

Market Abuse Regulation ("MAR") Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

4 February 2021

Bushveld Minerals Limited
("Bushveld Minerals" "Bushveld" or the "Company")
Q4 and Full Year 2020 Operational Update

Bushveld Minerals Limited (AIM: BMN), the AIM quoted, integrated primary vanadium producer and energy storage solutions provider, with ownership of high-grade assets in South Africa, ("Bushveld"), is pleased to provide an operational update for the fourth quarter and 12 months ending 31 December 2020 ("Q4 2020" and "12M 2020").

Key Highlights

Bushveld Vanadium

§ 12M 2020 Group production of 3,631 mtV was 24 per cent higher than 12M 2019 (12M 2019: 2,931 mtV), primarily as a result of the inclusion of Vanchem's production for the full 12-month period, partially offset by impact of the nationwide lockdown in South Africa during H1 2020.

- Production was marginally lower than 2020 guidance of between 3,660 mtV and 3,940 mtV (less than one per cent).

§ 12M 2020 Group sales of 4,264 mtV¹ were 78 per cent higher than 12M 2019 (12M 2019: 2,392 mtV), as a result of the addition of sales from Vanchem as well as increased demand from customers in H2 2020

- Sales to China made up a total of 21 per cent of total volumes sold in 12M 2020 compared with 10 per cent in 12M 2019, in line with the Group's strategy of increasing sales to higher-priced markets.

§ Q4 2020 Group production of 951 mtV was seven per cent below Q3 2020 production (Q3 2020: 1,019 mtV), mainly due to unplanned maintenance stoppages at both operations and severe weather conditions.

§ Q4 2020 Group sales of 1,268 mtV² rose by 35 per cent relative to Q3 2020 (Q3 2020: 940 mtV), as demand for vanadium products strengthened during the quarter across all major markets as a result of increasing industrial output in developed economies.

§ A Vametco JORC (2012) compliant Competent Persons Report ("CPR") for the updated Mineral Reserve and Resource Estimate for Vametco was published today on the Company's website.

§ Appointment of Francois Naude as Director of Operations (non-board), overseeing Vametco, Vanchem and Bushveld Electrolyte Company ("BELCO").

1. Sales of 4,264 mtV includes intercompany sales of 1,255 mtV.
2. Sales of 1,268 includes intercompany sales of 520 mtV.

Bushveld Energy

Electrolyte

§ During the year Bushveld Energy successfully established Bushveld Electrolyte Company ("BELCO") as the operational company for the electrolyte business. The Engineering phase of the Engineering Procurement Construction ("EPC") process was completed in Q4 2020. The procurement process will commence in Q1 2021 followed by construction.

Deployments

§ Received environmental authorisation and awarded the EPC for the construction of a hybrid mini-grid at Vametco Enerox GmbH ("Enerox") will supply the 1MW / 4MWh Vanadium Redox Flow Battery ("VRFB") for the project and Abengoa will manage the EPC of the project, including 3.5 MW of solar PV.

Investments

§ During the year, in line with its strategy, the Group successfully completed its investments in VRFB original equipment manufacturers ("OEMs"), Invinity Energy Systems ("Invinity") and Enerox.

Financial Highlights

§ The Group successfully completed and drew down the US\$65 million financing package with Orion Mine Finance ("Orion") to fund capital projects as well as partially retire existing debt facilities.

§ Unaudited Group cash and cash equivalent as at 31 December 2020 was approximately US\$50.5 million, compared to US\$34.0 million on 31 December 2019. The 31 December 2020 unaudited cash and cash equivalent position includes the Orion production financing arrangement and convertible loan note, and ZAR125 million Nedbank revolving credit facility.

2021 Guidance and Capital Expenditure

Bushveld Vanadium

§ Estimated Group production of between 4,100 mtV and 4,350 mtV in 2021, a 13 per cent to 20 per cent increase relative to 2020, with volumes weighted towards the second half due to a 35-day maintenance shutdown at Vametco during Q1 2021.

§ Progress procurement and construction of the electrolyte plant. In order to ensure closer alignment of all vanadium operating facilities, BELCO will migrate to the Bushveld Vanadium platform both operationally and in ownership.

Bushveld Energy

§ Attaining financial close and commence construction of the hybrid mini-grid at Vametco.

§ Advance the development of Bushveld Energy's Deployment pipeline in Africa, including self-generation options for all of Bushveld's existing and future electrical energy needs. Bushveld's energy needs have the potential of more than 125MW of solar PV and 180MWh of battery energy storage systems within our facilities.

§ Continue to support and collaborate with global VRFB manufacturers as per Bushveld Energy's VRFB OEM partnership strategy. This includes scale up of the vanadium electrolyte rental product with new contracts, comprising the rental contract with Pivot Power, part of EDF Renewables.

Group Capital Expenditure

§ Capital expenditure expected for 2021 of approximately ZAR540 million (circa US\$33.7 million), with most of the cost being Rand-denominated. The Capital expenditure includes the following:

- Vametco ZAR85.2 million (circa US\$5.3 million);
- Vanchem ZAR251 million (circa US\$15.7 million);

- Mokopane DFS ZAR40 million (circa US\$2.5 million); and
- Bushveld Energy, including BELCO, ZAR152 million (circa US\$9.5 million), which will be principally funded by Bushveld Energy's partial asset sales.

§ Further details can be found in the Bushveld Vanadium and Bushveld Energy sections of the update.

Fortune Mojapelo, CEO of Bushveld Minerals Limited, commented:

"Production for the year was 24 per cent higher than the prior year, despite the challenging environment during the year. The fourth quarter was characterised by strong vanadium demand and sales which has carried in 2021. Achieving our production targets while continuing to ensure the safety of our employees is our most important goal."

During the quarter we also completed the US\$65 million funding agreement with Orion Mine Finance announced at the end of September 2020. The funding secures our growth plans at Vametco and contributes towards the first phase of Vanchem's refurbishment programme. Furthermore, the financing has strengthened our balance sheet as we were able to retire the Nedbank term loan and repay half of the Duferco Participations Holding S.A ("Duferco") convertible loan note with cash and shares.

For 2021, we expect to raise production by between 13 per cent to 20 per cent to between 4,100 mtV and 4,350 mtV. Additional maintenance work has been identified at Vametco which will require further downtime in the year, while further debottlenecking activities will be required on certain parts of the plant. Vanchem's three-kiln configuration allows the plant to operate without the need of a shutdown while maintenance is being conducted. The maintenance and downtime have all been factored into the production guidance released today. In addition, as part of our initiatives to enhance our operational performance, we are pleased to announce the appointment of vastly experienced Francois Naude as Director of Operations, who brings over 27 years of mining and processing experience. Francois will be overseeing Vametco, Vanchem and BELCO operations.

At Bushveld Energy, we made great strides in growing the awareness and commercial competitiveness of VRFBs as a viable energy storage alternative. Our investment support of entities such as Invinity and Enerox have provided these companies with a strong base to pursue their respective growth initiatives at a time when the world is calling for a large part of post-Covid-19 stimulus spend to be allocated to renewables and green energy. Importantly the rights of first refusal with Invinity and Enerox for us to supply their batteries with our vanadium, provides a future hedge against volatility in the vanadium price as the VRFB market develops. In addition, we have achieved strong returns on our investment in Invinity. Progress with our Enerox investment will be provided in due course, which will include an update in our ownership and strategy. We have made great progress at BELCO, we are excited about the electrolyte rental opportunities that we are developing, which we will update the market in due course with further information.

Meanwhile, we have achieved and learnt so much already from our work on the mini-grid project at Vametco, where we also welcomed strong financing, engineering and construction partners in the year. In addition, with regulations being relaxed for self-generation, it allows us to investigate the scaling up of our own self-generation solutions. We have identified energy needs of more than 125MW of solar PV and 180MWh of battery energy storage systems within our own facilities and in due course will unveil our strategy around this exciting opportunity.

In summary, we have entered the new financial year on a positive footing with the secured funding, the higher production for the year and a rising vanadium price. While Covid-19 remains a part of our everyday lives, we continue to concentrate on executing the goals that are within our own hands, including: meeting our 2021 production guidance, reducing our costs and advancing the development of vanadium redox flow batteries as a major source of energy storage."

Conference call

Bushveld Minerals Chief Executive Officer, Fortune Mojapelo, and Finance Director, Tanya Chikanza will host a conference call at 10:00 am UK time (12:00 am SAST) today to discuss the quarterly update with analysts. Participants may join the call by dialling:

Tel: United Kingdom: +44 (0) 330 336 9126; South Africa: +27 11 844 6054
Pin: 9179862

A replay of the conference call will be available on the Company's website post the call.

Bushveld Vanadium

Bushveld has one of the largest, high-grade primary vanadium resource bases in the world. The Company's vanadium resource base currently consists of three mineral assets, Vametco, Brits and Mokopane, and its processing facilities consist of Vametco and Vanchem, which are all situated in South Africa.

Group sales geographic split for 2020 was 37 per cent to the US, 25 per cent to Europe, 21 per cent to China and 17 per cent to the rest of the World.

Group	Unit	Q4 2020	12M 2020	Q4 2020 vs Q3 2020	12M 2020 vs 12M 2019	Q4 2020 vs Q4 2019
Production	mtV ¹	951	3,631	-6.7%	23.9%	-2.7%
Sales	mtV	1,268 ²	4,264 ³	34.8%	78.2%	88.4%

1. mtV = metric tonnes of vanadium.
2. Sales of 1,268 includes intercompany sales of 520mtV.
3. Sales of 4,264 mtV includes intercompany sales of 1,255 mtV.

Production cash cost (C1) measure does not have any standardized meaning prescribed by IFRS and differs from measures determined in accordance with IFRS. This measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. This measure is not necessarily indicative of net earnings or cash flow from operating activities as determined under IFRS.

Vametco

Table 1: Operational highlights for Vametco (on a 100% basis)

Description	Unit	Q4 2020	12M 2020	Q4 2020 vs Q3 2020	12M 2020 vs 12M 2019	Q4 2020 vs Q4 2019
Vanadium (Nitrovan, FeV) produced	mtV ²	703	2,654	-3.0%	-6.3%	-20.1%
Vanadium sold³	mtV ²	907	3,333	-41.7%	39.3%	34.8%
USD/ZAR exchange rate	\$=ZAR	15.6	16.5	-7.5%	13.9%	6.4%
Average selling price	US\$/kgV	22.2	23.4	-	-52.0%	-
Average LMB vanadium price⁴	US\$/kgV	24.4	25.0	0.9%	-39.9%	5.8%

Average CRU RN vanadium price⁴	US\$/kgV	23.2	23.8	6.2%	-60.0%	-17.0%
Average Asian Metals price⁴	US\$/kgV	22.9	24.6	-14.1%	-33.2%	-23.5%
Production cash cost (C1)⁵	ZAR/kgV	328	302	7.1%	15.7%	53.9%
Production cash cost (C1)⁵	US\$/kgV	21.0	18.3	15.8%	1.5%	44.7%

1. Based on provisional, unaudited figures. Bushveld's net attributable interest of the above figures is approximately 74 per cent.

2. mtV = metric tonnes of vanadium.

3. Sales of 3,333 mtV includes sales to customers of 2,078 mtV and intercompany sales of 1,255 mtV.

4. The vanadium price is based on the FeV mid average price for the period, published by LMB for sales to Europe, CRU Ryan's Note ("CRU RN") for sales to the United States and Asian Metals for sales to Asia. Vametco realised price is based on the prior month's mid average price.

5. Excludes depreciation, royalties and selling, general & administrative expenses and cost associated with Covid-19. _Production cash cost is based on vanadium produced.

§ 12M 2020 production in the form of Nitrovan and Ferrovanadium was 2,654 mtV, slightly below 2020 guidance of 2,700 mtV to 2,850 mtV (less than two per cent), due to lower production volumes than expected in Q4 2020.

- In spite of the impact of the nationwide lockdown and resultant changes in work arrangements Vametco production was just six per cent lower than 12M 2019 production (12M 2019: 2,833 mtV).

§ Q4 2020 production of 703 mtV was 20 per cent below Q4 2019 (880 mtV) due to heavy rainfall affecting overall throughput, incidents at the shaft furnaces due to Eskom power failures and commissioning issues at the new kiln off-gas which have been resolved.

§ 12M 2020 achieved a production cash cost (C1) of US\$18.30/kgV (ZAR302/kgV), which was two per cent higher than guidance of between US\$17.50/kgV and US\$17.90/kgV (ZAR295/kgV and ZAR300/kgV), mostly due to lower production volumes than expected in Q4 2020.

§ Q4 2020 production cash cost of US\$21.0/kgV was 16 per cent higher than Q3 2020 (Q3 2020: US\$18.10/kgV), due to lower volumes and increased maintenance costs as a result of an unplanned maintenance stoppage, and a stronger ZAR:USD exchange rate during the quarter.

§ Q4 2020 production cash cost of US\$21.0/kgV was 45 percent higher than Q4 2019 (Q4 2019: US\$14.50/kgV), due to lower volumes and increased maintenance costs as a result of an unplanned maintenance stoppage.

§ Sold 907 mtV in Q4 2020, of which 388 mtV were final sales to customers. The sales volume includes intercompany sales of 520 mtV.

§ Sold 3,333 mtV in 2020, of which 2,078 mtV were final sales to customers. The sales volume includes intercompany sales of 1,255 mtV, of which 833 mtV have post period end been converted into final sales to customers.

2021 production guidance and capital expenditure

§ Production guidance of between 2,700 mtV and 2,850 mtV 2021, an increase of up to seven per cent relative to 2020 production, with volumes weighted towards H2 2021.

- Guidance includes expectations of a 35-day maintenance shutdown at Vametco during Q1 2021, as well as further debottlenecking work further down the process stream to match the work that has already been performed at the upper end of the plant.

§ 2021 production cash cost (C1) guidance of between US\$20.0/kgV and US\$21.30/kgV (ZAR320/kgV and ZAR340/kg), representing a nine per cent to 16 per cent increase relative to 2020.

- The increase in cost relative to 2020 is due to higher maintenance cost to improve operational stability, increase in raw materials and statutory electricity increase.

§ Total capital expenditure expected for 2021 of ZAR85.2 million (circa US\$5.3 million), with most of the cost being Rand-denominated includes:

- ZAR62 million (circa US\$3.8 million) of sustaining capital;
- ZAR19.7 million (circa US\$1.2 million) of environmental capital; and
- ZAR3.5 million (circa US\$219,000) required for the Vametco Phase III Prefeasibility study ("PFS").

Projects

§ Technical studies associated with the Vametco Phase III PFS are progressing and are expected to conclude during H1 2021. Details on the ramp up profile and capital expenditure will be provided once the PFS has been completed. Metallurgical Engineering Technology and Construction has been selected as the consulting firm to conduct the studies.

Vanchem

Table 2: Operational highlights for Vanchem

Description	Unit	Q4 2020	12M 2020	Q4 2020 vs Q3 2020
Chemicals	mtV ¹	72	137	-
Flake	mtV ¹	41	418	-42%
FeV	mtV ¹	148	434	24%
Total production²	mtV ¹	261	990	-11%
Chemicals	mtV ¹	20	80	-44%
Flake	mtV ¹	144	408	-13%
FeV	mtV ¹	197	443	100%
Total sales	mtV	361	931	20%
Average realised sales price	US\$/kgV	21.1	21.3	-4%
Weighted average production cash cost (C1)³	ZAR/kgV	401.8	369.4	16%
Weighted average production cash cost (C1)³	US\$/kgV	25.7	22.4	11%

1. mtV = metric tonnes of vanadium.

2. Includes 14mtV of ammonium metavanadate (AMV) that Vametco sold to Vanchem for further processing into 12.8 mtV of FeV.

3. Excludes depreciation and selling, general & administrative expenses and cost associated with Covid-19. Production cash cost is based on vanadium produced.

§ 12M 2020 production of 990 mtV, in line with 2020 guidance of 960 mtV to 1,100 mtV.

§ Production in Q4 2020 was 261 mtV, 11 per cent lower than Q3 2020 (Q3 2020: 294 mtV) due to an unplanned maintenance stoppage during the quarter resulting in lower production.

§ Production numbers are provided at the time of reporting, after which, based on customer demand, chemicals and flake may be further processed to the required finished product, which will result in production and cost adjustments in line with the demand profiles of the various products.

§ Given the nature of the various intermediate products that Vanchem produces and its ability to either sell or beneficiate it further, the weighted average production cash cost (C1) has been further refined in order to reflect more accurately the cost of production. This

refinement will only affect the reporting based on units produced and as a result any comparative has also been restated.

§ 12M 2020 production cash cost (C1) of US\$22.40/kgV (ZAR369/kgV), 18 per cent higher than guidance of US\$18.40/kgV and US\$19.0/kgV (ZAR310/kgV and ZAR320/kgV).

- The higher cost was due to the higher Q4 2020 costs as outlined below.

§ The weighted average production cash cost (C1) for the quarter was US\$25.70/kgV, 11 per cent higher than Q3 2020 (Q3 2020: US\$23.10/kgV¹).

- The higher cost was due to an unplanned maintenance stoppage which resulted to lower production volumes and higher maintenance costs, a stronger ZAR:USD exchange rate, higher labour costs due to one-off payments and statutory electricity increase.

- In addition, the increase in cost during the quarter was due to higher raw materials costs as a result of test work performed with different concentrate through the Vanchem kiln in order to optimise process parameters for such concentrate. We have made good progress in identifying the operating parameters required to process this concentrate.

§ Achieved sales of 361 mtV in Q4 2020, which was 20 per cent higher than Q3 2020 (Q3 2020: 301 mtV) and driven by increased demand from customers supported by an increase in industrial output in developed economies

1. Restated production cash cost.

2021 production guidance and capital expenditure

§ Production guidance of between 1,400 mtV and 1,500 mtV 2021, an increase of between 41 per cent and 52 per cent relative to 2020 production.

- Certain maintenance has been identified for kiln-1 at Vanchem, however, this work is not expected to require any downtime as it is planned to be conducted once kiln-3 has been refurbished and brought online. Some production flexibility is provided by the plants' three-kiln configuration, with production switching from kiln-1 to kiln-3 while this work is ongoing underway with the current refurbishment programme.

§ 2021 production cash cost (C1) guidance of between US\$26.20/kgV and US\$26.70/kgV (ZAR419/kgV and ZAR427/kgV), representing a 17 per cent to 19 per cent increase relative to 2020.

- The increase in cost is due to higher maintenance, labour and raw material costs associated with the refurbishment and commissioning of kiln-3, which is expected to be commissioned in H2 2021. The full production benefit of kiln-3 will be realised in 2022.

§ Work on the extension of the Waste Disposal Facility is on track for completion in H1 2021. Design work on the electrical reticulation system and storm water treatment works is expected to commence in Q1 2021. Design work for the refurbishment of kiln-3 commenced in December 2020, with the scoping of the remaining refurbishment being conducted in-house. Kiln-3 is expected to be commissioned in H2 2021, resulting in a modular production increase, subsequent to which, kiln-1 will be taken offline for refurbishment. Scoping of the refurbishment of other areas of the plant to cater for the kiln-3 refurbishment is in progress. Capital expenditure expected for 2021 is approximately ZAR251 million (circa US\$15.7 million), with most of the cost being Rand-denominated.

Mokopane

§ Mokopane is one of the world's largest primary vanadium resources, with a 298 Mt JORC compliant resource and a weighted average V₂O₅ grade of 1.41 per cent in-situ and 1.75 per cent in magnetite.

§ Mokopane is positioned to become a primary source of feedstock for Vanchem, creating a fully integrated vanadium producing business in a shorter time frame and at a lower cost, as opposed to a standalone operation.

§ A definitive feasibility study ("DFS") to mine the Main Magnetite Layer, to provide a resources and reserves assessment with a focus on Mokopane as a primary feedstock supplier to Vanchem will be commenced in 2021. The estimated capital expenditure for the DFS is ZAR40 million (circa US\$ 2.5 million)

§ As previously reported, Vanchem has sufficient ore supply to support current levels of production until H1 2021. As part of its options, the Company retains the optionality to supply magnetite concentrates from Vametco to the Vanchem Plant.

Bushveld Energy

Bushveld Electrolyte Company ("BELCO")

§ BELCO's EPC process started in H1 2020 and the engineering phase of the vanadium electrolyte plant was completed in Q4 2020. The procurement process will commence in Q1 2021 followed by construction.

Investments - Enerox and Invinity

§ Invinity value realisation

During Q4 2020 and post period end the Company sold a portion of its holding in Invinity on the open market for circa US\$4 million, this recoups most of Bushveld's original US\$5 million investment. The proceeds from the sale will be used to fund some of Bushveld Energy's initiatives, including Vanadium Electrolyte Rental Limited ("VERL"), the partnership established with Invinity to rent vanadium electrolyte, and its right of first refusal to supply vanadium and vanadium electrolyte. Bushveld's shareholding currently exceeds five per cent.

§ Enerox GmbH

In Q3 2020, the Company successfully completed the acquisition by Enerox Holdings Limited ("EHL") of a further 65.1 per cent of the share capital of Enerox. EHL is an investment vehicle formed by a consortium of investors, including Bushveld Energy Limited. On 31 December 2020, EHL owned 100 per cent of Enerox, with Bushveld Energy a minority shareholder in EHL. Under a separate agreement Bushveld secured a right of first refusal to supply vanadium oxide, vanadium electrolyte and vanadium electrolyte rental products to Enerox.

Deployments

§ In Q4 2020, the Company received environmental authorisation and awarded the EPC for the construction of a hybrid mini-grid at Vametco. Enerox GmbH ("Enerox") will supply the 1MW / 4MWh Vanadium Redox Flow Battery ("VRFB") for the project and Abengoa will manage the EPC of the project, including the integration of 3.5 MW of solar PV. The engineering phase for the project commenced in 2020, with financial close and procurement as the next priorities. Construction is planned to commence during the course of 2021.

§ Progress self-generation options for all of Bushveld's existing and future electrical energy needs. Existing aggregate loads of 21MW are expected to increase to over 50MW post completion of expansion and refurbishment programmes. This need equates to potentially more than 125MW of solar PV and 180MWh of battery energy storage systems within our facilities.

Additional Bushveld Energy priorities

§ Scale up the vanadium electrolyte rental product with new contracts.

§ Continue to support and collaborate with global VRFBs manufacturers as per Bushveld Energy's VRFB OEM partnership strategy.

2021 Capital Expenditure

§ Bushveld Energy's 2021 Capital Expenditure is budgeted to be ZAR152 million (circa US\$ 9.5million). The majority of this budget will be covered by partial sales of existing Bushveld Energy assets, with most of the planned sales for 2021 already completed with the partial sale of the Company's holding in Invinity. The capital expenditure will be used on the following projects and initiatives:

- Bushveld's share of BELCO procurement and construction costs;
- Scaling the electrolyte rental product, including the rental contract with Pivot Power, in the UK through the VERL and the rental contract for the Vametco Mini-grid;
- Development of energy self-generation and storage solutions for Bushveld Minerals' operating facilities through Bushveld Energy's deployment business, including Bushveld's share in the equity portion of financing for the Vametco mini-grid project, which is structured as an Independent Power Producer ("IPP"); and
- Supporting and funding the growth of Enerox, together with the other shareholders of EHL, providing the business with growth working capital to capitalise on the rapidly growing global energy storage market.

Corporate Developments

Organisational changes

- § As part of the Company's initiatives to improve operational performance, Francois Naude has been appointed as Director of Operations (non-board), overseeing Vametco, Vanchem and BELCO. Francois brings 27 years of mining and processing experience, most recently as Director of Operations at Vedanta Resources and General Manager at AngloGold Ashanti. Francois will be joining the Executive Committee and will report to the CEO.
- § With these organisational changes and secured funding, the Group is equipped to achieve its operational targets and advance the Vametco Phase III expansion project and the Vanchem Phase I refurbishment programme. These initiatives will ensure that Bushveld remains competitive, even at low vanadium prices, and can fully exploit the benefits of higher prices.
- § Post quarter end, the Company received the unfortunate news of the passing of M Dolly Mokgatle an independent non-executive director. Once again, the Board extends its deepest condolences and sympathies to Ms Mokgatle's family. The Company will commence the search for a new independent non-executive director in due course.

Funding and Capital Structure

On 30 November 2020, the Company announced it had met all the outstanding conditions in respect to the US\$65 million funding package with Orion Mine Finance and had given notice to drawdown on the funds, which were received in December 2020. The use of proceeds was as follows:

- § US\$5 million to partially repay the US\$23.5 million convertible Loan Note owned by Duferco, (the previous owner of Vanchem). This was paid in December 2020, in addition, Duferco converted US\$6.5 million into Bushveld shares. The outstanding convertible amount of US\$11.5 million is due for repayment on 8 November 2021.
- § ZAR250 million (circa US\$15.7 million) to retire the Nedbank term loan. This was repaid in December 2020, although the Group has retained the ZAR125 million revolving credit facility.
- § US\$24 million to complete Phase III of Vametco's expansion project and enable Vametco to attain a production greater than 4,200 mtV per annum.
- § US\$20.3 million towards Phase I of Vanchem's refurbishment programme.

Covid-19 update

- § On 28 December 2020, the South African government moved the country to adjusted Level 3 lockdown restriction measures, to curb the rising spread of the Covid-19 virus, however, allowing the majority of the economy to operate with some restrictions.
- § We continue to adhere to the South African health authority protocols in dealing with the pandemic and follow the Covid-19 safety protocols that we implemented at our operations. Since the start of the pandemic, we have had 105 positive cases and sadly two deaths among our workforce. The current number of active cases is 13. We maintain vigilance to ensure our operations are not disrupted.

Vanadium and VRFB Markets and outlook

- § The robust vanadium demand and rising prices seen at the end of 2020 have continued in 2021 across all key markets. The recovery is driven by higher steel mill capacity utilisation rates and low warehouse stocks. We expect prices to remain robust for the rest of Q1 2021.
- § An increase in momentum for vanadium redox flow batteries remained unaffected during the year, with increased deployment of VRFBs, mostly in China. Demand is expected to rise as governments continue to accelerate the energy transition to a low-carbon energy future, increasing potential demand for renewable energy generation and energy storage. Below are some recent announcements.
- Saudi Arabia is developing a domestic vanadium-based energy storage supply chain through a memorandum of understanding and the JV between VRFB OEM Schmid and Nusaned Investment, ultimately held by Saudi Aramco, in drawing a feasibility study of building a facility to recover vanadium. The vanadium produced by the project can be used for grid-stabilization batteries which will facilitate a more efficient use of renewable energy.
 - In China, phase I (7.5MWh) of ESJ Electric's all-vanadium redox battery energy storage power station in Aksu Prefecture, successfully completed grid connection. This is its largest all-vanadium redox battery photovoltaic energy storage project.
 - In the U.S. utilities are poised to benefit more from "Green Deal" type policies, under President Joe Biden administration, which are more bullish on including clean energy provisions in a future stimulus package as it improves the environment for green investments.
 - Invinity Energy Systems announced sales totaling 18.6 MWh during 2020.
- § The 2021 year to date average vanadium price is ~US\$27/kgV London metal bulletin, ~US\$30/kgV Asia Metals and ~US\$27/kgV for CRU Ryan's Note as at 29 January 2021.

ENDS

Enquiries: info@bushveldminerals.com

Bushveld Minerals Limited

Fortune Mojapelo, *Chief Executive Officer*
Chika Edeh, *Head of Investor Relations*

+27 (0) 11 268 6555

SP Angel Corporate Finance LLP Nominated Adviser & Broker

Richard Morrison / Charlie Bouverat
Abigail Wayne / Richard Parlons

+44 (0) 20 3470 0470

BMO Capital Markets Limited Joint Broker

Tom Rider

+44 (0) 20 7236 1010

Peel Hunt Limited Joint Broker

Ross Allister / Alexander Allen

+44 (0) 20 7418 8900

Tavistock Financial PR

Charles Vivian / Gareth Tredway /
Edward Lee

+44 (0) 207 920 3150

ABOUT BUSHVELD MINERALS LIMITED

Bushveld Minerals is a low-cost, integrated, primary vanadium producer, with ownership of high-grade vanadium assets.

The Company's flagship vanadium platform includes a 74 per cent controlling interest in Bushveld Vametco Alloys (Pty) Ltd, a primary vanadium mining and processing company; 100 per cent of Bushveld Vanchem, a primary vanadium processing facility with a beneficiation plant; the Mokopane Vanadium Project and the Brits Vanadium Project.

Bushveld's vision is to become a significant, low-cost, integrated primary vanadium producer through owning high grade assets. Whilst the

demand for vanadium remains largely anchored in the steel industry, Bushveld Minerals believes there is strong potential for an imminent and significant global vanadium demand surge from the fast-growing energy storage market, particularly through the use and adoption of Vanadium Redox Flow Batteries. Bushveld Energy, the Company's energy storage solutions provider, plays a leading role in the development and promotion of the role of vanadium in this market.

The Company's approach to project development recognises that, whilst attractive project economics are imperative, they may be insufficient to secure capital to bring them to account. A clear path to production within a visible timeframe, low capital expenditure requirements and scalability are important factors in ensuring a positive return on investment. This philosophy is core to the Company's strategy in developing projects.

Detailed information on the Company and progress to date can be accessed on the website www.bushveldminerals.com.

About Vametco

Vametco is located near Brits on the Western Limb of the Bushveld Complex. The integrated operation comprises a vanadium ore mine and a processing plant that produces mostly Nitrovan, a trademark product sold in major steel markets across the world. The mine lies adjacent to the Brits Vanadium Project, which will in future serve as an alternative source of near surface run of mine ("ROM") ore feed to the Vametco plant.

The Vametco mining operation uses open pit bench mining methods to mine a well-defined orebody. The deposit is continuous with limited faulting and dips in a northerly direction at approximately 19 degrees.

ROM ore is fed into a primary, secondary and tertiary crushing circuit, followed by milling and magnetic separation to produce magnetite concentrates. The magnetite concentrates are fed into the extraction process which includes the kiln for roasting followed by leaching and precipitation. Thereafter the precipitated vanadium as ammonium metavanadate is converted to modified vanadium oxide ("MVO") in rotary calciners. MVO is fed into the mix plant and finally into the shaft furnaces to produce Nitrovan.

About Vanchem

Vanchem is situated at Ferrobank Industrial Park in Emalahleni Local Municipality, Mpumalanga Province in the Republic of South Africa. Vanchem is a primary vanadium producing facility with a beneficiation plant capable of producing various vanadium oxides, ferrovanadium and vanadium chemicals. Vanchem uses the salt roast beneficiation process, similar to the one used at Vametco. The plant comprises: a core salt-roast processing plant, including 3 roasting kilns, an electric smelting ferrovanadium converter, an alumino-thermic smelting facility, also located at Highveld, a vanadium chemical plant; and a rail siding linking the plant with Bushveld deposits and additional potential supply sources through the national rail network.

About Bushveld Energy Limited

Bushveld Energy is a leading energy storage solutions provider, focusing on the African market. Bushveld Energy recognises that the requirement for electricity in Africa touches on both the paramount potential for social transformation and an immense commercial opportunity.

Bushveld Energy is focused on developing and promoting the role of vanadium in the growing global energy storage market through application in vanadium redox flow batteries. Its near-term strategy is to deploy several VRFB systems as part of its longer term vision to become a significant electricity storage provider in Africa, meeting the demand for utility scale energy storage in Africa by leveraging South Africa-mined and beneficiated vanadium. As part of its strategy of partnering with VRFB Original Equipment Manufacturers ("OEM") for the supply of vanadium material, vanadium electrolyte and vanadium electrolyte rental products, the Company is invested in Invinity Energy Systems Plc and Enerox GmbH. In addition, Bushveld Energy is developing its own hybrid mini-grid at the Vametco vanadium mine comprising 3.5 megawatts of solar photovoltaic and 4 megawatt hours of VRFB energy storage. In addition, Bushveld Energy has developed a vanadium electrolyte plant in partnership with the Industrial Development Corporation, with an initial 200 megawatt hours capacity, in East London, South Africa. The Company has also created and rolled out an innovative vanadium electrolyte rental product that reduces costs of VRFBs and introduces vanadium into the circular economy.

<http://www.bushveldenergy.com>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDTIMFTMTAMMFB