

23 November 2012

For Immediate Release

Bushveld Minerals Ltd  
("Bushveld" or the "Group")  
**Half Yearly Results for the period to 31 August 2012**

Bushveld Minerals Limited (AIM: BMN) presents the interim results for the period to 31 August 2012.

**Highlights:**

- Cash of £3.1m at 31 August 2012
- £933,000 spent on exploration work
- Excellent progress on the Bushveld Iron Ore Project, progressing towards 1 billion tonnes target resource by end of Q1 2013
  - o 1,522 m drilled between 23 April 2012 and 31 May 2012 to upgrade inferred resource to indicated resource and to extend resource
  - o Extension of the strike of mineralisation and in-fill diamond core drilling to upgrade the P-Q resource to indicated category
  - o Positive preliminary magnetite recoveries and concentrate grades for Fe<sub>2</sub>O<sub>3</sub>, TiO<sub>2</sub> and V<sub>2</sub>O<sub>5</sub>
- Commencement of drilling programme on the Mokopane Tin Project
- Infrastructure scoping studies are underway, with results expected Q1 2013
- Post balance sheet acquisition of a 2.67% shareholding in ASX listed coal-projects development company, Lemur Resources Limited

**CEO Statement**

Bushveld Minerals was admitted to trade on AIM on 26 March 2012. The Company, presented the case for a potential new iron ore mining operation in the Limpopo province, with a 633 million tonne open-castable titanomagnetite maiden resource. Gross IPO proceeds amounting to £5.5 million (£4.5 million net of expenses) were raised to fund the exploration programme, with the Group committing to prove a resource greater than 1 billion tonnes and to undertaking a scoping study within 12 months of listing. We are pleased to report that there has been steady progress towards meeting these objectives.

Drilling and Exploration

As reported in recent announcements, Bushveld has undertaken a drilling programme which has extended the strike of the targeted mineralisation by about 25% and increased our confidence in the resource, both of which are expected to reflect in a resource upgrade that Bushveld plans to announce before the end of the 2012 calendar year. Our application to the Department of Mineral Resources ("DMR") to extend the footprint of our licence area is in its final stages. This will more than double the current strike of the mineralization and will be followed immediately by an aggressive drilling campaign, with the objective of further increasing our resource beyond the current 1 billion tonne target.

More detailed geological modeling has been completed, adding to the Group's understanding of the mineralisation and enhancing our confidence in the merits of the Iron Ore Project.

Metallurgical testwork and other scoping studies

The detailed geological model has provided a wealth of information for the Group's metallurgical testwork programme, which is currently underway. Preliminary results of the extractive metallurgical testwork confirm that a high grade concentrate can be achieved from both the Disseminated and Massive Magnetite Zones in the mineralisation. Most promising are the high concentrate grades and good recoveries achieved on the 6mm and 12 mm coarse grind fractions from the Massive Magnetite Ore.

Limited pyro metallurgical test work (pre-reduction and bench scale smelting tests) will be undertaken on both the coarse fraction and fine fraction concentrates from the Massive Magnetite Ore and the fine concentrate from the disseminated ore. Testwork will be completed this year and form an important component of the Scoping Study that we will complete by the first quarter of 2013. This Study will incorporate the findings of other studies that are currently under way, including infrastructure (rail, port, water and power), market studies, mining scoping studies, as well as environmental and social impact studies. Bushveld is confident of completing these studies within the budget and timeframe committed to at the time of our admission to AIM, being by end of the first quarter of 2013.

Cash and project development

During the six months ended 31 August 2012, expenditure in relation to exploration and metallurgical studies amounted to £289,000 and £776,000 for the Mokopane Tin Project and the Bushveld Iron Ore Project respectively.

With £618,000 out of a total spend of £933,000 (ca. 66%) utilized on the technical exploration activities (drilling, assaying, technical consultants etc.) this reflects our focus on maintaining a lean overhead structure and spending much of the funds raised on advancing the projects under development.

The Group's cash position of £3.3 million at 31 August 2012 is solid, with sufficient capital to complete the Scoping Study pursuant to which the Group expects to start accelerated pre-feasibility studies.

Tin project

Having completed the resource announcement on the Groenfontein target, the first of five targets under the Group's tin prospecting license, a drilling campaign is in progress at the second target (Zaaiplaats farm), which is expected to culminate in a resource announcement in the first quarter of 2013. Metallurgical testwork to investigate the potential to produce a saleable concentrate is underway with the same timeframe for completion.

#### Investments

On 8 November 2012, the Company announced that it has acquired 5.15 million shares in ASX listed Lemur Resources Limited for a consideration of A\$591,735 (£386,053), at an average price of A\$0.115 per share for an interest in 2.67 percent.

Lemur Resources is a coal project development company listed on the ASX. Lemur is developing the Imaloto coal project in Madagascar and is seeking other coal opportunities globally. Lemur recently reported cash balance of A\$19.14 million as at 30 September 2012 and had a market capitalisation, as at 7 November 2012, of approximately A\$22 million.

#### Outlook

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

We also note the recent labour unrest in the South African mining industry. We are encouraged by the collaborative efforts of the government, mining industry and the unions to find a sustainable solution. The mining industry accounts for 18% of South Africa's GDP, creates about 1 million jobs and contributes 50% to South Africa's foreign exchange earnings. This critical contribution of the mining industry to South Africa's economy provides a substantial motivation for all stakeholders to find a long term and sustainable solution. There is a precedent with the negotiated advent of democracy in 1994 when much more was at stake.

While the generally higher mining labour costs from the recent developments can be expected to increase the mining cash costs for South African operations, Bushveld Minerals is well positioned to benefit from its iron ore project's robust and consistent mineralisation (laterally and to depth) amenable to low cost, open cast and mechanised mining approaches that are less vulnerable to labour-related stoppages.

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#### **Notes to the editor**

Bushveld Minerals Limited is a mineral development company focused on the Bushveld Iron Ore Project and the Mokopane Tin Project, both located on the northern limb of the Bushveld Complex, South Africa.

The Bushveld Iron Ore Project comprises two licenses covering 7,409 ha where a JORC compliant open-castable resource of 633 million tonnes (comprising 260 million tonnes Indicated and a further 373 million tonnes Inferred) has been established from a 4.5 km strike length. Further drilling along strike is expected to significantly add to the resource on the basis of identified strike extensions several kilometres long to the north and south of the project area with a target resource planned in excess of 1 billion tonnes. A scoping study on the project is underway for completion in Q1 2013.

The Mokopane Tin Project consists of one licence covering 13,422 ha of open-castable disseminated tin resource. The Company has explored one target and plans to drill a further four targets. The Company has established a JORC resource in excess of 5,000 tonnes of tin and is looking to expand the resource base by undertaking a drilling programme on the other three targets in the licence area and one target in a licence area currently under application. In the longer term, the Company intends to expand the resource base by acquiring further projects.

The Company was admitted to the Alternative Investment Market of the LSE in March 2012.

## **Condensed Consolidated Income Statement**

*for the period ended 31 August 2012*

	<b>31 August 2012 (unaudited) £</b>
<b>Expenditure</b>	
Administration fees	(161,827)
Director's fees	(26,067)
Investor relations	(80,088)
Insurance	(12,035)
London Stock Exchange fees	(32,104)
Salaries	(78,246)
Costs of admission to AIM	(1,155,947)
<b>Total Operating Loss</b>	<b>(1,546,314)</b>
Loss on foreign exchange	(90,226)
Finance income	51,174

<b>Loss for the period</b>	<u>(1,585,366)</u>
Attributable to:	
Owners of the Company	(1,585,366)
Non-controlling interest	<u>-</u>

## Condensed Consolidated Statement of Comprehensive Income

for the period ended 31 August 2012

	<b>31 August 2012 (unaudited) £</b>
Loss for the period	(1,585,366)
Foreign currency translation loss	(201,709)
<b>Total comprehensive income for the period</b>	<u><b>(1,787,075)</b></u>
Attributable to:	
Owners of the parent company	(1,787,075)
Non-controlling interest	<u>-</u>

## Condensed Consolidated Statement of Financial Position

as at 31 August 2012

	<b>Note</b>	<b>31 August 2012 (unaudited) £</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment		89,604
Intangible assets	2	<u>51,775,019</u>
<b>Total non-current assets</b>		<b>51,864,623</b>
<b>Current assets</b>		
Trade and other receivables		325,332
Cash and cash equivalents		<u>3,338,410</u>
<b>Total current assets</b>		<u><b>3,663,742</b></u>
<b>Total assets</b>		<u><b>55,528,365</b></u>
<b>Current liabilities</b>		
Trade and other payables		(295,026)
Loans and advances due to related parties		<u>(226,014)</u>
<b>Total current liabilities and total liabilities</b>		<u><b>(521,040)</b></u>
<b>Net assets</b>		<u><b>55,007,325</b></u>
<b>Equity</b>		
Share capital	3	56,662,035
Retained loss		(1,585,366)
Foreign exchange translation reserve		<u>(201,709)</u>
<b>Total equity attributable to:</b>		54,874,960
Owners of the parent company		<u>132,355</u>
<b>Non-controlling interest</b>		<u>-</u>
<b>Total equity</b>		<u><b>55,007,325</b></u>

## Condensed Consolidated Changes in Equity

for the period ended 31 August 2012

	Attributable to owners of the parent company						
	Share Capital (unaudited) £	Share Premium (unaudited) £	Retained Loss (unaudited) £	Foreign Exchange Translation Reserve (unaudited) £	Total (unaudited) £	Non- Controlling Interests (unaudited) £	Total Equity (unaudited) £
Loss for the period	-	-	(1,585,366)	-	(1,585,366)	-	(1,585,366)
Foreign Currency Translation	-	-	-	(201,709)	(201,709)	-	(201,709)
Transactions with Owners:							
Non-controlling interests	-	-	-	-	-	132,355	132,355
Issue of shares	2,839,691	53,952,141	-	-	56,791,832	-	56,791,832
Less issue costs	-	(129,787)	-	-	(129,787)	-	(129,787)
<b>Balance at 31 August 2012</b>	<b>2,839,691</b>	<b>53,692,567</b>	<b>(1,585,366)</b>	<b>(201,709)</b>	<b>54,874,970</b>	<b>132,355</b>	<b>55,007,325</b>

## Condensed Consolidated Statement of Cash Flows

for the period ended 31 August 2012

	31 August 2011 (unaudited) £
Loss for the period	(1,585,366)
Depreciation of property plant and equipment	10,402
Increase in trade and other receivables	(241,717)
Increase in trade payables	295,026
Increase in loans and advances from related parties	226,014
<b>Net cash flows from operating activities</b>	<b>(1,295,641)</b>
<b>INVESTING ACTIVITIES</b>	
Acquisition of subsidiaries, net of cash acquired (note 4)	266,267
Exploration activities	(932,778)
Property, Plant and Equipment	(48,640)
<b>Net cash flows from investing activities</b>	<b>(715,151)</b>
<b>FINANCING ACTIVITIES</b>	
Proceeds from issue of shares	5,460,000
Share issue expenses	(129,778)
<b>Net cash flows from financing activities</b>	<b>5,330,222</b>
	<b>3,319,430</b>
Effect of foreign exchange rates changes	18,980
Cash and cash equivalents at end of period	<b>3,338,410</b>

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