables	50,157
Cash and cash equivalents	1,305,089
	1,355,246
Available for sale	
Investments	248,854
Total financial assets	**1,604,100**

At 28 February 2013, the Group held the following financial liabilities:

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

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

20. Financial instruments (continued)

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

Credit risk

The Group's principal financial assets are bank balances, trade and other receivables and available for sale investments.

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

The concentration of the Group's credit risk is considered by counterparty, geography and by currency. The Group has a significant concentration of cash held on deposit with large banks in South Africa and the United Kingdom with A ratings and above (Standard and Poor). At 28 February 2013 the concentration of credit risk was as follows:

Counterparty	28 February 2013 £
Investec Bank Plc	1,187,951
Hambros Bank	28,299
Other banks	88,839
	1,305,089

Of the above amounts £634,239 of the balance held with Investec was held in South African Rand, the remaining amount being held in Pounds Sterling. Of the remaining balances £88,839 was held in Rand with the remainder held in Pounds Sterling.

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

At 28 February 2013, 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 2013, 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 2013, the Group had £1,305,089 of cash reserves.

Notes to the Consolidated Financial Statements
continued

20. Financial instruments (continued)

Market risk

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

Interest rate risk

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

Foreign exchange risk

As highlighted earlier in these financial statements, the functional currency of the Group is Pounds 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 Pounds Sterling, are shown below in the Group's functional currency:

	28 February 2013 £
Cash and cash equivalents	722,540
Other receivables	27,967
Trade and other payables	(103,135)
	647,372

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

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

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

2013	Rand currency impact strengthening £	Rand currency impact weakening £
Assets	(68,228)	83,390
Liabilities	9,376	(11,459)
	(58,852)	**71,931**

Maturity of financial liabilities

All of the Group's financial liabilities and its financial assets in the period to 28 February 2013 are either payable or receivable within one year, with the exception of the available for sale investments totalling £248,854.

21. Events after the balance sheet date

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

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

22. Related party transactions

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

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

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

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 on page 21.

	28 February 2013 £
Fees for services as Directors	60,538
Short-term employee benefits	261,839
	322,377

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

23. Comparative figures

The financial statements as presented are for the period 5 January 2012 to 28 February 2013. As these are the first financial statements of the Group no comparative figures are reflected.

Notes

Company Information

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Fortune Mojapelo
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Anthony Viljoen
Executive Director and Non-Executive Director of Lemur Resources
Geoff Sproule
Finance Director
Ian Watson
Non-Executive Chairman
Jeremy Friedlander
Non-Executive Director

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