

Bushveld Minerals Ltd

("Bushveld" or the "Company")

Unaudited Half Yearly Results for the six months to 31 August 2014

Bushveld Minerals Limited (AIM: BMN), a mineral development company with a portfolio of projects in Southern Africa, is pleased to announce its interim results for the six months to 31 August 2014.

Highlights

- Completion of Scoping Study at the Company's flagship Bushveld Vanadium Project, South Africa:
 - o Pre-tax net present value ("NPV") of US\$561.9 m and post-tax NPV of US\$263.6 m (at 10% discount rate);
 - o Pre-tax internal rate of return ("IRR") of 35.6% and real post-tax IRR of 24.1% with a low project risk profile;
 - o Low operating costs (~US\$5.99 / kg or US\$ 2.72 / lb of vanadium pentoxide flakes);
 - o >60% operating margins;
 - o Low capital expenditure of US\$261.5 million;
 - o Payback: 4 years and 4 months from start of mining; and
 - o Long life-of-mine: 30 years, exploiting 58% of a resource with significant growth upside.
- Positive results from metallurgical test work undertaken for the Bushveld Vanadium Project demonstrating excellent vanadium recoveries of >90% and concentrate grades of 1.5 - 1.6% V₂O₅ (vanadium pentoxide) achieved for MML HW layers
- Purchase of additional 10,000,000 shares in ASX listed Lemur Resources Limited ("Lemur") bringing Bushveld's total interest to 114,697,097 ordinary shares representing 57.21% of the issued share capital of Lemur (previously 52.22%)
- Maiden JORC Compliant Inferred Phosphate Mineral Resource announced, totalling 442 million tonnes ("Mt") at an average grade of 3.6% P₂O₅, using a 3% P₂O₅ cut-off, and occurring in the hanging wall of the P-Q Zone deposit ("the P-Q Deposit")

Post Period Highlights

- A re-evaluated 136% increase in Mineral Resource tonnes at the Bushveld Vanadium Project to 284.8 Mt, (containing 1.9 Mt V₂O₅) based on a 0.3% V₂O₅ cut-off for the Main Magnetite Layer (MML) and MML Hanging Wall (MML HW)
- Assays of the AB Zone at the Bushveld Vanadium Project completed with encouraging results. Infill drilling programme to commence to delineate a JORC Mineral Resource Estimate, expected in 1H 2015
- Completion of Scoping Study for the Mokopane Tin Project, South Africa:
 - o Low capital expenditure of US\$16.7 million;
 - o Pre-tax NPV of US\$18.0 million and post-tax NPV of US\$10.0 million (at 10% discount rate);
 - o Pre-tax IRR of 49.8% and real post-tax IRR of 34.6% with a low project risk profile;
 - o Low operating costs (C1 cash + royalties costs of ~US\$ 14,276 / tonne of tin metal); and
 - o Payback: Two years from start of mining.
- During the month of October 2014, Bushveld elected to liquidate the Darwin Strategic funding structure through the sale of the remaining 25 million Bushveld shares held under the structure originally entered into on 25 March 2014
- Concurrent with the liquidation of the remaining Darwin facility, Bushveld placed 16,666,667 shares in October with long-term BMN shareholders to raise £500,000, for a total gross capital raise of £1.25 million in October 2014

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Notes to the editor

Bushveld Minerals Limited is a mineral development company with a portfolio of vanadium and titanium bearing iron ore and tin assets in Southern Africa. The Company owns the Bushveld Vanadium Project, P-Q Iron Ore and Titanium Project and Mokopane Tin Project, both located on the northern limb of the Bushveld Complex, South Africa. In addition, Bushveld has a controlling 57.21% interest in Lemur Resources (ASX: LMR), that owns the Imaloto coal project in Madagascar. Bushveld was admitted to the AIM Market of the London Stock Exchange in March 2012.

CEO's Report

Dear Shareholders,

I am pleased to present the interim financial statements for the six months ended 31 August 2014, a busy period in which Bushveld has steadily progressed the development of each of its commodity-focused platforms.

For each of these platforms, our philosophy remains to develop projects which deliver on four important objectives:

- Commodities with sound market fundamentals;
- An attractive cost curve proposition;
- A realistic modest capital expenditure path to production; and
- Scalability.

The process of proving up each of these aspects requires defining a robust mineral resource, completing scoping studies to define project economics, and securing strategic partnerships for further development of the project through feasibility studies towards production. It is pleasing that in respect of one platform - the Bushveld Vanadium Project - this process has merited the decision to develop the project up to the definitive feasibility study stage, in advance of securing a strategic partnership.

Bushveld Vanadium Project

The Vanadium Scoping Study, released in July 2014, demonstrated precisely the robust economics we had hoped for, with a real pre-tax IRR of 36% and real pre-tax NPV (at a 10% discount rate) of US\$562m, based on US\$262m of capital expenditure for 10,370 tpa V₂O₅ flake production from a 1 Mtpa Run-of-Mine operation.

The Study also indicated an operating cost of US\$2.72 / lb V₂O₅ which would position the project among the lowest cost vanadium producers globally, with operating margins in excess of 60%. Moreover, adopting the commercially proven Salt Roast processing technology - already in operation at three sites in South Africa - could further minimize technological risk and ensure access to a large pool of local workforce talent during operation.

That Bushveld would prioritise our vanadium project was almost inevitable. I am pleased that we recently launched its Feasibility Study programme, and we now expect to complete a Pre-Feasibility Study in the first half of 2015, to be followed immediately by a Definitive Feasibility Study. Meanwhile, a mining right application is expected to be completed and submitted during the first quarter of 2015.

The Feasibility Study effort will be led by an outstanding internal technical team comprising metallurgists, mining engineers, Environmental Impact Assessment consultants, Social and Labour Plan practitioners and financial modeling experts alongside a team of external experts all of whom have extensive experience of the Bushveld Complex vanadium-bearing ores and the tried and tested processing methods we intend to pursue.

The Company recently raised US\$2m which will be used to fund the launch of the Pre-Feasibility Study programme; ideally timed as we continue to explore a range of options to line up funds that will be required, in due course, to complete a Definitive Feasibility Study on the project.

Greenhills Resources Limited

The Mokopane Tin Project Scoping Study, released in September 2014, demonstrated strong positive economics with a real pre-tax IRR and NPV (at a 10% discount rate) of 50% and US\$18m respectively, based on US\$17m of capital expenditure for a Base Case production scenario of 691 ktpa Run-of-Mine, producing ~700 tpa of 99.5% tin metal. The study was based on the Zaaiplaats and Groenfontein rock deposits which have a combined inventory of 18,447 tonnes of contained tin.

While the results of the due diligence on our proposed acquisition of the Zaaiplaats Tailings project fell short of our criteria, the Company's development approach to its tin portfolio has gained valuable clarity as a result of that process. To reiterate this, Bushveld is now focused on:

- growing the tin platform's agglomerated resource inventory within the Company's licence areas to more than 50,000 tonnes, in line with our long-stated aim to do so; and
- finalising the outstanding licences in respect of:
 - the Appingendam / Eckstein target located less than 5 km from the Groenfontein / Zaaiplaats targets; and
 - the brownfield Marble Hall Tin Project where we are progressing a Section 102 licence to extend the licence area covering the known mineralisation, with a potential 18,000 tonnes contained tin at attractive grades.

Discussions with potential strategic partners are ongoing. However, the Company advises that given the low capital expenditure required to develop the projects - which are mostly open-cast mining propositions with simple gravity based processing routes - strategic partnerships, however desirable, are not imperative to progressing the projects.

Bushveld P-Q Iron & Titanium Project

The Company's focus in respect of the P-Q Project during the reporting period has been:

- Defining the project economics based in the 442 Mt rock phosphate resource in the hanging wall of the P-Q resource; and
- Metallurgical test-work for the extraction of titanium dioxide - through pyro-metallurgy and hydro-metallurgical means, including the joint pyro-metallurgical test-work with China Railway Engineering Corporation No.10 ("CREC").

Both of these exercises are ongoing and will be reported on in due course. Bushveld anticipates that, following the completion of these exercises, the P-Q Scoping Study would be revised to reflect the further downstream development work undertaken, as well as the phosphate value addition.

The Company notes the recent fall in iron ore prices resulting from the substantial supply growth by the global iron ore producers. The Company also notes that steel prices and pig iron prices have neither followed nor are expected to follow this trend, validating the case for integrated development models. The P-Q project remains an attractive platform for Bushveld due to the potential for a vertically integrated business model and the world class titanium grades (14.6% TiO₂ in-situ in the Q2 massive layer, upgrading to ~19% TiQ in concentrate) allowing for the production of multiple commodities. Furthermore, the Company believes that the project has scope for a low capex modest-sized design that can be scaled up in a region that already comprises the necessary mining-supportive infrastructure.

Lemur Resources Limited (ASX: LMR)

As reported in the Quarterly Report of Lemur Resources Limited for the period ended 30 September 2014 (released on the ASX on 29 October 2014), Lemur is making good progress as the company continues to follow its three-pronged strategy to realise the value of the company assets, namely:

- Advancement of its planned flagship Imaloto coal mine and 3 x 15 MW coal fired power plant project in Madagascar.
- Using its cash balance to acquire one or more value accretive assets. The profile of assets being sought may be either those that are in production and generating cash flows, or greenfield with significant exploration upside and favourable cost curve positioning.
- Utilising the geoservices equipment and geological capabilities in Africa, with a relative bias towards east Africa to either generate cash flow for Lemur or earn into attractive exploration projects in the region.

CORPORATE DEVELOPMENTS

During the period under review, the Company successfully acquired a further ~5% interest in Lemur Resources Limited, increasing its shareholding to 57.2%. This was completed as part of Bushveld's stated aim to consolidate its interest in this important platform within the Group.

Post period

During the month of October 2014, Bushveld elected to liquidate the remaining Darwin Strategic funding structure (or "Darwin facility"), comprising of 25 million Bushveld shares of an initial 50 million share facility originally entered into on 25 March 2014. The outstanding shares were acquired by Riverridge Limited, raising £750,000 gross for the Company, and represent the interest of a long-term supporter of Bushveld.

Together with the gross proceeds of £971,215 raised through the sale of the first 25 million shares during the period March 2014 to September 2014, the Company's gross proceeds raised through the Darwin facility totals £1,721,215.

Concurrent with the liquidation of the remaining Darwin facility shares, Bushveld placed 16,666,667 shares with long-term BMN shareholders to raise £500,000, for a total gross capital raise of £1.25 million in October 2014.

Importantly, one of the benefits of our capital raising activities during October was the removal of a possible overhang in Bushveld shares and strengthening the share register with supportive long term holders.

In conclusion, I wish to express sincere gratitude to all of our supportive shareholders, who have shown incredible support to the Company during what are difficult times for the global economy, and junior mining in particular. We are excited about the path ahead as we continue to unlock the significant value in all of our platforms; value we will pursue resolutely to benefit all of our shareholders.

Fortune T. Mojapelo
CEO

Bushveld Minerals Limited

UNAUDITED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 August 2014

UNAUDITED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 August 2014

Note	Six months to 31 August 2014 (unaudited) £	Six months to 31 August 2013 (unaudited) £	Year to 28 February 2014 (audited) £
Continuing operations			
Administrative expenses	(1,671,715)	(756,876)	(1,376,292)
Operating loss	(1,671,715)	(756,876)	(1,376,292)
Bargain purchase on acquisition	7	-	900,540
Investment income	202,892	7,226	59,009
Loss before tax	(1,468,823)	(749,650)	(416,743)
Tax	-	-	-
Total loss for the period	(1,468,823)	(749,650)	(416,743)
Attributable to:			
Owners of the Company	(1,225,324)	(749,650)	(375,050)
Non-controlling interests	(243,499)	-	(41,693)
	(1,468,823)	(749,650)	(416,743)
Loss per ordinary share			
Basic and diluted loss per share (in pence)	1	(0.27)	(0.29)
			(0.11)

All results relate to continuing activities.

The notes on which follow form part of these financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 August 2014

Note	Six months to 31 August 2014 (unaudited) £	Six months to 31 August 2013 (unaudited) £	Year to 28 February 2014 (audited) £
Loss for the period	(1,468,823)	(749,650)	(416,743)
Currency translation differences on translation of foreign operations	(84,890)	(274,137)	(910,139)
Change in value of available for sale investments		138,628	
Total comprehensive loss for the period	(1,553,713)	(885,159)	(1,326,882)
Attributable to:			
Owners of the Company	(1,310,214)	(885,159)	(1,285,189)
Non-controlling interests	(243,499)	-	(41,693)
	(1,553,713)	(885,159)	(1,326,882)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 August 2014

Note	Six months to 31 August 2014 (unaudited) £	Six months to 31 August 2013 (unaudited) £	Year to 28 February 2014 (audited) £
Assets			
Non-current assets			
Intangible assets: exploration activities	2	54,714,496	53,395,413
Investment in associate		-	3,104,839
Property, plant and equipment	3	126,944	64,471
		54,841,440	56,504,723

Total non-current assets		54,841,440	56,564,723	54,206,581
Current assets				
Trade and other receivables	4	1,951,997	68,432	140,859
Cash and cash equivalents		8,536,187	307,637	9,177,158
Total current assets		10,488,184	376,069	9,318,017
Total assets		65,329,624	56,940,792	63,524,598
Equity and liabilities				
Current liabilities				
Trade and other payables		(304,222)	(247,723)	(344,187)
Borrowings			(324,415)	
Total current liabilities		(304,222)	(572,138)	(344,187)
Net assets		65,025,402	56,368,654	63,180,411
Equity				
Share capital	5	4,630,041	3,321,684	4,020,041
Share premium	5	60,655,792	55,781,684	57,933,792
Accumulated deficit		(3,854,312)	(3,003,589)	(2,628,989)
Revaluation reserve		(138,628)	-	(138,628)
Warrant reserve	6	370,715	-	370,715
Foreign exchange translation reserve		(1,229,050)	(508,158)	(1,144,160)
Equity attributable to the owners of the Company		60,434,558	55,591,621	58,412,771
Non-controlling interests		4,590,844	777,033	4,767,640
Total equity		65,025,402	56,368,654	63,180,411

The notes which follow form part of these financial statements.

The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 14 November 2014.

G N SPROULE
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the six months ended 31 August 2014

	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Warrant reserve	Attributable to owners of the parent company Foreign exchange reserve	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 period	-	-	(1,225,323)	-	-	-	(1,225,323)	(243,499)	(1,468,822)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	(84,890)	(84,890)	-	(84,890)
Total comprehensive loss for the year	-	-	(1,225,323)	-	-	(84,890)	(1,310,213)	(243,499)	(1,553,712)
Transactions with Owners:									
Acquisition of subsidiary undertakings	-	-	-	-	-	-	-	66,703	66,703
Issue of shares	610,000	2,722,000	-	-	-	-	3,332,000	-	3,332,000
Total Equity at 31 August 2014	4,630,041	60,655,792	(3,854,312)	(138,628)	370,715	(1,229,050)	60,434,558	4,590,844	65,025,402

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the six months ended 31 August 2013

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 as at 28 February 2013	2,839,691	53,811,401	(2,253,939)	(138,628)	-	(234,021)	54,024,504	768,869	54,793,373
Loss for the Period	-	-	(749,650)	-	-	-	(749,650)	-	(749,650)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	(274,137)	(274,137)	-	(274,137)
Reversal of fair value loss on acquisition of associate	-	-	-	138,628	-	-	138,628	-	138,628
Total comprehensive Income for the Period	-	-	(749,650)	138,628	-	(274,137)	(885,159)	-	(885,159)
Transactions with Owners:									
Non-Controlling Interests	-	-	-	-	-	-	-	8,164	8,164
Issue of shares	481,993	1,970,283	-	-	-	-	2,452,276	-	2,452,276
Total Equity at 31 August 2013	3,321,684	55,781,684	(3,003,589)	-	-	(508,158)	55,591,621	777,033	56,368,654

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 28 February 2014

	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Warrant reserve	Foreign exchange translation reserve	Total	Non-controlling interests	Total equity
Total Equity at 31 August 2013	3,321,684	55,781,684	(3,003,589)	-	-	(508,158)	55,591,621	777,033	56,368,654
Profit for the period	-	-	374,600	-	-	-	374,600	(41,693)	332,907
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	(636,002)	(636,002)	-	(636,002)
Fair value loss on available sale for investments	-	-	-	(138,628)	-	-	(138,628)	-	(138,628)
Total comprehensive loss for the year	-	-	374,600	(138,628)	-	(636,002)	(400,030)	(41,693)	(441,723)
Transactions with Owners:									
Non-Controlling Interests	-	-	-	-	-	-	-	(8,164)	(8,164)
Acquisition of subsidiary undertakings	-	-	-	-	-	-	-	4,040,464	4,040,464
Issue of shares	698,357	2,436,430	-	-	-	-	3,134,787	-	3,134,787
Issue of warrants	-	-	-	-	370,715	-	370,715	-	370,715
Less issue costs	-	(284,322)	-	-	-	-	(284,322)	-	(284,322)
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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 August 2014

	Six months to 31 August 2014 £	Six months to 31 August 2013 £	Year to 28 February 2014 £
Loss after taxation	(1,468,823)	(749,650)	(416,743)
Adjustments for:			
Bargain purchase	-	-	(900,540)
Expenses settled with shares and warrants	-	-	164,146
Interest income	(202,892)	(7,226)	(59,009)
Depreciation	-	18,484	-
Operating cash flows before movements in working capital	(1,671,715)	(738,392)	(1,212,146)
(Increase) in receivables	(1,951,997)	(18,275)	(29,923)
Increase in payables	(39,965)	48,581	54,369
Net cash used in operating activities	(3,663,677)	(708,086)	(1,187,700)
Cash flows from investing activities			
Interest received	202,892	7,226	59,009

Purchase of exploration and evaluation assets	(733,106)	(529,100)	(1,082,351)
Purchase of tangible fixed assets	(7,994)	(18,865)	(42,128)
Cash acquired on acquisition of subsidiary	-	-	8,721,284
Cost of acquisition	-	-	(395,912)
Investments and investment in associate	-	(265,081)	-
Net cash used in from investing activities	(538,208)	(805,820)	7,259,902
Cash flows from financing activities			
Proceeds from issue of shares and warrants	3,332,000	-	1,874,391
Costs of issue of shares	-	-	(77,753)
Proceeds from issue of 8% loan note	-	324,415	-
Net cash generated from financing activities	3,332,000	324,415	1,796,638
Net (decrease)/increase in cash and cash equivalents	(869,885)	(1,189,491)	7,868,840
Cash and cash equivalents at the beginning of the period	9,177,158	1,305,089	1,305,089
Effect of foreign exchange rates	228,914	192,039	3,229
Cash and cash equivalents at end of the period	8,536,187	307,637	9,177,158

The notes on which follow form part of these financial statements.

Bushveld Minerals Limited

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the six months ended 31 August 2014

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 shareholders of Amaraka 85 is Afro Multi Minerals (Proprietary) Limited.

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

On 13 May 2013, the company announced the launch of an off-market take-over bid for Lemur Resources Limited ("Lemur") which closed on 1 November 2013. Following the closure, Bushveld had a relevant interest in 54.39% of Lemur's issued share capital of 192,500,001 ordinary fully paid shares. Effective control of the Board of Directors of Lemur Resources was deemed to be 1 January 2014.

Lemur is a coal project development company listed on the ASX. Through its wholly owned subsidiaries as detailed in *Note 7. Acquisition of subsidiaries*, 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 holds two further projects known as the Ianapera Coal Project and Sakaraha Coal Project.

2. Basis of preparation

The results presented in this report are unaudited and they have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") as adopted by the EU that are expected to be applicable to the financial statements for the year ended 28 February 2015 and on the basis of the accounting policies to be used in those financial statements.

The interim financial information does not include all of the information required for full annual financial statements and accordingly, whilst the interim financial information has been prepared in accordance with the recognition and measurement principles of IFRS, it cannot be construed as being in full compliance with IFRS. The financial information contained in this announcement does not

constitute statutory accounts as defined by the Companies (Guernsey) Law 2008.

The audited financial information for the year ended 28 February 2014 is based on the statutory accounts for the financial year ended 28 February 2014. The auditors reported on those accounts: their report was (i) unqualified, (ii) included an emphasis of matter relating to the uncertainties in respect to the Group's ability to continue as a going concern and (iii) did not contain statements where the auditor is required to report by exception.

3. Use of estimates and judgements

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

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

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 £54.7 million and the going concern assumptions.

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

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 forthcoming 12 months. As with all exploration groups at this stage of the resource development cycle and with no cash-flow from production, funding is derived through equity financing.

The purpose of the cash injections is to focus on the Group's strategy is to create commodity focused platforms that can attract project specific funding post a Scoping Study. With the Scoping Study for the Iron Ore Project complete, as announced to the market the Group is now in discussions with several potential strategic partners for funding the project to completion of feasibility studies.

While Lemur Resources Limited has a cash balance of £8.3 million the directors remain mindful of the regulatory requirements of ASX and ASIC and its fiduciary responsibility to all Lemur shareholders, that would govern any deployment of these funds.

The directors are therefore confident the cash injection of circa £1.4m will be sufficient to ensure that the Group will have adequate cash resources to pay debts as they fall due and to continue its operations for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the Group's financial statements.

1. Loss per share

From continuing operations

The basic loss per share is calculated using the total loss for the period attributable to the owners of the company and the weighted average number of shares in issue during the period. There are no potentially dilutive shares in issue.

	Six Months to 31 August 2014 (unaudited)	Six Months to 31 August 2013 (unaudited)	Year to 28 February 2014 (audited)
Loss for the period attributable to the owners of the company (£)	1,225,324	749,650	375,050
Weighted average number of shares in issue	446,878,421	254,906,917	330,448,596
Loss per share (pence)	<u>0.27</u>	<u>0.29</u>	<u>0.11</u>

2. Intangible assets

	Exploration activities - Iron Ore £	Exploration activities - Tin £	Exploration activities - Coal £	Total £
Cost				
As at 28 February 2013	36,363,815	16,950,113	-	53,313,928
Additions	324,239	204,861	-	529,100
Foreign exchange translation	(213,192)	(234,423)	-	(447,615)
As at 31 August 2013	36,474,862	16,920,551	-	53,395,413
Additions	350,965	683,138	-	1,034,103
Foreign exchange translation	(375,273)	(72,853)	-	(448,126)
As at 28 February 2014	36,450,554	17,530,836	-	53,981,390
Additions	414,926	318,180	-	733,106
As at 31 August 2014	36,865,480	17,849,016	-	54,714,496

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

Under the agreements to acquire the licenses within Bushveld Resources, the group is required to fully fund the exploration activities

up to the issue of the corresponding mining licenses. As the non-controlling interest party retains their equity interest, the funding of their interest is accounted as deemed purchased consideration and is included in the additions in the period to exploration activities. A corresponding increase is credited to non-controlling interest.

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

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.

3. Property, plant and equipment

	Motor vehicles £	Geological equipment £	Fixtures and fittings £	Total £
Cost				
At 31 August 2013	56,215	47,580	8,830	112,625
Additions	-	15,401	4,244	19,645
Acquisition of subsidiary	-	159,421	5,134	164,555
Exchange differences	(6,157)	(4,115)	(1,596)	(11,868)
Cost At 28 February 2014	50,058	218,287	16,612	284,957
Additions	-	3,636	4,358	7,994
Exchange differences	(49)	(59)	(11)	(119)
Cost At 31 August 2014	50,009	221,864	20,959	292,832
Depreciation				
At 31 August 2013	28,129	14,544	5,481	48,154
Charge for the Period	9,269	8,481	1,429	19,179
Exchange differences	(4,006)	(2,446)	(1,115)	(7,567)
Depreciation At 28 February 2014	33,392	20,579	5,795	59,766
Charge for the Period	6,159	96,313	4,314	106,786
Exchange differences	(34)	(19)	(611)	(664)
Depreciation At 31 August 2014	39,517	116,873	9,498	165,888
Net book value				
At 31 August 2014	10,492	104,991	11,461	126,944
At 31 August 2013	28,086	33,036	3,349	64,471
At 28 February 2014	16,666	197,708	10,818	225,191

The entire depreciation charge for the year of £106,786 (2013: £38,131) together with the loss on disposal of Nil (2014: £689) has been capitalised as exploration activities in the period.

4. Trade and other receivables

	Six months to 31 August 2014 (unaudited) £	Six months to 31 August 2013 (unaudited) £	Year to 28 February 2014 (Audited) £
Darwin Strategic Limited	1,852,500	-	-
Advances & deposits	51,306	-	112,753
Other receivables	48,191	68,432	28,106
	1,951,997	68,432	140,859

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

The amount of trade and other receivables denominated in South African Rand amounts to £51,306 (2013: £27,976) and denominated in Australian Dollars amounts to £29,081 (2013: nil).

5. Share capital and share premium

	Date of Issue	Number of Shares Issued and fully Paid	Issue Price per Share pence	Share Capital £	Share Premium £	TOTAL SHARE CAPITAL AND PREMIUM
Balance at 28 February 2013		283,969,110		2,839,691	53,811,401	56,651,092
Shares issued in respect of Lemur scrip offer:						
First tranche	20 August 2013	16,456,888	4.33	164,569	547,645	712,214
Second tranche	31 August 2013	31,742,400	5.48	317,424	1,422,638	1,740,062
Balance at 31 August 2013 (unaudited)		332,168,398		3,321,684	55,781,684	59,103,368
Third tranche	27 September 2013	9,574,924	5.26	95,749	408,194	503,943
Fourth tranche	16 October		4.65	11,276	41,146	52,422

Fifth tranche	2013 24 October	1,127,631	4.76	5,690	21,388	27,078
Sixth tranche	2013 04 November	568,980	3.58	2,575	6,631	9,206
	2013	257,435				
Shares issued for services rendered	27 September 2013	9,054,211	7.37	90,542	577,205	667,747
Shares issued in respect of Capital Raise for cash consideration	05 November 2013	36,764,702	3.40	367,647	882,353	1,250,000
Warrants exercised at 5p for cash consideration		12,487,823	5.00	124,878	499,513	624,391
Less Share issue expenses			-	-	(284,322)	(284,322)
Balance at 28 February 2014 (audited)		402,004,104		4,020,041	57,933,792	61,953,833
Shares issued to Darwin Strategic Limited	01 April 2014	50,000,000	5.70	500,000	2,350,000	2,850,000
Shares issued in respect of Lemur scrip acquired	15 August 2014	8,000,000	4.15	80,000	252,000	332,000
Warrants exercised to 31 August 2014		3,000,000	5.00	30,000	120,000	150,000
Shares issued during the period		61,000,000		610,000	2,722,000	3,332,000
Total Share Capital and Premium 31 August 2014 (unaudited)		463,004,104		4,630,041	60,655,792	65,285,833

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.

6. Warrants

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

Warrants granted					
Date of grant	22/07/13	01/10/13	05/11/13	05/11/13	26/03/14
Number granted	850,000	3,507,975	1,838,235	36,764,702	3,000,000
Contractual life	2 years	5 years	2 years	2 years	5 years
Estimated fair value per warrant	£0.120	£0.044	£0.034	£0.050	£0.080

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

Warrant scheme					
Date of grant	22/07/13	01/10/13	05/11/13	05/11/13	26/03/14
Share price at grant date	£0.070	£0.050	£0.034	£0.034	£0.055
Exercise price	£0.120	£0.050	£0.034	£0.050	£0.080
Expected life	2 years	2 years	2 years	2 years	5 years
Expected volatility	60.0%	60.0%	58.4%	58.4%	60.7%
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	0.34%	0.51%	0.54%	0.54%	1.81%

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

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 period	3,000,000	0.05
Exercised during the period	(3,000,000)	0.05
Outstanding at 31 August 2014	30,473,089	0.05
Exercisable at 31 August 2014	30,473,089	0.05

The warrants outstanding at August have an exercise price of £ 0.05, with a weighted average remaining contractual life of 2 years.

The group has recognised and incurred charge of £370,715 at February 2014 in respect of a Warrant reserve.

7. Acquisition of subsidiaries

On 15 August 2014, the company acquired a further 10,000,000 shares in Lemur Resources Limited (Lemur) taking Bushveld's relevant interest in the issued share capital of Lemur from 52.22% at 28 February 2014 to 57.21% at 31 August 2014.

The purchase price was satisfied by the issue of 8,000,000 shares in Bushveld at an issue price of £0.0415 per share.

Lemur contributed £568,925 (2014: £87,260) to the Group loss before allocating minority interests of £243,499 (2014: £41,693).

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

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

The take-over offer by Bushveld for all the ordinary shares in Lemur closed on 1 November 2013. Following the closure, Bushveld had a relevant interest in 54.39% of Lemur's issued share capital of 192,500,001 ordinary fully paid shares.

At the Lemur General Meeting held on 2 February 2014, shareholders approved the issue of 8,000,000 shares to two Directors thereby increasing the issued capital to 200,500,001 ordinary fully paid shares.

At 31 August 2014, Bushveld's relevant interest in the issued share capital of Lemur is 57.21%.

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

	Fair value acquired £
Intangible assets acquired - Prospecting licences	-
Cash	8,721,284
Receivables	60,779
Property, plant and equipment	164,555
Payables	(90,676)
Net assets	8,855,942
Non-controlling interest	(4,040,464)
Total net assets	<u>4,815,478</u>
Satisfied by:	
Shares issued in respect of all scrip offer	3,044,925
Transfer from available for sale investment	248,854
Associated acquisition costs	621,159
Fair value uplift on acquisition	900,540
	<u>4,815,478</u>

Effective control of the Board of Directors of Lemur was deemed to be 1 January 2014 following various appointment and resignations of the Lemur directors and expiry of some of Lemur's share options in issue. Lemur contributed £87,260 to the Group loss before allocating minority interests of £41,693 between the deemed date of acquisition and the Statement of Financial Position date.

If the acquisition had been completed on the first day of the financial period, Group revenues for the period would have been £nil and the Group loss for the period would have increased by £334,098.

The non-controlling interest relates to the interest held by the minority shareholders of Lemur.

8. Darwin Strategic Limited

In order to provide the Company with finance, the Company issued 50,000,000 ordinary shares of 1 pence each, the Subscription Shares, to Darwin Strategic Limited (Darwin) at a price of 5.7 pence per Subscription Share, the Subscription Price, in total £2,850,000, the aggregate Subscription Price on 24 April 2014.

Darwin would satisfy the consideration for the Subscription Shares by the issue to the Company of redeemable subscription notes having a principal amount equal to the aggregate Subscription Price of the Subscription Shares.

In terms of the Agreement with Darwin, for the twelve months following the completion of the Subscription, the Company would be entitled to serve notices on Darwin requiring it to sell a specified number of the Subscription Shares and upon such Subscription Shares being sold, Darwin was to transfer the proceeds of the sale to the Company and a portion of the notes will be treated as redeemed.

Darwin received an initial commission of 3% of the aggregate Subscription Price and would receive a further 5% of the gross proceeds of the Subscription Shares being sold.

Darwin was also issued with warrants to subscribe for 3,000,000 Ordinary Shares in the Company at a price of 8 pence per Ordinary Share.

During the six months to 31 August 2014, 17,500,000 subscription shares were sold realising net proceeds of £565,554. Legal fees, commission payable and a loss on redemption of subscription notes amounted to £431,946.

9. Events after the balance sheet date

Subsequent to 31 August 2014, the balance of 32,500,000 Subscription Shares has been sold realising net proceeds of £959,901. Commission payable and a loss on redemption of subscription notes amounted to £892,599.

On 24 October 2014, the company placed 16,666,667 new ordinary shares at £0.03 per share, thereby raising £500,000 additional funding.

Total funding raise subsequent to 31 August 2014 amounts to £1,379, 901.

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