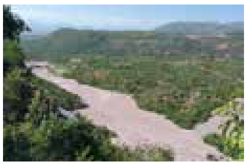
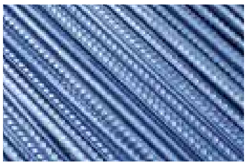
BUSHVELD MINERALS






Annual Report 2016

Bushveld Minerals at a Glance

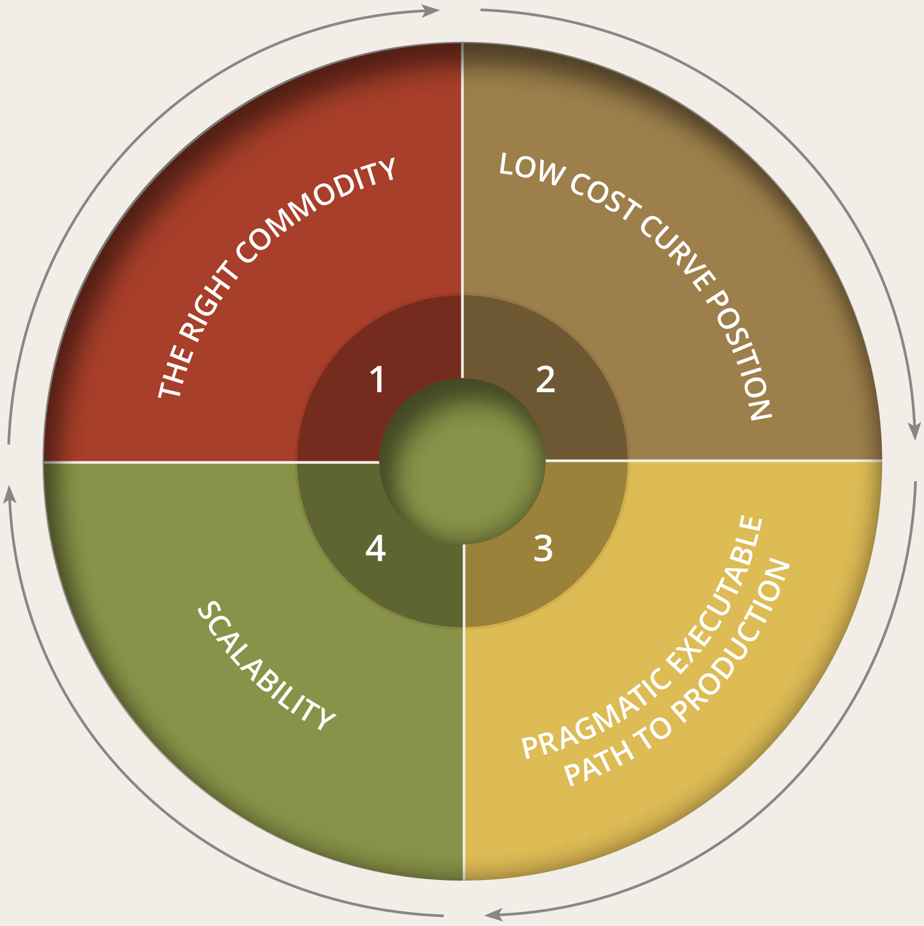
About Bushveld Minerals Limited

Bushveld Minerals Limited ('Bushveld Minerals' or 'the Company') is an AIM-listed mineral development company with a portfolio of vanadium and titanium bearing magnetite ore, tin and thermal coal assets in Southern Africa. The portfolio comprises projects organised around three platforms:

- **Bushveld Resources Limited (vanadium, titanium and phosphate)** comprising the flagship Mokopane Vanadium Project, the Brits Vanadium Project, the PQ Iron Ore Project and PQ Phosphate Project associated with the Mokopane Vanadium Project;
- **Greenhills Resources Limited (tin)** comprising the Mokopane Tin Project and the Marble Hall Tin Project; and
- **Lemur Resources Limited (coal)** comprising the Imaloto Coal and Power Project in Madagascar.

Business model

Bushveld Minerals' approach to project development recognises that whilst attractive project economics are an imperative, they are insufficient to secure capital to bring them to account. A clear path to production with a visible timeframe, low capex requirements and scalability are important factors in retaining an attractive exit option. This philosophy is core to the Company's strategy in developing projects and is encapsulated in the following illustration:



1. THE RIGHT COMMODITY

- Sound market fundamentals supporting stable and favourable commodity price outlook.
- Supply – demand balance in favour of growth.

2. LOW COST CURVE POSITION

- First and second quartile preferred.
- Protects against price downswings.
- Healthy margin potential.

3. PRAGMATIC EXECUTABLE PATH TO PRODUCTION

- A function of capex and project complexity.
- Protects against prevalent market aversion to pure development plays.
- Reduces dependence on asset sale for value realisation.

4. SCALABILITY

- Scale combined with the other three criteria makes for compelling proposition to major mining companies.
- Provides multiplier for enhanced exit value.

Find out more at www.bushveldminerals.com

Key Milestones

2012
Bushveld Minerals listed on the London Stock Exchange – AIM

2013
Launch of Bushveld Vanadium and Lemur Resources (ASX) takeover offer announcement

2014
Vanadium scoping report released confirming US$264 million NPV at IRR of 24%. Initial capital outlay of US$262 million

2014
Completion of Mokopane Tin Project scoping study

2015
Vanadium resource upgraded to 285 million tonnes and mining right application submitted

2015
Imaloto coal resource upgraded to 136 million tonnes

2016
Launch of Bushveld Energy

2016
Bushveld Energy signs MOU with UniEnergy Technologies

2016
Bushveld Energy signs cooperation agreement with the Industrial Development Cooperation

2016
Acquisition of the Brits Vanadium Project

2016
Completion of the Mokopane Vanadium Project pre-feasibility study

2016
Proposed acquisition of 78.8% interest in Strategic Minerals Corporation

Investment case

1. Exposure to a multi-mineral strategically crafted portfolio of resources including vanadium, tin and coal, with a low quartile production cost position.
2. Exposure to the attractive vanadium market through one of the world's largest high grade primary vanadium resource bases.
3. Scope for near term cash flows and a potential re-rate through the acquisition of producing assets, enabling significant growth in shareholder value.
4. Exposure to the burgeoning energy storage market, where Bushveld is strategically positioned for a significant role.
5. Deep technical and management skills to bring projects to account.

Operational Structure

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

Bushveld Resources

DEVELOPING A GLOBALLY SIGNIFICANT LOW COST INTEGRATED VANADIUM PLATFORM

MOKOPANE VANADIUM PROJECT

- Bushveld Minerals has a 64% interest in Pamish Investments No. 39 (Pty) Ltd which holds the mineral rights to 5 farms on the Northern limb of the Complex for vanadium, titanium, iron and phosphate.

BRITS VANADIUM PROJECT

- Comprises 3 mineral rights to 3 different farms on the Western Limb of the Bushveld Complex.
- Bushveld Minerals interest in the 3 mineral rights, through special purpose vehicles, is 70%, 100% and 50%.

VAMETCO ALLOYS

- Bushveld Minerals owns 45% of Bushveld Vametco Limited, established to acquire a 78.8% interest in U.S. based Strategic Minerals Corporation.
- SMC owns 74% interest in Vametco Holdings (Pty) Ltd, which owns the Vametco mine and processing plant.
- VHL holds the mineral rights for vanadium and other associated minerals over 2 farms on the Western limb of the Bushveld Complex.

BUSHVELD ENERGY LIMITED

- Bushveld Energy Limited is Mauritian based 84% held subsidiary of Bushveld Minerals.

Greenhills Resources Ltd (A Bushveld Minerals Limited Company)

DEVELOPING A PAN-AFRICAN PORTFOLIO OF TIN ASSETS WITH A NEAR TERM PRODUCTION PROFILE

MOKOPANE TIN PROJECT

- Greenhills Resources owns a 74% of Renetype (Pty) Ltd, which has prospecting rights for tin to 5 farms on the Northern limb of the Bushveld Complex.

MARBLE HALL TIN PROJECT

- Greenhills Resources owns 50% shareholding in the project, which covers prospecting rights for tin over several properties on the Bushveld Complex.

ZAAIPLAATS TIN TAILINGS PROJECT

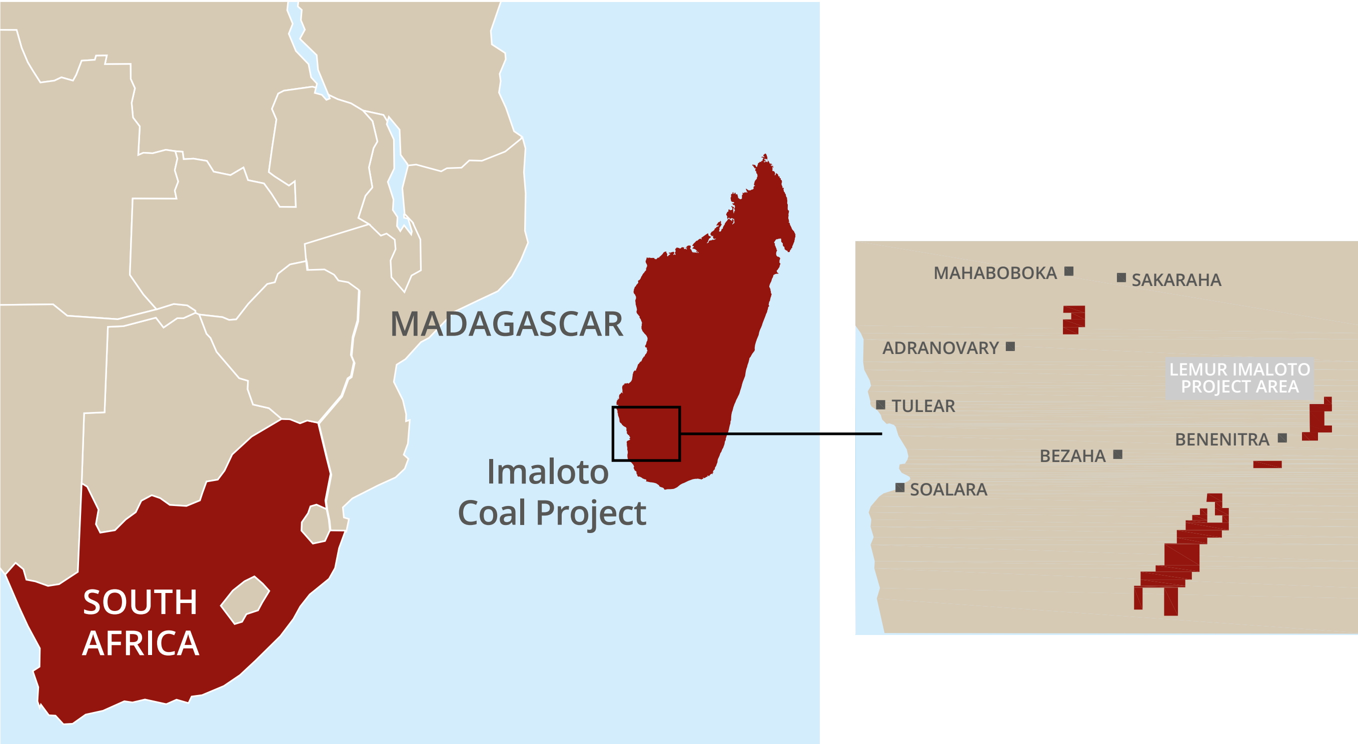
- The Zaaiplaats tailings project is owned by a subsidiary of Lemur Resources, Pamish Investments No. 71 (Pty) Ltd.
- With the Lemur acquisition completed, the project will be transferred to Greenhills Resources.

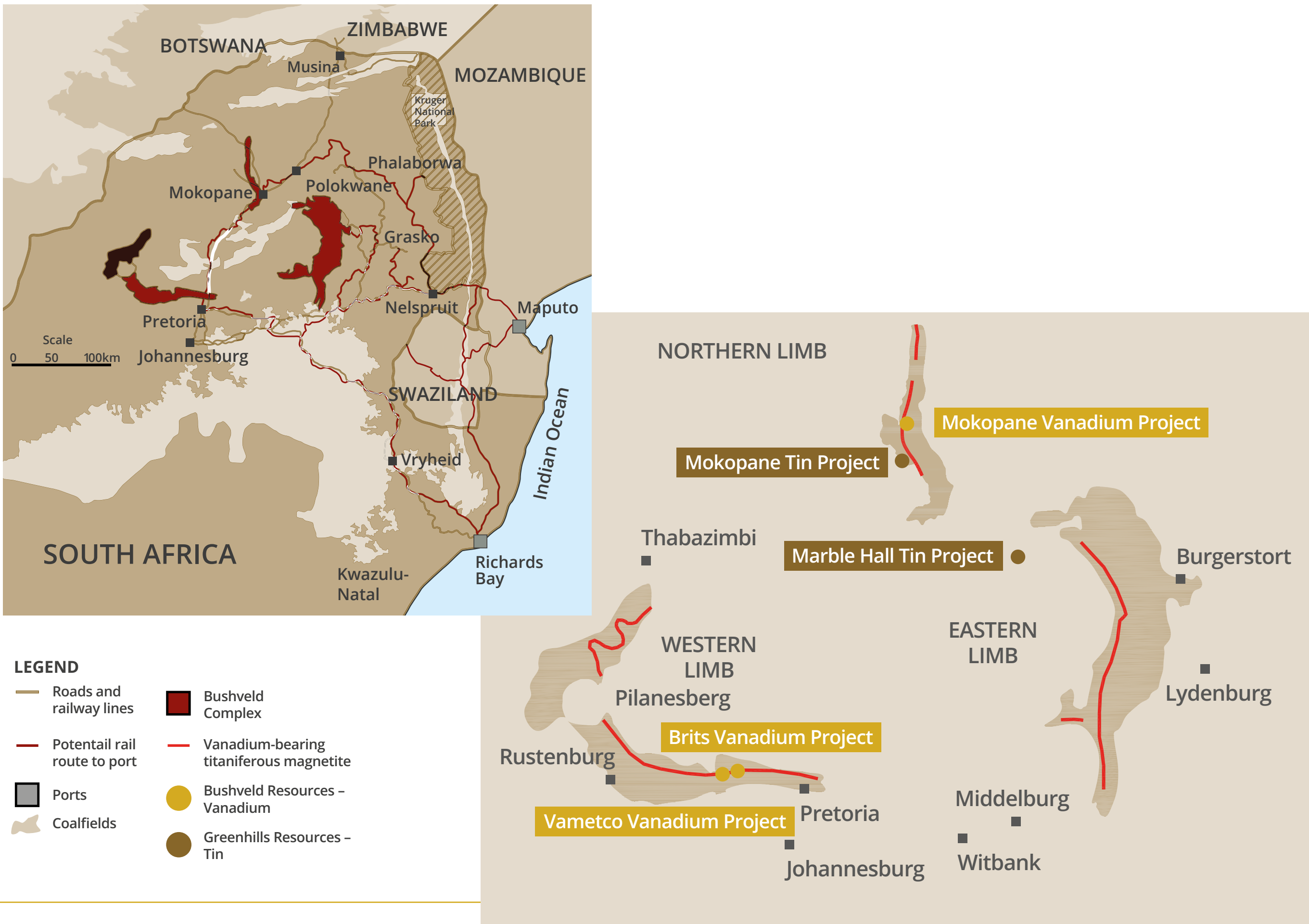
Lemur Resources Limited (ACN 147 241 361)

DEVELOPING AN INTEGRATED THERMAL COAL MINING AND IPP ASSET IN MADAGASCAR

IMALOTO COAL & POWER PROJECT

- Lemur Resources owns 99% of Coal Mining Madagascar SARL, which owns the mineral rights (including a mining right) to the Imaloto coal project.


MADAGASCAR
Imaloto
Coal Project
SOUTH
AFRICA
MAHABOBOKA
SAKARAHA
ADRANOVARY
LEMUR IMALOTO
PROJECT AREA
TULEAR
BENENITRA
BEZAHA
SOALARA


BOTSWANA
ZIMBABWE
Musina
MOZAMBIQUE
Kruger
National
Park
Phalaborwa
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Kwazulu-
Natal
Richards
Bay
NORTHERN LIMB
Mokopane Vanadium Project
Mokopane Tin Project
Thabazimbi
Marble Hall Tin Project
Burgerstort
WESTERN
LIMB
EASTERN
LIMB
Lydenburg
Pilanesberg
Brits Vanadium Project
Rustenburg
Vametco Vanadium Project
Pretoria
Middelburg
Johannesburg
Witbank
LEGEND
Roads and
railway lines
Bushveld
Complex
Potentail rail
route to port
Vanadium-bearing
titaniferous magnetite
Ports
Bushveld Resources –
Vanadium
Coalfields
Greenhills Resources –
Tin

Project Overview

VANADIUM PLATFORM

Bushveld Vanadium is a flagship platform for Bushveld Minerals. The focus on vanadium is informed by the unique strategic opportunity to build a substantive position based on attractive mineral resources and a market characterised by compelling dynamics. The Company owns one of the world's most significant primary vanadium resources, with some of the world's highest vanadium in-magnetite grades and has access to low cost processing capacity in a region that hosts the world's largest primary vanadium resources. In addition to the vanadium projects' potential low cost curve positioning, the concentrated and declining supply in the face of a robust and growing demand profile, presents an opportunity for the Company to accelerate towards vanadium production.

Bushveld Minerals' vanadium deposits are located in an established mining region with excellent infrastructure and a rich history of minerals beneficiation. Bushveld Minerals has identified processing facilities that would have material synergies with its deposits. The attraction of brownfield infrastructure lies in the opportunity to significantly reduce capex requirements and lead-time to production.

The Company's vision is to build a South African integrated vanadium platform comprising high grade primary vanadium mining, beneficiation and further downstream manufacturing for high value vanadium products, including vanadium chemicals and vanadium redox flow batteries ('VRFBs') for the energy storage industry.

Mokopane Vanadium Project

The Mokopane Vanadium Project ('Mokopane project' or the 'Project') is a cornerstone asset pivotal to Bushveld Minerals' strategy. It comprises one of the world's largest, highest in-situ (1.4%) and in-concentrate (1.75%) vanadium ('V_2O_5') grades.

Project location

The Mokopane project is located on the central portion of the Northern limb of the Bushveld Complex (the 'Complex'), the second largest host of vanadium resources in the world. It is one of Bushveld Mineral's three deposits in the area. It exists in a mining region with well-developed infrastructure.

The Project is within the Mokopane District which encompasses Mogalakwena and Waterberg District municipalities approximately 65km West of Polokwane. The Mokopane project has a prospecting right (LP95PR), and a mining right application is underway.

The right incorporates five farms, these being Vogelstruisfontein 765 LR, Vriesland 781 LR, Vliegekraal 783 LR, Schoonoord 786 LR and Bellevue 808 LR. The Project's mineral prospecting right covers several minerals including iron ore, vanadium and titanium. Bushveld Minerals owns 64% of Pamish Investments, and the remaining 36% is held by Izingwe Capital (Pty) Limited ('Izingwe'), a 51% black economic empowered company. Bushveld Minerals and Izingwe are in discussions to decide on a broader based empowerment shareholding to include the local community.

Figure 1a: Outcrop of the Main Magnetite Layer (MML) at the Mokopane Vanadium Project

Figure 1b: Magnetic-rich soil at the Mokopane Vanadium Project

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

Mokopane Vanadium Project PFS results

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

The nature of the resource

The Mokopane project deposit is a layered ore body along a 5.5km North-South strike at a dip of between 18° to 22° West. The Project comprises three adjacent and parallel magnetite layers namely the Main Magnetite Layer, the Main Magnetite Layer Hanging Wall layer and the AB Zone. A pre-feasibility study (PFS) on the Project was released on 4 February 2016, less than 12 months after the release of the scoping study. The PFS indicates attractive economics for the Mokopane project for a base case operation of 1.0 million tonnes per annum (Mtpa) of Run-of-Mine (RoM), producing 672,000 tonnes per annum (tpa) of V_2O_5 concentrate with an average grade of 1.75%, as summarised below. The concentrate is processed in a salt roast plant to produce 9,525tpa of >99% purity V_2O_5.

The Company believes that the Mokopane Project is robust enough to advance to the bankable feasibility study (BFS). The Company's intention is to develop the project with a strategic partner and it is currently actively engaged in the search for such a partner. An important consideration for the BFS will be the extent to which brownfield processing infrastructure can be leveraged to materially reduce the capex requirement for the Project. To this end, several options are under consideration, including but not limited to synergies with the Vametco Alloys primary vanadium mine and processing plant in Brits, South Africa ('Vametco'), a subsidiary of Vametco Holdings (Pty) Limited. As announced in the period, Bushveld Minerals is in the process of acquiring an interest in Vametco Holdings (Pty) Ltd's parent company, Strategic Minerals Corporation, further details on which are on page 6 of this annual report.

Bushveld Minerals' focus on establishing a vanadium platform is informed by the unique strategic opportunity to build a substantive position in a vanadium market whose dynamics are in themselves compelling. The Company owns one of the world's significant primary vanadium resource base.

Project Overview
Continued

Strategic Minerals Corporation acquisition (ultimate owner of Vametco Alloys (Pty) Ltd)

Background

In line with Bushveld Minerals' strategy to secure brownfield processing infrastructure, the Company announced on 9 May 2016 that it had entered into a share purchase agreement (which was subsequently amended, as announced on 25 July 2016) with Evraz Group S.A ('Evraz') to acquire a 78.8% economic interest in Strategic Minerals Corporation ('SMC') (the 'Acquisition'). SMC is a USA incorporated company that owns 100% of South African registered Vametco Holdings (Pty) Limited which in turn owns 75% of Vametco. Vametco's operations are located on the Eastern limb of the Bushveld Complex, 8km North-East of Brits, in the North West province of South Africa.

Transaction summary

The Acquisition is for a total purchase consideration of US$16,466,000, which we estimate to be less than 10% the construction cost of a greenfield mine and plant of the same capacity. The transaction is being implemented in partnership with Yellow Dragon Holdings Limited ('YDH'), through Bushveld Minerals Vametco Limited ('BVL'), a special purpose vehicle set up for the transaction. Bushveld Minerals owns 45% of BVL while YDH owns the balance of 55%. The Acquisition is set to complete on or before 31 March 2017.

The share purchase agreement incorporates a potential annual earn-out payment to Evraz from BVL based on specific minimum vanadium price thresholds being attained. The earn-out payment is potentially payable between the years 2018 and 2025, up to a maximum annual amount of US$1,500,000 and a maximum cumulative amount of US$5,000,000 (2016 monetary terms).

The Acquisition has several conditions precedent, including BVL securing the required financing and attaining the relevant regulatory approvals for the transaction. Funding discussions for the transaction are progressing on schedule; the Company intends to finance its share of the transaction consideration through a combination of debt and equity. Bushveld Minerals is currently working with the Department of Mineral Resources for the necessary approvals as stipulated by the MPRDA.

Figure 2: A Google Earth image of the Vametco Mine and Plant

Post completion, the Vametco transaction will transform Bushveld Minerals from an exploration junior miner to a significant vanadium mining and processing company supplying approximately 2.5% of the global demand with scope to increase to approximately 5% following completion through a debottlenecking expansion project over 24 months.

Vametco acquisition rationale

1. Vametco is a quality asset

Additional key attributes include:

- First-quartile cash cost primary producer of vanadium with an ore body containing some of the highest vanadium grading in the world;
- The ore body contains one of the highest vanadium grading primary deposits with average in-magnetite grade of 2.55%; and
- Vametco's low operating costs and its 95% US dollar-based revenue stream, distinguishes the operations from a range of identified potential acquisition targets from a profitability perspective. The operation is well positioned for the upward currently ongoing correction in the vanadium price.

2. Advances Bushveld Minerals' vanadium strategy

Bushveld Minerals' vanadium strategy is based on the emerging role of primary vanadium production and leverages the Company's location in the world's most important primary vanadium region. The acquisition advances the following key aspects of the Company's vanadium strategy:

- **To build an integrated vanadium platform** – The Acquisition brings into action Bushveld Minerals' strategy to build a significant vertically integrated vanadium platform;
- **To consolidate primary vanadium resources** – Together with the adjacent Brits Vanadium project, the acquisition enables the consolidation of primary vanadium deposits on the Bushveld Complex, the world's largest contributor to primary vanadium production; and
- **To build a downstream vanadium based energy storage business** – The Acquisition also provides the Company the opportunity to accelerate development of electrolyte manufacturing capacity in support of Bushveld Energy in targeting the multi-billion dollar energy storage industry (for further information, please see page 8).

Given the constraints associated with steel-production vanadium slag, and the high cost of secondary sources of vanadium, primary vanadium producers with high-grade deposits are well positioned to emerge as significant players.

3. Accelerated path to production and cash flows

The Mokopane project's projected commissioning date as determined by the PFS is 2019; subject to completion of a bankable feasibility study at a cost of US$7.7 million over 12 months and construction capital spend of US$290 million. Subject to the required funding being in place, on completion the Acquisition will secure immediate vanadium production for Bushveld Minerals at a considerably reduced cost to shareholders.

Moreover, Vametco's production base enables Bushveld Minerals to leverage generated cash flows to advance its other vanadium projects without entirely depending on capital markets.

4. Established leadership team

The Vametco management team will be retained in the business post the transaction, bringing into Bushveld Minerals an established leadership team with over 100 years combined experience in vanadium mining and processing.

Brits Vanadium Project

The Brits Vanadium Project comprises prospecting rights on several farms adjacent to Vametco. The project has a mining right under application for vanadium.

Brits Vanadium Project mineral rights applications status

Farm	Mineral rights	Interest
Portion 3 of Uitvalgrond 431 JQ	Prospecting right for vanadium	65%
	Application granted for iron ore and rutile but not yet executed	
Portion 2 of Uitvalgrond 431 JQ; Syferfontein 430 JQ	Mining right application	100%
Remainder of Doornpoort 295 JR	Prospecting right for vanadium, iron ore and rutile	74%

Acquisition of the Brits project during the 2015 year is well aligned to the Company's strategy. The project hosts high grade vanadium mineralisation in several magnetite layers. The mineralisation is outcropping and a continuation of the Vametco deposit strike with similar or higher vanadium grades. The project offers an extension of the Vametco life of mine and presents cheaper near-surface ore for the Vametco plant post acquisition.

Lemur Resources Limited ('Lemur Resources') initiated acquisition of the Brits project through its South African subsidiary, Pamish Investments No. 71 (Pty) Ltd. The transaction provided for Lemur Resources' acquisition of Sable Metals and Mining Ltd's interests in the mentioned four properties for a total purchase consideration of US$600,000.

Bushveld Minerals completed the acquisition settlement as follows:

- ZAR6,000,000 cash paid in five tranches from 22 May to 17 November 2015; and
- 7,000,000 Bushveld Minerals ordinary shares issued on 22 June 2016 as full and final settlement of the balance outstanding.

The Company is in a process to secure regulatory approval per section 11 of the Mineral and Petroleum Resources Development Act (MPRDA) for change of control in respect of the acquired Sable Metals & Mining Ltd's subsidiaries. Following approval, Bushveld Minerals will commence with activities to delineate the shallow resource on the Uitvalgrond farm portions 2 and 3, adjoining Vametco's Uitvalgrond portion 1.

Figure 3a: Samples of massive (right), heavily disseminated (middle) and lightly disseminated (left) ore, typical of the lower vanadium-bearing magnetite at the Brits Vanadium Project

Figure 3b: Map showing the main vanadium-bearing magnetite (red) crossing the boundary (black line) between the Vametco Mine (left) and the Brits Vanadium Project (right)

Project Overview
Continued

BUSHVELD ENERGY LIMITED

Bushveld Energy Limited ('Bushveld Energy') is an 84% held subsidiary of Bushveld Minerals, established to participate in the large and growing commercially attractive global energy storage market through vanadium-based utility scale batteries.

In 2014 Bushveld Minerals identified the utility scale energy storage applications of vanadium based redox flow batteries as presenting a potential opportunity to support and diversify the vanadium demand profile. To date demand has been dominated by applications in the steel industry, where it is used as an alloying material due to its high strength to weight ratio, corrosion resistance and general malleability. In addition to enhancing the vanadium demand profile for Bushveld's vanadium projects, the energy storage sector presents attractive commercial opportunities for developing a downstream platform into the energy sector.

Bushveld Minerals believes that the addressable market for energy storage in Africa could to be more than 25MWh and is targeting 1,000MWh of energy storage capacity by 2020 with revenue potential in excess of ZAR5.0 billion. The business has a technical partner in American firm UniEnergy Technologies ('UET') that builds VRFB and a financial partner in the Industrial Development Corporation of South Africa ('IDC') with whom it has signed a Cooperation Agreement to jointly determine the economic viability of VRFB use and manufacture in South Africa.

Bushveld Energy development rationale
Africa's insufficient power infrastructure and rapidly growing electricity demand create a conducive environment for immediate, mass-scale adoption of energy storage, especially in tandem with rising renewable energy generation adoption.

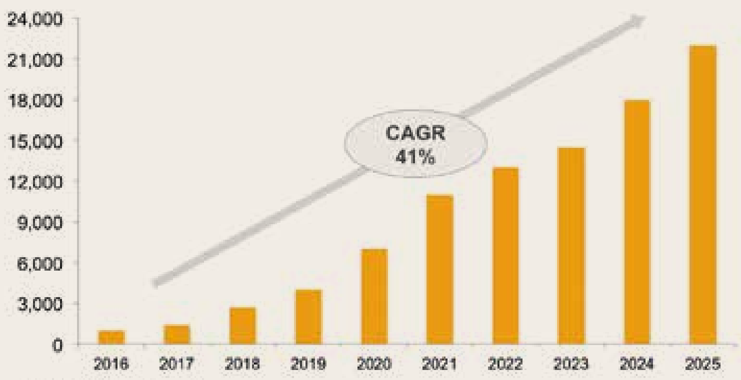
By securing low-cost production capacity with a large mineral resource base, Bushveld Minerals is well positioned to mitigate two major issues that have historically impeded mass VRFB adoption:

1. **Security in the supply of vanadium** – Bushveld Minerals is uniquely positioned to mitigate this risk due its ownership of a low cost, high quality deposit. Vametco's current production rate utilises less than 10% of Bushveld Minerals' resource base for a 20 year LoM; and
2. **Security of vanadium cost** – Bushveld Minerals' high quality, low cost vanadium projects position it well to insulate VRFB manufacturing from price volatility. Vanadium constitutes up to more than 30% of the cost of a vanadium flow battery. The Company can potentially vertically integrate the VRFB value chain into its operations while deploying innovative business models such as electrolyte leasing.

The integration of the VRFB value chain could comprise:

- Upstream vanadium mining and processing operations that guarantee supply and provide cost assurance from a low cost production base; and
- Downstream operations involving market initiatives to secure megawatt level opportunities for energy storage, localisation of vanadium input costs through further beneficiation into vanadium electrolyte, VRFB assembly and ultimately VRFB manufacturing in South Africa.

Figure 4: Installed Energy Storage Power Capacity, World Markets: 2016-2025
MW per annum



SOURCE: Navigant research

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

Uni Energy Technologies – United States based manufacturer of turn-key, large- and medium-scale vanadium-based energy storage systems. The core of the UET system is an advanced vanadium redox flow battery, with breakthrough electrolyte, state-of-the-art containerised design, mature large-scale stacks, and optimised power electronics and controls.

Industrial Development Corporation – the partnership is focussed on jointly determining the economic viability of vanadium redox flow batteries for use and manufacture in South Africa.

Figure 5: VRFB description and key characteristics

Operational 4MWh vanadium redox flow battery

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

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

Human capital

Bushveld Energy's management and advisory team combines technical expertise and corporate experience in the energy sector and mineral beneficiation. The team combines:

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

Details of the executive team are as follows:

Mikhail Nikomarov – Chief Executive Officer

- 6.5 years' experience with McKinsey & Company, advising national governments, utilities and OEMs on growth strategy & policy and leading operational turnarounds in the power sector.
- Consulted on the privatisation of Nigeria's power generation and distribution assets and turnaround of Tanzania power sector.
- Published work covers national trade and competitiveness and McKinsey recent report – 'Brighter Africa: the growth potential of the sub-Saharan electricity sector'.
- MBA from INSEAD, Economics Diploma from LSE and B.A. (History and Economics) from University of Massachusetts.

Ras Myburgh – Advisory Board Member

- Executive Director at Hindsight Financial and Commercial Solutions, with extensive experience in coal and iron ore mining and power generation.
- Previously CEO and MD of Kumba Iron Ore Ltd and Kumba Coal (now Exxaro Coal) respectively.
- Worked at Eskom's Duvha and Matimba power stations and the Drakensburg Pumped Hydro Storage Scheme.

Pat Frampton – Technical Advisor

- President of Patton Engineering.
- 13 years consulting experience to Eskom's Renewables and Energy Storage Portfolio.
- Ongoing guest lecturer at University of Johannesburg on energy storage and renewables.
- Co-author of numerous reports on energy storage and PV and wind generation.

Project Overview
Continued

TIN PLATFORM – GREENHILLS RESOURCES LIMITED

Greenhills Resources Limited ('Greenhills Resources') comprises a portfolio of tin assets in the Bushveld Complex. Bushveld Mineral's objective is to develop a stand-alone pan-African portfolio of mineable tin assets. The two main assets in the portfolio are the Mokopane Tin Project and the Marble Hall Tin Project.

The Mokopane Tin Project

The Mokopane Tin Project comprises prospecting rights over five farms on the Northern limb of the Complex, where four tin mineralisation targets have been identified. A fifth target is on an additional licence, which is the subject of the Company's prospecting right application. The five targets are all in close proximity to each other and comprise open-cast tin deposits hosted in granites.

The nature of the resource

The mineralisation is disseminated cassiterite hosted in granite rocks of the Complex, and effortlessly beneficiated using gravity based methods such as spirals and shaking tables. Metallurgical test-work has demonstrated good recoveries in excess of 70% for a concentrate grade of 74.59% SnO_2.

A JORC compliant resource of 18,447mt has been confirmed on two of the targets namely Groenfontein and Zaaiplaats. A scoping study was completed in August 2014 confirming a base case production scenario of 691,000mt run-of-mine processed into 1,380tpa of 51.4% Sn concentrate which would be smelted to produce approximately 700tpa of 99.5% Sn metal. The base case produced a pre-tax NPV of US$18 million, a pre-tax IRR of 49.8% with a payback period of 2 years from commissioning at a capital spend of US$16.7 million. Unit cash operating costs estimated at US$14,276/mt against a forecast tin price of US$22,928/mt Sn. Should the project only produce a concentrate product, the operating costs would be US$6,902/mt of Sn concentrate (equivalent to US$13,482/mt Sn metal contained) and the capex be reduced to US$16.6 million.

Also included in Bushveld Minerals' tin portfolio is the Zaaiplaats Tailings Dump.

Marble Hall Tin Project

The Marble Hall Tin Project comprises a prospecting right over four farms surrounding the Vlakfontein tin mine in Limpopo province, South Africa. An application to extend the prospecting area to include the additional portions of the identified mineralisation is yet to be finalised. The project hosts mineralisation in 1m to 8m thick gently-dipping breccia. Historical drilling work sourced from Gold Fields Ltd historic assay records including 60 boreholes, intersected significant mineralisation at relatively shallow depths of over 200m, that recorded grades of 1.27% SnO_2 over 5m, 0.47% SnO_2 over 2m and 0.53% SnO_2 over 3m. A potential (non-JORC) compliant resource of 3,750,000mt at 0.32% Sn, representing 12,000 tons Sn, was calculated but the project was not pursued by Gold Fields.

Greenhills Resources' strategy is to:

- Prove up a critical mass of over 50,000mt tin resources; and
- Establish a pilot, mobile and scalable processing plant at Marble Hall Tin Project to demonstrate consistent production, starting with the Zaaiplaats, and then proceeding onto the hard rock deposits of Groenfontein and Zaaiplaats, after adding a crusher circuit.

Figure 6a: Large cassiterite (SnO_2) crystals in grantite at the Groenfontein Tin Mine (Mokopane Tim Project)

Figure 6b: A tin ingot historically produced from the Zaaiplaats Tin Mine

Figure 6c: Tin Tailings of the Zaaiplaats Tin Mine, Mokopane Tin Project

OTHER RELATED PROJECTS

The PQ Iron and Titanium Project

The PQ Iron & Titanium Project ('PQ Project') is a multi-commodity project located 45km North-North-West of Mokopane town in Limpopo Province, South Africa. The PQ Project has a JORC compliant resource of 939Mt with an average grade of 31% Fe and 14% TiO_2. The project boasts some of the highest in-magnetite grades of tin in the world and could be developed as a tin and pig iron project in the long run depending on the development of low capital-intensive processes. To this end, the Company is following with interest, metallurgical processing approaches used for similar deposits. No further work is planned on the project at this stage.

Phosphate Project

The Phosphate Project immediately overlies the iron ore and titanium resource of the PQ Project. The Company reported on 3 June 2014 a maiden phosphate resource statement for the PQ deposit of 442mt, with average phosphate grades of 3.6% P_2O_5. Although the grades are low, the PQ deposit is in the immediate hanging wall of the PQ project and would be mined concurrently with the stripping of the latter. Of particular interest is the 37% P_2O_5 concentrate grade achievable with this deposit.

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

COAL AND POWER PLATFORM – LEMUR RESOURCES

Imaloto Project

Following successful completion of the takeover of Lemur Resources in 2015, it is now a wholly owned subsidiary of Bushveld Minerals. Lemur Resources' main project is the Imaloto Thermal Coal project ('Imaloto project') in Madagascar. The Company's main objective is to develop an integrated coal mining and power generation company in Madagascar.

The Imaloto project is based on a mining license over 81.25km² in the Sakoa Basin in South-West of Madagascar. It has a total of 136mt JORC compliant mineral resource (2012), of which 92mt is measured. A scoping study completed in 2014 showed a positive NPV (10% real discount rate) of US$36 million for an operation producing up to 1.5Mtpa with a 19-year mine life and initial capex of US$12 million.

In addition Lemur Resources has two exploration permits covering a combined 87.5km² in close proximity to the Imaloto project.

Lemur Resources' strategy for the development of the project involves securing an independent Power Producer (IPP) license and a Power Purchase Agreement for a thermal coal fired power station next to the coal mine thereby providing a captive market for the Imaloto project run-of-mine coal.

Imaloto project is located in an area of Madagascar that is far from the country's hydro power stations (located in the North) and is in need of power both for the inhabitants and an emerging number of mining operations. Current focus is on securing the power purchase agreement and a strategic partner for the development of the project.

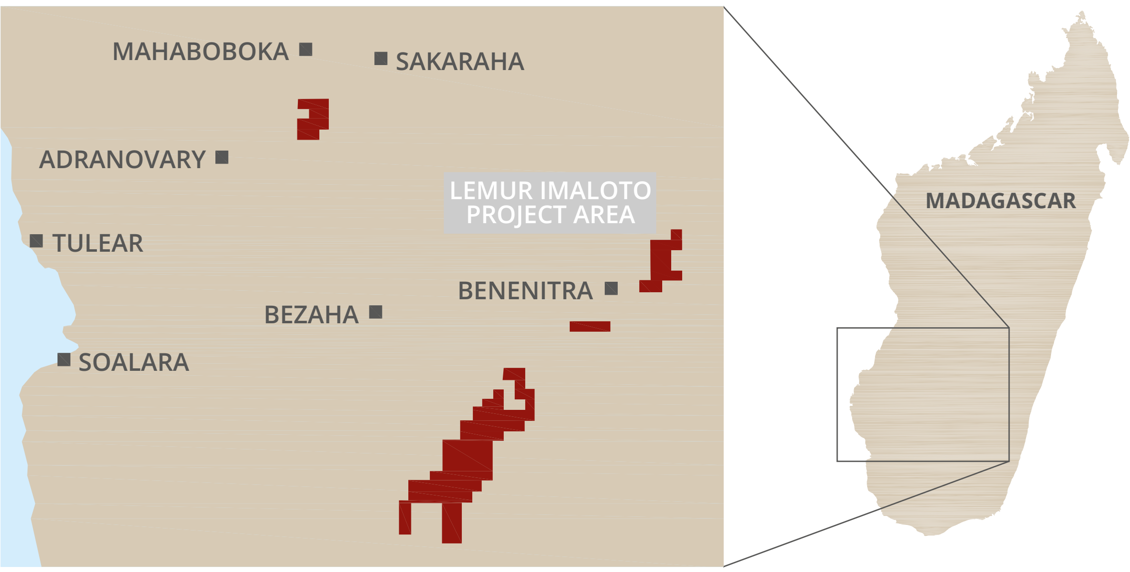


Figure 7: Imaloto Coal Project, Sakoa Basin, Madagascar

Chairman's Statement

Bushveld Mineral's goal is to create a globally significant and vertically integrated vanadium company.

I am pleased to once again present the Annual Financial Statements for Bushveld Minerals for the year ended 29 February 2016. Notwithstanding the market environment that continues to be challenging for the mining industry, the Company has had an exciting year advancing its multiple projects in South Africa. Key to this progress is a philosophy the Company has articulated which rests on four important pillars: (a) commodities with a positive market and price outlook; (b) low cost curve position; (c) a pragmatic path to production; and (d) scalability. Nowhere is this philosophy more reflected than in the development of the vanadium platform – Bushveld Mineral's goal is to create a globally significant and vertically integrated vanadium company.

Vanadium is characterised by a robust demand profile from the steel sector with upside from the emerging energy storage applications. In addition, the concentrated and constrained vanadium supply results in a market structural deficit for the foreseeable future as observed in the recent positive price improvements in vanadium. South Africa plays a strategic role in the vanadium industry, as it has the world's largest share of high quality low-cost primary vanadium resources and an established primary vanadium processing industry. The country has the infrastructure and deep talent pools for vanadium mining and processing. I am therefore pleased to participate in the emergence of Bushveld Minerals as the holder of the world's largest primary vanadium resource, in the most important vanadium region in the world.

Having announced that it was launching a focused vanadium platform in November 2013, the Company has moved swiftly to execute its strategy, achieving several key milestones in the process. The completion of the pre-feasibility study for the Mokopane Vanadium Project, the post year-end acquisition of the Brits Vanadium Project, the launch of Bushveld Energy to drive adoption of vanadium based utility scale batteries, and most significantly the proposed acquisition of the Vametco vanadium mine and processing plant, are the notable milestones. I am particularly pleased with the proposed acquisition of Vametco, which we estimate will cost the Company less than 10% of the construction cost of a greenfield mine and plant of the same capacity while operating as a low cost producer of vanadium products. The result will be an integrated primary vanadium entity with significant upside scale opportunity.

Bushveld has also made significant strides in advancing its tin and coal platforms, Greenhills Resources and Lemur Resources, respectively. The strategy to bring the tin platform into production on a pilot basis will enable us to de-risk the project and demonstrate the capacity to produce tin concentrate using a relatively simple well-established gravity based processing method. Our efforts at Lemur Resources to secure an IPP and a PPA to develop a thermal coal fired power station in Madagascar will help unlock value in the Imaloto coal deposit.

The management team and the board will, during the coming year, consider how to further align the Company's resources with its strategic priorities while ensuring that project values are not compromised.

This is particularly critical as the Company transitions from exploration and development to a producing company. Such a challenge is to be welcomed as it reflects our growth and I am confident we will meet it successfully.

The capital markets environment remains a difficult one, particularly in the junior mining sector. This has meant constraints in capital availability for the Company's projects thereby requiring junior miners to be innovative in respect of their funding requirements and general project development. I am pleased to observe in our management team this kind of innovation, typified by the Company's successful acquisition of Lemur Resources which provided access to a significant balance sheet as well as the recently announced proposed acquisition of Vametco's mining and processing operations. The Vametco acquisition will put the Company into a cash flow producing operation within a short time frame and substantially reduced future capex investments.

In conclusion, I would like to extend my congratulations to the Bushveld Minerals management team, which has continued to be tenacious in difficult market conditions whilst operating with a lean team across its several platforms. I sincerely appreciate what the Bushveld Minerals team has achieved over the past year and the privilege to work with such a competent and committed group of people. My thanks go to all team members including my fellow directors for the contribution made.

Ian Watson
Non-Executive Chairman

Bushveld has also made significant strides in advancing its tin and coal platforms, Greenhills Resources Limited and Lemur Resources Ltd, respectively.

Chief Executive's Review

Bushveld Minerals has identified four key priorities to give effect to its vision to build the most integrated and lowest cost vanadium producing platform in the world.

The past year has seen a continuation of tough economic conditions constraining growth across most major sectors, including mining. Limited capital availability, declining commodity prices, limited growth spending, and curtailment in production capacities across numerous mineral commodities all characterised the mining industry during this period. The environment has been particularly challenging for junior miners requiring innovative approach to project development. I am pleased to report that Bushveld Minerals continues to make strides in developing its projects across all its three platforms namely Bushveld Resources, Greenhills Resources and Lemur Resources in spite of the constrained operating environment.

The strategy we have been executing over the past several years has enabled us to:

a) Articulate a clear set of guiding principles to inform the choice of and approach to developing our projects; and
b) Focus our company on vanadium and define four priorities to develop an integrated vanadium platform, without neglecting the other platforms.

BUSHVELD RESOURCES – VANADIUM PLATFORM

The Company has, since 2013, prioritised the vanadium platform as its flagship with an ambition to establish a globally significant vertically integrated vanadium company. We made significant progress during the year in achieving this vision as detailed below.

Advanced Mokopane Vanadium Project – on 3 February 2016 the results of a pre-feasibility study on the Mokopane Project indicated an attractive base case pre-tax $NPV_{9.0}$, and IRR of US$ 418.0 million (24.8%). The Project has sufficient headroom for improvements to the economics that will be considered during the bankable feasibility studies. The Company is actively engaged in sourcing the appropriate partner for the project.

Identified and secured brownfield processing infrastructure – The Company has over 18 months investigated various processing facilities and identified several that would have synergies with its deposits. I am particularly pleased that we have successfully negotiated the acquisition of the Vametco. The acquisition simultaneously accelerates our path to production and thus cash flows and substantially reduces our capex requirements to achieving production relative to a greenfield operation. The acquisition price of US$16.5m is approximately 10% less that of a greenfield equivalent plant. The acquisition of this low-cost producer in a well-established mining region with complementary infrastructure in relatively close proximity enhances our ability to develop a significant primary vanadium mining and processing company.

Established partnerships in energy storage – In January 2016 the Company launched Bushveld Energy to develop commercial opportunities associated with the deployment of vanadium based utility scale energy storage batteries. This was shortly followed up by the signing of a Memorandum of Understanding with UniEnergy Technologies a leader in large-scale VRFB manufacturing and a Cooperation Agreement with the Industrial Development Corporation, to jointly develop the market for VRFBs in South Africa and local manufacturing capacity for VRFBs.

Partnerships are key to the development of Bushveld Energy and we are excited to already have the strategic partners of the calibre we have developed to date. Additional partnerships can be expected along the VRFB value chain, whose proposition is not only the support for the vanadium demand profile but also the sheer large commercial opportunity in the energy sector it represents.

Consolidation of primary vanadium resources – Bushveld Minerals believes the future of vanadium supply lies with high grade primary vanadium suppliers. The acquisition of the Brits Project, one of only few high quality primary vanadium resources, on the Bushveld Complex, gives effect to this objective. We have leveraged our excellent geological technical expertise to identify sections that present attractive opportunities for high-grade deposits, one of which is the Brits project area.

Our view is underscored by the challenges experienced by vanadium slag steel plants whose viability is structurally challenged on account of their high magnetite iron input costs, exorbitant processing costs and lack of influence on the low steel prices. Nowhere are the consequences of these constraints more pronounced than the shutdown of Highveld Steel and Vanadium in 2015, eliminating as much as 11% of vanadium feedstock supply from the market.

VANADIUM MARKET OUTLOOK

Vanadium demand continues to be robust driven by growing intensity of use in steel, while applications in utility scale batteries present potential demand upside. However supply is concentrated and has been declining, with more than 15% of supply eliminated over the past 12 months. Supply reductions are largely from unprofitable steel plant co-producers of vanadium, whose economics are driven by steel market economics. These steel producers rely on expensive low-grade captive mines and specialised, expensive processing methods such as titanium slag extraction and vanadium recovery.

Consequently, the vanadium market is poised for significant upside on the back of this structural deficit that looks set to continue for the medium term. This has seen vanadium price correcting upwards by more than 40% in the first half of 2016. To fill this supply gap, Roskill[1] estimate that vanadium prices higher than US$21/kg would be required to stimulate new supply. The Company is well positioned to participate in this potential upside due to its low cost vanadium-producing platform that is expandable within a relatively short period of time.

While much emphasis of the company's activities has been on its vanadium platform, Bushveld Minerals has continued to advance its tin and coal platforms, through Greenhills Resources and Lemur Resources.

GREENHILLS RESOURCES – TIN PLATFORM

Greenhills Resources continues its effort to secure outstanding mineral prospecting rights, specifically for the Appingendam/Eckstein resource, one of the five largest that make up the Mokopane Tin Project. During the past year the company's efforts were focussed on sourcing and deploying a pilot scale processing plant at its Mokopane Tin Project where it can be used initially to process the Zaaiplaats tailings. The envisaged plant can be retrofitted with a crusher module to enable it to process hard rock material from the Groenfontein and Zaaiplaats deposits.

LEMUR RESOURCES – COAL & POWER PLATFORM

Following the settlement of the dispute in respect of the mineral right 4578, the Company is focussed on securing a power purchase agreement for a 45MW thermal coal fired power plant for the Imaloto project. As previously outlined, such efforts will be undertaken in conjunction with strategic partners, which discussions are underway.

1. Roskill is an international research company that undertakes focused vanadium global research.

> I am thankful for the support of the whole team at Bushveld Minerals that continues to show incredible commitment to the Company and its projects. I am also thankful for the support of the board and most importantly of our shareholders.

Chief Executive's Review
Continued

FINANCIAL REPORT

During September 2015, the Company completed the acquisition of Lemur Resources. The acquisition was funded through a GBP2.6 million convertible loan note raised from Darwin Strategic Ltd ('Darwin'). The Company had anticipated that the Lemur Resources acquisition would lead to a re-rating of the Company and create an opportunity for a conversion of the loan into equity, thereby providing capital for project development and working capital. The conversion into Bushveld shares of the convertible loan financing did not materialise, in part due to the muted response of our share price to the completion of the Lemur transaction. The Company had to repay Darwin the GBP2.6 million principal sum of the facility in June 2016. Discussions remain underway in respect of settlement of the interest on the loan of GBP429,000.

Total cash and cash equivalent balances as at the beginning the financial year amounted to GBP7,595,777, prior to net effects of foreign exchange differences for the year of GBP630,189. The Company cash balances have materially been applied as following up to 30 June 2016, in the table below.

In order to support the Company's cash resource needs, particularly with respect to financing of the proposed Vametco acquisition, an additional GBP1.77 million was raised in June 2016 through the placing of new Bushveld Minerals ordinary shares.

The net proceeds from the placing were applied to payments towards the Company's share of the purchase consideration for Vametco (US$1,646,000), due diligence work in respect of the Vametco transaction as well as the development of the Lemur Resources' Imaloto project and for general working capital.

THE YEAR AHEAD

At the point of compiling this report negotiations were advanced to secure working capital and acquisition funding through debt and equity markets to cater for the Company's funding needs over the coming year. The Company anticipates securing working capital funding prior to the scheduled Annual General Meeting in September.

Going forward, the company's activities will continue to be guided by the priorities it has already outlined across its three platforms and will include:

a) Completion of the SMC/Vametco transaction.
b) Progressing the cooperation efforts with the IDC and UET to develop the market and manufacturing capacity for VRFBs in Africa.
c) Delineating a resource on the Brits Vanadium Project, with an emphasis on identifying synergies with the adjacent Vametco operations and other nearby brownfield infrastructure.
d) Resolving outstanding licenses in respect of Greenhills' tin projects and developing a pilot scale tin processing plant for the Zaaiplaats Tailings, which can be modified for later use with the hard rock deposits.
e) Finalising an IPP license for the Lemur Resources's Imaloto coal project and securing a strategic partner for the development of the project further.

CONCLUSION

I am fairly pleased with the accomplishments over the past year in what has been a challenging global market. The Company completed the Mokopane PFS, acquired the Brits project, agreed terms to acquire the Vametco operations. These milestones were attained while continuing to advance the tin and coal projects towards production. Furthermore, the Company completed the acquisition of 100% of Lemur Resources and resolved the legal dispute in respect of the Imaloto licence, which now has a clear path to complete the negotiations for the IPP licence.

I am thankful for the support of the whole team at Bushveld Minerals that continues to show incredible commitment to the Company and its projects. I am also thankful for the support of the board and most importantly of our shareholders. I believe that Bushveld Minerals is at a critical transformational point in its journey and look forward to the next chapter in its development.

Fortune Mojapelo
Chief Executive Officer

Material items of expenditure in the application of funds on hand as at 1 March 2015

Mokopane vanadium project: development costs Successful completion of the Mokopane vanadium project PFS and related development costs	1,635,000
Lemur Resources minority shareholders Cash payment for the acquisition of Lemur Resources minority shareholders interest	2,992,000
Sable Metals & Mining Ltd acquisition Total cash payment for the recently acquired Brits vanadium project. The balance of the total purchase consideration (approximately US$200,000) was settled by way of issuance of 7.0 million Bushveld minerals Ordinary shares	305,000
Zaaiplaats project acquisition Cash payment for the acquisition of the Zaaiplaats zinc project	936,000
Operating costs and creditors management South Africa based operating costs including daily Company running costs and payments to creditors	1,242,000

We look forward to a defining year ahead as Bushveld Minerals rerates from an exploration to a mining production company.

Principal Risks

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

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

Category	Risk	How we mitigate the risks that impact us
INFRASTRUCTURE	Dependence on local utilities and logistics infrastructure	South Africa continues to realise the benefits of significantly increased investment in the country's power generation capacity. We expect this positive trend to continue into the medium term. A number of multi-national mining companies operate successfully in the Bushveld Complex using the existing road and rail infrastructure network. It is widely recognised that further investment is required in the rail network to optimise the South African and Madagascan railway network and ports to create sufficient capacity to effectively transport minerals in the volumes anticipated. The need to provide adequate support to Madagascar's increasing energy demand is central to Lemur Resource's independent power production strategy in the country.
FUNDING	Raising capital to fund project development	The state of capital markets remains challenging in an environment particularly characterised by limited mine/project acquisitions and substantially low investment in new projects. This has had a direct impact on mining companies' ability to raise capital. Bushveld Minerals continues to be as innovative as possible in raising capital as typified by the successful acquisition of Lemur Resources which provided access to a significant balance sheet as well as the recently announced proposed acquisition of Vametco's mining and processing operations. The Vametco acquisition will put the Company into a cash flow producing operation within a short time frame and substantially reduced future capital investment requirements. Bushveld Minerals will continue to evaluate opportunities to develop strategic partnerships that have the potential to provide alternative sources of funding for its projects.
HUMAN RESOURCES	Retention of skilled personnel	The Company is aware of the potential impact of losing a key member of the team. Bushveld Minerals has over the years attracted a highly experienced team with multi-disciplinary skills who all share our long-term vision. The Company's remuneration structure has been recently modified to ensure the management team will share in the successes of the Company and that limited pressure is placed on the Company's cash resources, as is the case with other companies our size. Management and the board believe this will assist in the Company's ability to retain key skills.

Board of Directors

1

IAN WATSON (73)

Non-executive Chairman

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

2

FORTUNE MOJAPELO (40)

Chief Executive Officer

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

3

ANTHONY VILJOEN (40)

Director, Chief Executive Officer, Lemur Resources

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

4

GEOFF SPROULE (74)

Chief Financial Officer

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

5

JEREMY FRIEDLANDER (61)

Non-executive Director

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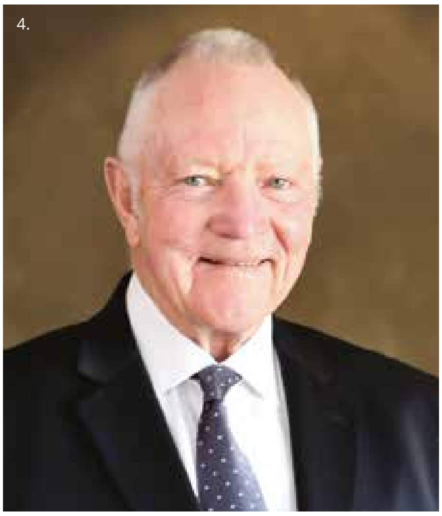
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Directors' Report

The directors of Bushveld Minerals Limited ('Bushveld' or the 'Company') hereby present their report together with the consolidated financial statements for the year ended 29 February 2016.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the Group (Bushveld and its subsidiaries) is the exploration and development of projects in the Bushveld Complex in South Africa. A review of the Group's progress and prospects is given in the CEO's review on pages 14 to 16.

A review of the risks and uncertainties impacting on the Group's long-term performance are included in the Corporate governance report on pages 25 to 26. Details of the Group's exposure to foreign exchange and other financial risks are included in Note 3.

EXPLORATION COSTS

The Group continues to devote considerable resources to exploration costs.

RESULTS AND DIVIDEND

The Group's results show a loss for the year attributable to the equity holders of the Company of £1.8 million (2015: £2.8 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, is shown in Note 17. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

DIRECTORS

The directors who served the Company since 1 March 2015 are as follows:

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

DIRECTORS' INTERESTS

The directors' beneficial interests in the shares of the Company at 29 February 2016 were:

	Ordinary shares of 1p each 29 February 2016	Ordinary shares of 1p each 28 February 2015
Fortune Mojapelo	9,660,000	9,660,000
Geoffrey Sproule	1,500,000	1,500,000
Anthony Viljoen	9,826,667	9,826,667
Ian Watson	504,000	504,000
Jeremy Friedlander	–	1,250,000

None of the directors have been awarded share options of the Company since inception to 29 February 2016.

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 29 February 2016 was 30 days.

RELATED PARTY TRANSACTIONS
Details of related party transactions are detailed in Note 23.

POST BALANCE SHEET EVENTS
Post balance sheet events are detailed in Note 22 to the financial statements.

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

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

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

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

By order of the Board

G N Sproule
Director
26 August 2016

Statement of Directors' Responsibilities

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

Guernsey company law requires the directors to prepare group financial statements for each financial year in accordance with generally accepted accounting principles. The directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The financial statements of the Group are required by law to give a true and fair view of the state of the Group's affairs at the end of the financial year and of the profit or loss of the Group for that period and are required by IFRS as adopted by the EU to fairly present the financial position and financial performance of the Group.

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, and disclose with reasonable accuracy at any time, the financial position of the Group and enable them to ensure that the financial statements are properly prepared in accordance with The Companies (Guernsey) Law 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Corporate Governance Report

As an AIM-quoted company, Bushveld is not required to produce a Corporate governance report that satisfies the requirements of the UK Corporate Governance Combined Code. However, the directors are committed to providing information on a transparent basis as far as is relevant for a company of this size and nature, and present their Corporate governance report as follows:

- The Group Board will conduct a review (at least annually) of the effectiveness of the Group's systems of internal controls. A review should cover all material controls, including financial, operational and compliance controls and risk management systems. The review will also incorporate an analysis of the regulatory and fiscal position in the countries in which the Group operates.
- The roles of chairman and chief executive are not to be exercised by the same individual.
- The Group has two independent non-executive directors and the Group Board is not to be dominated by one person or group of people.
- All directors will be submitted for re-election at regular intervals subject to continued satisfactory performance. The Group Board will ensure planned and progressive refreshing of the Group Board.
- The directors make no statement of compliance with the Code overall and do not explain in any detail aspects of the Code with which they do not comply.

THE BOARD OF DIRECTORS

The Board currently comprises:

Executive Directors

Fortune Mojapelo	Chief Executive Officer
Geoffrey Sproule	Chief Financial Officer
Anthony Viljoen	Director

Non-executive Directors

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

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

GROUP BOARD MEETINGS

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

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

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

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

THE AUDIT COMMITTEE

The Audit Committee meets at least twice a year and comprises exclusively non-executive directors, Ian Watson (Chairman) and Jeremy Friedlander. Chief Financial Officer, Geoff Sproule, attends Audit Committee meetings by invitation. This committee is responsible for:

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

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

Remuneration Report

As an AIM-quoted company, Bushveld Minerals is not required to produce a Remuneration report that satisfies all the requirements of the UK Companies Act 2006.

However, the directors are committed to providing information on a transparent basis and present their Remuneration report as follows:

REMUNERATION COMMITTEE

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

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

REMUNERATION POLICY

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

DIRECTORS' SERVICE CONTRACTS

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

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

INCENTIVE SCHEMES/SHARE OPTION SCHEMES

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

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

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

DIRECTORS' EMOLUMENTS

The remuneration of the individual directors who served in the year to 29 February 2016 was:

	Salary and fees £	Fees £	2016 Total £	2015 Total £
Fortune Mojapelo	108,333	–	108,333	155,333
Geoffrey Sproule	97,500	–	97,500	130,500
Anthony Viljoen	33,333	18,750	52,083	61,667
Ian Watson	–	40,000	40,000	40,000
Jeremy Friedlander	–	25,000	25,000	52,500
	239,166	**83,750**	**322,916**	**440,000**

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 29 February 2016 on pages 28 to 47. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' responsibilities statement set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

SCOPE OF THE AUDIT

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

– Give a true and fair view of the state of the Group affairs as at 29 February 2016 and of the Group's loss for the year then ended;
– The Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
– The Group financial statements have been prepared in accordance with the requirements of The Companies (Guernsey) Law 2008.

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 34 of the financial statements concerning the Group's ability to continue as a going concern. The Group incurred a net loss for the year ended 29 February 2016 of £1,699,000 and is currently in a process of raising additional capital funding. These conditions, along with the other matters explained on page 34 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's 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.

RSM UK AUDIT LLP (Formerly Baker Tilly UK Audit LLP), Auditor
Chartered Accountants and Registered Auditors
25 Farringdon Street
London
EC4A 4AB

26 August 2016

Consolidated Income Statement
For the year ended 29 February 2016

	Note	29 February 2016 £	28 February 2015 £
Continuing operations			
Administrative expenses	7	(1,556,216)	(3,205,629)
Operating loss		**(1,556,216)**	**(3,205,629)**
Sundry income		41,152	–
Finance income	8	77,992	317,063
Finance expense	9	(351,206)	–
Loss before tax		(1,788,278)	(2,888,566)
Tax	10	–	–
Total loss for the year		**(1,788,278)**	**(2,888,566)**
Attributable to:			
Owners of the Company		(1,699,000)	(2,503,071)
Non-controlling interests		(89,278)	(385,495)
		(1,788,278)	**2,888,566**
Loss per ordinary share			
Basic and diluted loss per share (in pence)	11	(0.39)	(0.54)

All results relate to continuing activities.

The notes on pages 32 to 47 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 29 February 2016

	29 February 2016 £	28 February 2015 £
Loss for the year	(1,788,278)	(2,888,566)
Currency translation differences on translation of foreign operations	(1,262,002)	(94,795)
Total comprehensive loss for the year	**(3,050,280)**	**(2,983,361)**
Attributable to:		
Owners of the Company	(2,961,002)	(2,597,866)
Non-controlling interests	(89,278)	(385,495)
	(3,050,280)	**2,983,361**

Consolidated Statement of Financial Position
As at 29 February 2016

Company number: 54506

	Note	29 February 2016 £	28 February 2015 £
Assets			
Non-current assets			
Intangible assets: exploration activities	12	56,386,494	55,771,244
Property, plant and equipment	13	321,206	80,485
Total non-current assets		**56,707,700**	**55,851,729**
Current assets			
Trade and other receivables	14	3,066,855	146,711
Cash and cash equivalents	15	478,619	7,595,777
Total current assets		**3,545,474**	**7,742,488**
Total assets		**60,253,174**	**63,594,217**
Equity and liabilities			
Current liabilities			
Trade and other payables	16	(3,511,631)	(463,949)
Total current liabilities		**(3,511,631)**	**(463,949)**
Net assets		**56,741,543**	**63,130,268**
Equity			
Share capital	17	4,863,373	4,863,373
Share premium	17	59,927,541	59,927,541
Accumulated deficit		(7,320,313)	(5,109,965)
Revaluation reserve		–	(138,628)
Warrant reserve	19	422,386	422,386
Foreign exchange translation reserve		(2,500,957)	(1,238,955)
Equity attributable to the owners of the Company		**55,392,030**	**58,725,752**
Non-controlling interests		**1,349,513**	**4,404,516**
Total equity and shareholders loans		**56,741,543**	**63,130,268**

The notes on pages 32 to 47 form part of these financial statements.

The financial statements were authorised and approved for issue by the Board of directors and authorised for issue on 26 August, 2016.

G N Sproule
Director
26 August 2016

Consolidated Statement of Changes in Equity
For the year ended 29 February 2016

	Attributable to owners of the parent company								
	Share capital £	**Share premium £**	**Accumulated deficit £**	**Revaluation reserve £**	**Warrant reserve £**	**Foreign exchange translation reserve £**	**Total £**	**Non-controlling interests £**	**Total equity £**
Total equity at 28 February 2014	**4,020,041**	**57,933,792**	**(2,628,989)**	**(138,628)**	**370,715**	**(1,144,160)**	**58,412,771**	**4,767,640**	**63,180,411**
Loss for the year			(2,503,071)				(2,503,071)	(385,495)	(2,888,566)
Other comprehensive income:									
Currency translation differences						(94,795)	(94,795)		(94,795)
Total comprehensive loss for the year			(2,503,071)			(94,795)	(2,597,866)	(385,495)	(2,983,361)
Transactions with owners:									
Issue of shares	843,332	3,135,333					3,978,665		3,978,665
Issue of warrants					73,766		73,766		73,766
Warrants exercised in the year			22,095		(22,095)		–		–
Less issue costs		(1,141,584)					(1,141,584)		(1,141,584)
Non-controlling interest								22,371	22,371
Total equity at 28 February 2015	**4,863,373**	**59,927,541**	**(5,109,965)**	**(138,628)**	**422,386**	**(1,238,955)**	**58,725,752**	**4,404,516**	**63,130,268**
Loss for the year			(1,699,000)				(1,699,000)	(89,278)	(1,788,278)
Other comprehensive income:									
Currency translation differences						(1,262,002)	(1,262,002)		(1,262,002)
Total comprehensive loss for the year			(1,699,000)			(1,262,002)	(2,961,002)	(89,278)	(3,050,280)
Transactions with owners:									
Revaluation Reserve Transfer			(138,628)	138,628			–		
Treasury shares			(27,678)				(27,678)		(27,678)
Non-controlling interest							–	205,909	205,909
Minority shareholder acquired			(345,042)				–	(3,171,634)	(3,516,676)
Total equity at 29 February 2016	**4,863,373**	**59,927,541**	**(7,320,313)**	**–**	**422,386**	**(2,500,957)**	**55,392,030**	**1,349,513**	**56,741,543**

Consolidated Statement of Cash Flows
For the year ended 29 February 2016

	Note	29 February 2016 £	28 February 2015 £
Loss before taxation		(1,788,278)	(2,888,566)
Adjustments for:			
Loss on disposal of tangible fixed assets		–	1,721
Expenses settled with shares and warrants		–	146,667
Finance income	8	(77,992)	(317,063)
Finance expense	9	351,000	–
Operating cash flows before movements in working capital		(1,515,270)	(3,057,241)
(Increase)/Decrease in receivables		(320,144)	(5,853)
Increase/(Decrease) in payables		63,638	119,762
Net cash used in operating activities		**(1,771,776)**	**(2,943,331)**
Cash flows from investing activities			
Interest received	8	77,992	317,063
Purchase of exploration and evaluation assets	12	(1,498,013)	(1,623,999)
Purchase of tangible fixed assets	13	(275,682)	(22,870)
Cost of acquisition of minority share in subsidiary	18	(2,991,812)	–
Net cash used in investing activities		**(4,687,515)**	**(1,329,806)**
Cash flows from financing activities			
Net proceeds from issue of shares and warrants		–	2,786,551
Cost of purchase treasure shares		(27,678)	–
Net cash generated from financing activities		**(27,678)**	**2,786,551**
Net decrease in cash and cash equivalents		**(6,486,969)**	**(1,486,586)**
Cash and cash equivalents at the beginning of the year		7,595,777	9,177,158
Effect of foreign exchange rates		(630,189)	94,795
Cash and cash equivalents at end of the year	14	**478,619**	**7,595,777**

The notes on pages 32 to 47 form part of these financial statements.

Notes to the Consolidated Financial Statements
For the year ended 29 February 2016

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% equity interest and Frontier Platinum Resources (Proprietary) Limited in which BRL holds 100% equity interest. The minority shareholder in Pamish 39 is Izingwe Capital (Proprietary) Limited and the minority shareholder in Amaraka 85 is Afro Multi Minerals (Proprietary) Limited.

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

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

As at 29 February 2016, the Bushveld Group comprised:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
Bushveld Minerals Limited	N/A	Guernsey	Ultimate holding company
BRL[1]	100%	Guernsey	Holding company
Bushveld Energy (Mauritius)[1]	84%	Mauritius	Holding company
Bushveld Energy (South Africa)[6]	100%	South Africa	Vanadium batteries
Pamish 39[2]	64%	South Africa	Iron ore exploration
Amaraka[2]	68.50%	South Africa	Iron ore exploration
Frontier Platinum[2]	100%	South Africa	Group support services
GRL[1]	100%	Guernsey	Holding company
Mokopane[3]	100%	South Africa	Holding company
Renetype[4]	74%	South Africa	Tin exploration
Lemur Resources Limited[1]	100%	Australia	Holding company
Coal of Madagascar Limited[5]	100%	Guernsey	Holding company
Coal Mining Madagascar SARL[5]	100%	Madagascar	Coal exploration
Pamish Investments[5] No 71 Proprietary Limited	100%	South Africa o/s	Holding company
Pan African Drilling Limited[5]	100%	British Virgin Islands	Coal exploration
Imaloto Power Project Limited[5]	100%	Mauritius	Power generation company
Lemur Investments Limited[5]	100%	Mauritius	Holding company
Lemur Exploration SARL[5]	100%	Madagascar	Coal exploration
Zaaiplaats Mining Proprietary Limited[5]	100%	South Africa o/s	Tin exploration

1. Held directly by Bushveld Minerals Limited.
2. Held by BRL.
3. Held by GRL.
4. Held by Mokopane.
5. Held by Lemur Resources Limited.
6. Held by Bushveld Energy (Mauritius) Limited.

These financial statements are presented in Pound Sterling (£) because that is the currency the Group has raised funding on the AIM market in the United Kingdom. The financial statements do not disclose the summarised financial information with regard to the Non-controlling interests as they are not considered material.

2. ADOPTION OF NEW AND REVISED STANDARDS

Accounting standards adopted during the year

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	Clarifies that preparers should not use revenue-based methods to calculate charges for the depreciation or amortisation of items of property, plant and equipment or intangible assets.
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	Introduces guidance as to how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3 Business Combinations. Proposes that a joint operator should apply the relevant principles for business combinations accounting in IFRS 3 and other relevant IFRSs when accounting for these acquisitions.
Amendments to IAS 16 and IAS 41: Bearer Plants	1 January 2016	Bearer plants brought into the scope of IAS 16 because their operation is similar to manufacturing. Initial measurement at cost, then accounting choice either cost or revaluation model may be applied to each class of bearer plant. Related agricultural produce remains in scope of IAS 41.
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016	The improvements in this Amendment clarify the requirements of IFRSs and eliminate inconsistencies within and between Standards.
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016	Restoration of the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities*	1 January 2016	Clarifies that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity. This clarification extends to the equity method for entities that are subsidiaries and that hold interests in associates and joint ventures. IFRS 12 clarifies that an investment entity is not excluded from the scope of the standard.

* Not yet endorsed by the EU.

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

Accounting standards and interpretations not applied

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

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017	Clarifies deferred tax on unrealised losses generated by debt instruments carried at fair value.
Amendments to IAS 7: Disclosure Initiative*	1 January 2017	The amendments clarify and improve information provided to users of financial statements.
IFRS 9 Financial Instruments*	1 January 2018	Replacement to IAS 39 and is built on a logical, single classification and measurement approach for financial assets which reflects both the business model in which they are operated and their cash flow characteristics. Also addresses the so-called 'own credit' issue and includes an improved hedge accounting model to better link the economics of risk management with its accounting treatment.
IFRS 15 Revenue from Contracts with Customers*	1 January 2018	Introduces requirements for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled in exchange for those goods or services. Also results in enhanced disclosure about revenue and provides or improves guidance for transactions that were not previously addressed comprehensively and for multiple-element arrangements.
IFRS 16 Leases*	1 January 2019	The new standard recognises a leased asset and a lease liability for almost all leases and requires them to be accounted for in a consistent manner. This introduces a single lessee accounting model and eliminates the previous distinction between an operating lease and a finance lease.

* Not yet endorsed by the EU.

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

Notes to the Consolidated Financial Statements continued
For the year ended 29 February 2016

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

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

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

Going concern

In preparing the financial statements, the directors have considered the current financial position of the Group and the likely future cash flows for the period to 12 months from the date of this report. As with all exploration groups at this stage of the resource development cycle and with no cash-flow from production, funding is derived principally through equity financing. Negotiations are ongoing to raise further funding through convertible loan notes. It is anticipated that a facility will be secured prior to the Annual General Meeting which will be held in September.

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

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

Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

Gains and losses arising on retranslation are included in profit or loss for the year, 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 year unless exchange rates have fluctuated significantly during the year, 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 year 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.

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Taxation

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

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

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

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

Intangible exploration and evaluation assets

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

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

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

Impairment of exploration and evaluation assets

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

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

– Unexpected geological occurrences that render the resources uneconomic; or
– Title to the asset is compromised; or
– Variations in mineral prices that render the project uneconomic; or
– Variations in the foreign currency rates; or
– The Group determines that it no longer wishes to continue to evaluate or develop the field.

Warrants

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

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:

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

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

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

Notes to the Consolidated Financial Statements continued
For the year ended 29 February 2016

3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Impairment of property, plant and equipment

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

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

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

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

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

Financial assets and liabilities

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

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 year in which the estimates are revised if the revision affects only that year, or in the year of revision and in future years if the revision affects both current and future years.

Management's critical estimates and judgements in determining the value of assets, liabilities and equity within the financial statements relate to the valuation of intangible exploration assets of £56.4m (2015: £55.7m) 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 29 February 2016 the Group operated within three operating segments, mineral exploration activities for iron ore, tin and coal. Exploration activities take place in South Africa and Madagascar.

Segment revenue and results

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

	Iron ore exploration £	Tin exploration £	Coal exploration £	Total £
As at 29 February 2016				
Results				
Operating segmental profit/(loss)	(2,514)	11,076	(496,076)	(487,514)
Segmental profit/(loss)	**(2,514)**	**11,706**	**(496,076)**	**(487,514)**

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

	Year ended 29 February 2016 £	Year ended 28 February 2015 £
Segmental loss	(487,514)	(933,638)
Unallocated administration expenses	(1,027,550)	(2,271,991)
Finance income	77,992	317,063
Finance costs	(351,000)	–
Loss before tax	**(1,788,278)**	**(2,888,566)**

Other segmental information

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

	Iron ore exploration £	Tin exploration £	Coal exploration £	Total £
Year ended 29 February 2016				
NBV of capitalised exploration expenditure	38,649,101	17,737,393	–	56,386,494
Total reportable segmental net (liabilities)/assets	(46,511)	38,450	390,744	382,683
Unallocated net liabilities				(27,634)
Total consolidated net assets				**56,741,543**

Notes to the Consolidated Financial Statements continued
For the year ended 29 February 2016

5. SEGMENTAL REPORTING CONTINUED

Segment revenue and results continued

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

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

6. LOSS FOR THE YEAR

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

	29 February 2016 £	28 February 2015 £
Foreign exchange loss	1,262,002	94,795
Staff costs (see Note 7)	140,562	450,901

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

	29 February 2016 £	28 February 2015 £
Commission paid	130,000	276,385
Professional fees	635,778	849,940
Employee benefits expense	140,562	450,901
Travelling expenses	21,908	30,749
Other costs and adjustments	627,968	1,597,654
	1,556,216	**3,205,629**

Key management personnel have been identified as the Board of directors. Details of key management remuneration are shown in Note 20.

8. FINANCE INCOME

	29 February 2016 £	28 February 2015 £
Bank interest	77,992	317,063

9. FINANCE EXPENSE

	29 February 2016 £	28 February 2015 £
Loan interest payable	351,206	–

10. 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.

10. TAXATION CONTINUED

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

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

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

Factors affecting tax for the year:	29 February 2016 £	28 February 2015 £
The tax assessed for the year at the Guernsey corporation tax charge rate of 0%, as explained below:		
Loss before taxation	(1,788,278)	(2,888,566)
Loss before taxation multiplied by the Guernsey corporation tax charge rate of 0%	–	–
Effects of:		
Non-deductible expenses	–	–
Tax for the year	**–**	**–**

11. LOSS PER SHARE

From continuing operations

The calculation of a basic loss per share of 0.39 (2015: 0.54) pence, is calculated using the total loss for the year attributable to the owners of the company of £1,699,000 (2015: £2,503,071) and the weighted average number of shares in issue during the year of 460,361,182 (2015: 460,361,182). There are no potentially dilutive shares in issue.

12. INTANGIBLE ASSETS

	Exploration activities – iron ore £	Exploration activities – tin £	Total £
As at 28 February 2015	37,919,544	17,851,700	55,771,244
Foreign Exchange adjustment	(605,074)	(277,689)	(882,763)
Additions	1,334,631	163,382	1,498,013
As at 29 February 2016	**38,649,101**	**17,737,393**	**56,386,494**

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

Under the agreements to acquire the licences within Bushveld Resources, the group is required to fully fund the exploration activities up to the issue of the corresponding mining 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 year to exploration activities. A corresponding increase is credited to non-controlling interest.

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

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

At the date of approval of these financial statements, three of the Group's exploration licences remain due for renewal. These three licences have a carrying value of £56.4 million (2015: £55.8 million). Applications are due to be submitted for renewal of these licences as they become due and the directors have no reason to believe that these renewals will be unsuccessful.

Notes to the Consolidated Financial Statements continued
For the year ended 29 February 2016

13. PROPERTY, PLANT AND EQUIPMENT

	Mining asset £	Motor vehicles £	Geological equipment £	Fixtures and fittings £	Total £
Cost					
As at 28 February 2015	–	50,058	235,843	20,205	306,106
Additions	206,272	–	65,073	4,337	275,682
Exchange differences	–	(9,382)	(24,643)	(9,028)	(43,053)
As at 29 February 2016	**206,272**	**40,676**	**276,272**	**15,514**	**538,735**
Depreciation					
As at 28 February 2015	–	45,310	167,904	12,407	225,621
Charge for year	–	4,160	15,605	4,190	23,955
Exchange differences	–	(8,794)	(17,288)	(5,965)	(32,047)
As at 29 February 2016	**–**	**40,676**	**166,221**	**10,632**	**217,529**
Net Book Value					
At 29 February 2016	**206,272**	**–**	**110,052**	**4,883**	**321,206**
At 28 February 2015	–	4,748	67,939	7,798	80,485

The entire depreciation charge for the year of £23,955 (2015: £165,855) together with the profit on disposal of £nil (2015: loss £1,427) has been capitalised as exploration activities in the year.

Mining asset
During the year under review the Group acquired the shares in Zaaiplaats Mining (Proprietary) Limited the owner of the following properties:
- Remaining Extent of Portion 25 of the farm Groenfontein 227 KR;
- Limpopo Province; and
- Portion 5 of the farm Roodepoort 222 KR Limpopo Province.

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

14. TRADE AND OTHER RECEIVABLES

	29 February 2016 £	28 February 2015 £
Advances and deposits (Note 18)	2,625,000	14,510
Other receivables	441,855	132,201
	3,066,855	**146,711**

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

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

15. CASH AND CASH EQUIVALENTS

	29 February 2016 £	28 February 2015 £
Cash at hand and in bank	478,619	7,595,777

Cash and cash equivalents (which are presented as a single class of assets on the face of the Statement of Financial Position) comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less. The director's consider that the carrying amount of cash and cash equivalents approximates their fair value. The total cash and cash equivalents denominated in South African Rand amount to £49,622 (2015: £32,006) and £83,135 (2015: £7,216,323) is denominated in Australian Dollars.

16. TRADE AND OTHER PAYABLES

	29 February 2016 £	28 February 2015 £
Trade payables	141,217	205,863
Other payables	11,192	4,116
Accruals	375,178	253,970
Short-term loans (Note 18)	2,984,044	–
	3 511,631	**463,949**

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

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

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

The total trade and other payables denominated in South African Rand amount to £187,849 (2015: £135,864) and £14,012 (2015: £76,757) is denominated in Australian Dollars.

17. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares issued and fully paid £	Nominal value of shares of 1 pence each £	Share premium £	Total share capital and premium £
Balance at 28 February 2015 & 2016	**484,337,438**	**4,863,373**	**59,927,542**	**64,790,914**

The Board may, subject to Guernsey Law, issue shares or grant rights to subscribe for or convert securities into shares. It may issue different classes of shares ranking equally with existing shares. It may convert all or any classes of shares into redeemable shares. The Company may also hold treasury shares in accordance with the law. Dividends may be paid in proportion to the amount paid up on each class of shares.

During the year 1,670,000 shares were purchased by the Company with a nominal value of 1 pence for total consideration of £53,491, also in the year 1,000,000 of those shares were then sold for total consideration of £26,000.

As at the 29 February 2016 the Company owns 670,000 (2015: nil) treasury shares with a nominal value of 1 pence.

18. ACQUISITION OF SUBSIDIARY

On 20 May 2015 Bushveld announced its intention to make an off-market takeover offer for all the fully paid ordinary shares in the capital of Lemur that it did not own. At the date of the offer, there were 181,250,001 shares on issue of which Bushveld had a relevant interest in 114,697,097 shares.

The offer was for 66,552,904 fully paid ordinary shares in Lemur Resources not owned by Bushveld at AU$ 0.06 per share. The takeover was completed on 1 October 2015 when Bushveld acquired all the outstanding shares it did not own for AU$ 3,993,174, bringing the total consideration to £2,991,812.

19. DARWIN STRATEGIC LIMITED

Bushveld Resources entered into a £2,600,000 facility agreement with Darwin Strategic Limited on 28 May 2015.

Darwin agreed to make available to Bushveld, a Sterling loan of £2,200,000 to fund Bushveld Minerals reasonable and proper acquisition costs of shares of Lemur not already owned by Bushveld.

The funding is in the form of a senior unsecured loan facility which attracts interest at 1.5% per month and is repayable by the maturity date of 8 November 2015 unless Darwin Strategic elects to convert a portion of the facility into Bushveld shares. The working capital loan was drawn down on 29 May 2015 and the loan to fund the reasonable acquisition costs of shares of Lemur was drawn down on 31 July 2015.

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

Notes to the Consolidated Financial Statements continued
For the year ended 29 February 2016

19. DARWIN STRATEGIC LIMITED CONTINUED

Settlement of the Darwin Strategic

On 9 May 2016 Bushveld announced its decision to retire the £2.6 million senior unsecured convertible loan facility from Darwin Strategic initially entered into on 28 May 2015 to fund the Lemur Resources takeover offer and extended in November 2015 to 29 February 2016. Accordingly, the Company has released the £2.6 million previously held in escrow to Darwin Strategic in accordance with the agreed terms of the facility and subsequently terminated the arrangement.

The interest amount of £429,000 on the facility remains outstanding and will be settled in cash. An amount equal to £351,000, being the interest amount outstanding up to the end of the financial year, has been included as an expense in the Consolidated Statement of Comprehensive Income for the year ended 29 February 2016.

20. WARRANTS

The following warrants were granted during the year ended 29 February 2016:

Warrants granted	
Date of grant	28/05/15
Number granted	4,000,000
Contractual life	3 years
Estimated fair value per warrant	£0.001

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

Warrant scheme	
Date of grant	28/05/15
Share price at grant date	£0.040
Exercise price	£0.100
Expected life	3 years
Expected volatility	65%
Expected dividends	Nil
Risk-free interest rate	3.00%

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

The following warrants were granted during the year ended 28 February 2015:

Warrants granted	
Date of grant	26/03/14
Number granted	3,000,000
Contractual life	5 years
Estimated fair value per warrant	£0.02

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

Warrant scheme	
Date of grant	26/03/14
Share price at grant date	£0.055
Exercise price	£0.080
Expected life	5 years
Expected volatility	61.7%
Expected dividends	Nil
Risk-free interest rate	2.99%

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

20. WARRANTS CONTINUED

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

Warrant granted	
Date of grant	01/10/13
Number of granted	3,507,975
Contractual life	5 years
Estimated fair value per warrant	£0.016

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

Warrant scheme	
Date of grant	01/10/13
Share price at grant date	£0.050
Exercise price	£0.050
Expected life	2 years
Expected volatility	32%
Expected dividends	Nil
Risk-free interest rate	3.0%

The warrants in issue during the year are as follows:

	Number of warrants	Weighted average exercise price £
Outstanding at 1 March 2014	30,473,089	–
Granted during the year	4,000,000	0.05
Lapsed during the year	(23,965,114)	0.05
Outstanding at 28 February 2015	10,507,975	0.05
Exercisable at 28 February 2015	10,507,975	0.05

The warrants outstanding at the year-end have an exercise price of £0.05, with a weighted average remaining contractual life of 4 years.

The group has recognised a charge amounting to £422,386 in prior years. No charge has been recognised in the current year as the current year charge of £165,649 is adequately provided for.

21. FINANCIAL INSTRUMENTS

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

Capital risk management

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

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

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

Significant accounting policies

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

Principal financial instruments

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

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

Notes to the Consolidated Financial Statements continued
For the year ended 29 February 2016

21. FINANCIAL INSTRUMENTS CONTINUED

Categories of financial instruments

At 29 February 2016, the Group held the following financial assets:

	29 February 2016 £	28 February 2015 £
Loans and receivables		
Trade and other receivables	3,066,855	146,171
Cash and cash equivalents	478,619	7,595,777
Total financial assets	**3,545,474**	**7,742,488**

At 29 February 2016, the Group held the following financial liabilities:

	29 February 2016 £	28 February 2015 £
Other financial liabilities		
Trade and other payables	3,511,631	463,949
Total financial liabilities	**3,511,631**	**463,949**

General objectives, policies and processes

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

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

Credit risk

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

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

The concentration of the Group's credit risk is considered by counterparty, geography and by currency. The Group has a significant concentration of cash held on deposit with large banks in South Africa, Australia and the United Kingdom with A ratings and above (Standard and Poors). At 29 February 2016, the concentration of credit risk was as follows:

Currency	29 February 2016 £	28 February 2015 £
Sterling	345,862	347,448
South African Rand	49,622	32,006
Australian Dollar	83,135	7,216,323
	478,619	**7,595,777**

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

At 29 February 2016, 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 29 February 2016, 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.

21. FINANCIAL INSTRUMENTS CONTINUED

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 29 February 2016, the Group had £478,619 (2015: £7,595,777) of cash reserves.

Market risk

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

Interest rate risk

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

Foreign exchange risk

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

	29 February 2016 £	28 February 2015 £
Cash and cash equivalents	478,619	7,595,777
Other receivables	3,066,855	146,711
Trade and other payables	(3,511,631)	(463,949)
	33,843	**7,278,539**

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

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

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

2016	Rand currency impact strengthening £	Rand currency impact weakening £
Assets	3,939,416	3,223,158
Liabilities	(3,889,826)	(3,182,585)
	49,590	**40,573**

2016	Australian currency impact strengthening £	Australian currency impact weakening £
Assets	449,729	367,960
Liabilities	(15,569)	(12,738)
	434,160	**355,222**

Maturity of financial liabilities

All of the Group's financial liabilities and its financial assets in the year to 29 February 2016 are either payable or receivable within one year.

Notes to the Consolidated Financial Statements continued
For the year ended 29 February 2016

22. EVENTS AFTER BALANCE SHEET DATE

Acquisition of Strategic Minerals Corporation

Following announcements made on 9 May 2016, 20 June 2016 and 15 July 2016, the Company announced on 25 July 2016 execution of a Share Purchase Agreement ('SPA') with Evraz Group S.A. ('Evraz') for the conditional purchase of its 78.8% economic interest in Strategic Minerals Corporation ('SMC'), which owns the producing Vametco vanadium mine and plant in South Africa. The transformational acquisition is for a sum of US$16,466,000 with a 31 March 2017 completion date.

Terms of the transaction

The signing of the SPA follows the exclusivity agreement signed with Evraz, announced on 22 April 2016, in respect of the potential acquisition of Evraz's 78.8% economic interest (the 'Acquisition Interest') in Strategic Mineral Corporation, a holding company for a group of companies (the 'Group') which owns the producing Vametco vanadium mine and plant in South Africa ('Vametco Alloys') (the 'Acquisition').

SMC's capital structure comprises classes A, B and C shares.

- 97,047 Class A shares issued, all held by Evraz. Class A shares earn normal dividend distributions but have no voting rights;
- 100 Class B shares issued, 75 of which are held by Evraz (with 25 held by Sojtiz Corporation, a minority co-investor in SMC). Class B shares are not eligible for dividends but have full voting rights; and
- 26,167 Class C shares issued, all held by Sojitz Corporation. Class C shares are eligible for dividend distributions but have no voting rights.

BVL will acquire all of Evraz's shareholding in SMC as follows for a cash consideration and potential earn out payments.

1. The following amounts already paid by BVL will be set off against the US$16,466,000 purchase consideration to arrive at the US$14,826,000 final cash consideration balance payable on completion:
   - US$500,000, being the exclusivity fee announced on 22 April 2016;
   - US$500,000, being a further fee announced on 9 May 2016; and
   - US$640,000, being a break fee for transaction completion announced on 25 July 2016.

   Transaction completion is conditional on, inter alia:
   a) Waiver or lapsed of SMC's and the co-investor's pre-emption rights to acquire Evraz's interest;
   b) South African competition commission consent;
   c) Department of Mineral Resources of the Government of the Republic of South Africa consent;
   d) BVL acceding to a shareholder agreement with the co-investor in relation to the Class B shares;
   e) Bushveld shareholder approval;
   f) Readmission of the enlarged group to trading on AIM; and
   g) The long stop date for completion of 31 March 2017.

2. Earn out: an annual earn out payment following completion, based upon the vanadium price breaching an agreed minimum threshold price, is potentially payable between 2018 and 2015 up to an annual maximum amount of US$1,500,000 and a cumulative maximum amount of US$5,000,000, in 2016 money terms.

Funding the transaction

Bushveld is to partner with Yellow Dragon to acquire SMC through Bushveld Vametco Limited ('BVL'), a special purpose vehicle established for the purpose of the Acquisition. Yellow Dragon is a private, strategic investor in African resource projects. According to the partnership agreement:

- Bushveld is to retain a 45% equity interest in BVL and Yellow Dragon will own the other 55%;
- Financing for the Acquisition to be arranged by way of loan finance to BVL in proportion to each party's shareholding, plus associated transaction costs;
- Bushveld will fund its BVL Loans through a combined capital raise comprising debt and equity; and
- The funding package agreed with Yellow Dragon reduces Bushveld's effective interest in SMC such that it is no longer classified as a reverse takeover under AIM rules. As a consequence, neither an Admission Document nor Bushveld shareholder approval are necessary to complete the Acquisition.

The Placing and Subscription

The completed Placing of, and Subscription for, new ordinary shares raised a total of £1,770,000. The Placing and Subscription comprises 98,333,334 new ordinary shares issued at 1.8p per new ordinary share together with the grant of one warrant for each two shares. The warrants are exercisable at 2.4p for a period of 2 years.

Yellow Dragon led the fundraise through a subscription for 50,000,000 new ordinary shares in Bushveld at a price of 1.8p per ordinary share together with 25,000,000 warrants with terms as above.

The Yellow Dragon Subscription is payable in two tranches:

- £350,000 has been paid on 12 May 2016; and
- The remaining £550,000 will be paid on 29 July 2016.

22. EVENTS AFTER BALANCE SHEET DATE CONTINUED

The Placing and Subscription continued

Conditional on Admission of the ordinary shares, Bushveld has also agreed to grant warrants to Beaufort Securities Limited in connection with their role as placing agent as follows:

- 4,833,333 warrants, exercisable for five years from Admission at 1.8p per new ordinary share; and
- 1,086,000 warrants, exercisable for four years from Admission, comprising 434,000 at 6.9p and 652,000 at 4.6p per new ordinary share.

In addition to the above mentioned Placing and Subscription, on 24 August 2016 Bushveld Minerals placed 38,666,668 new ordinary shares of 1.0 pence each in the Company at a price of 1.5 pence each raising gross proceeds of £580,000. Participants in the Placing were also issued with a total of 19,333,334 warrants on the basis of one warrant for every two placing shares subscribed for in the placing. The warrants have an exercise price of 2.4 pence and an expiry period of two years from the date of issue. The Placing was co-ordinated by Beaufort Securities Limited, who was issued 3,866,667 broker warrants exercisable at 1.5 pence and with an expiry period of five years from the date of issue.

The net proceeds of the Placing will be used for general working capital purposes; continuing costs associated with the Vametco transaction; ongoing work in respect of Bushveld Energy's Cooperation Agreement with the IDC and continuing work on Lemur Resources IPP project in Madagascar.

Brits Vanadium Project

This company entered into a Sale of Shares Agreement with Sable Metals & Minerals Limited on 3 November 2015, for the acquisition of Great Line 1 (Pty) Ltd, Gemsbok Magnetite (Pty) Ltd and Caber Trade and Invest 1 (Pty) Ltd for US$600,000.

An amount of AU$518,334 (£305,055) was paid prior to year-end and the balance outstanding was settled in June 2016 through the issue of 7,000,000 Bushveld Minerals Shares, completing the transaction.

23. RELATED PARTY TRANSACTIONS

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

VM Investments is a related party due to two of the Executive Directors (Fortune Mojapelo and Anthony Viljoen) of Bushveld Minerals Limited being majority shareholders of VM Investments. At the year end, the Group owed VM Investments Ltd £26,134 (2015: £25,949). During the year, VM Investments charged the Group £67,047 (2015: £101,275) for office accommodation and other office services.

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

	29 February 2016 £	28 February 2015 £
Fees for services as directors	83,750	154,167
Short-term employee benefits	239,166	285,833
	322,916	**440,000**

Included within the above figure of short-term employee benefits is an amount of £97,500 (2015: £97,500) which has been capitalised as part of intangible exploration expenditure.

Notice of Annual General Meeting

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

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

26 August 2016

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

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

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

Notice of an Annual General Meeting of Bushveld Minerals Limited (the 'Company') to be held at 11:00am on Wednesday 21 September 2016 at 18-20 Le Pollet, St Peter Port, Guernsey GY1 1WH. Members of the Company are requested to return the enclosed Form of Proxy which, to be valid, must be completed and returned in accordance with the instructions printed thereon so as to be received as soon as possible by the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU, but in any event so as to be received by the Company Secretary at the registered office in accordance with the provisions of the Company's Articles of Incorporation not less than 48 hours before the time appointed for the Annual General Meeting. Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person at the Annual General Meeting should they so wish.

ORDINARY RESOLUTIONS

1. To receive and adopt the Annual Financial Statements of the Company and the Directors report and the report of the Auditors for the year ended 29 February 2016.
2. To approve the Directors Fees as reflected in the Remuneration Report and in Note 23 of the Annual Financial Statements.
3. That Messrs RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), be reappointed as Auditors to the Company.
4. That the Directors be authorised to approve the remuneration of the Company's Auditors.
5. That I. Watson shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
6. That F. Mojapelo shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
7. That J. Friedlander shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
8. That the Company be generally and unconditionally authorised for the purposes of Articles 50.3 of the Articles to make on market acquisitions (as defined in Article 50.5 of the Articles) of Ordinary Shares on such terms and in such manner as the Directors determine provided that:
   (i) the maximum aggregate number of Ordinary shares which may be purchased is 48,635,438 Ordinary Shares;
   (ii) the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.01;
   (iii) the maximum price (excluding expenses) which may be paid for any Ordinary Share does not exceed 105% of the average closing price of such shares on AIM for the 5 business days prior to the date of purchase; and
   (iv) this authority shall expire at the conclusion of the next annual general meeting of the Company unless such authority is renewed prior to that time (except in relation the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority, in which case such purchase may be concluded wholly or partly after such expiry).

SPECIAL RESOLUTION

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

By order of the Board

F. Mojapelo
Director
26 August 2016

ACTION TO BE TAKEN

A Form of Proxy is enclosed. Whether or not you intend to be present at the Annual general Meeting you are requested to complete for form of Proxy in accordance with the instructions printed thereon and to return it to the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU as soon as possible and, in any event, so that it is received no later than 11:00 am on 19 September 2016 in accordance with the Company's Articles of Incorporation. The completion and return of a Form of Proxy will not preclude you from attending the Annual General Meeting and voting in person if you wish to do so.

NOTES:

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

Notes

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