

Bushveld Minerals Limited
29 November 2016

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Bushveld Minerals Limited

("Bushveld" or "the Company")

Unaudited interim results performance report for the period ended 31 August 2016

Bushveld Minerals Limited (AIM: BMN), a diversified mineral development company with projects in South Africa and Madagascar, is pleased to report on the operational performance of the Company for the six months ended 31 August 2016. Our portfolio of projects is organised into three platforms, Bushveld Resources Limited (vanadium, titanium and phosphate), Greenhills Resources Limited (tin) and Lemur Resources Limited (coal). These commodity platforms are structured to ensure clarity of focus and purpose to deliver maximum shareholder value.

HIGHLIGHTS:

- Bushveld is making significant progress to becoming one of the largest, low cost integrated primary vanadium producer in Africa.

Bushveld Resources Limited ("Bushveld Resources")

- Strategic Minerals Corporation ("SMC") acquisition targeted to transform the Company into a high quality, low cost vanadium producer with a global customer base;
- Memorandum of understanding ("MoU") signed with prominent USA based vanadium-redox flow batteries ("VRFBs") manufacturer, UniEnergy Technologies ("UET") to partner in identifying and securing energy storage opportunities in Africa;
- Cooperation Agreement with the Industrial Development Cooperation ("IDC") for the joint development of both the market opportunity for VRFBs in Africa and the potential for creating manufacturing capacity for VRFBs in South Africa;
- Finalisation of tenders for studies related to VRFB's in partnership with the IDC provides impetus to fully understanding the energy storage market and value chain in South Africa;
- Integrated environmental authorisation for Mokopane Vanadium project, an important milestone to attaining the mining licence. Development of the project will further enhance synergies identified in the Vametco acquisition and increase the Company's global vanadium supply footprint.

Lemur Resources Limited ("Lemur Resources")

- Settlement of mining licence 4578 re-affirms Lemur's ownership rights of the Imaloto coal concession in Madagascar.

Greenhills Resources Limited ("Greenhills Resources")

On 22 November 2016 Greenhills Resources announced that it had signed an MoU with VBKom (Proprietary) Limited ("VBKom") for the joint development of the Mokopane Tin Project.

Corporate:

- Settlement of all outstanding financial obligations arising from the £2,600,000 Darwin Strategic facility.

Commenting on the results, CEO Fortune Mojapelo, said,

"I am pleased to report on an interim period that has recorded strong progress towards our goal of being a renowned global integrated vanadium producer. The six months period was defined by the conclusion of fundamental partnership deals in the vanadium production and energy storage sectors.

"A major milestone in the period under review, was the execution of the share purchase agreement with Evraz Group SA for the acquisition of SMC, the holding company for Vametco primary vanadium mine and processing plant. Since then, we have been focused on fulfilling the conditions precedent for the transaction which include securing all requisite regulatory approvals and funding. To date we have made significant progress towards raising capital for the transaction which we anticipate will be structured as a combination of debt and equity with the objective to minimise the dilution impact on our shareholders.

"I am equally pleased with the progress in developing the energy platform, Bushveld Energy. The MoU signed with UET provides us with access to advanced technologies and a deep knowledge base in the manufacture of VFRBs. Furthermore, our finalisation of the tenders for studies into the VFRB market in partnership with the IDC will enable us to effectively enter the market by targeting the most lucrative opportunities.

"The settlement of the dispute over the Imaloto coal concession mining right in the reporting period is greatly welcome and will enable us to pursue the identified power generation opportunities in Madagascar.

"As with all exploration groups at this stage of the resource development cycle, Bushveld's working capital funding is derived principally through equity financing. Therefore I am pleased to confirm that in August and October our shareholders continued to support us through two successful capital raises that grossed £1,330,000 in total. I would therefore like to take this opportunity to thank our shareholders for their confidence in the strategy and management's ability to bring the projects to account. The guidance of the Chairman and the board has helped the Bushveld team to successfully pursue the strategic objectives thereby achieving the milestones highlighted in this report. Finally,

I would like to thank all the Bushveld employees for their continued commitment to achieve the Company vision."

OPERATIONAL REVIEW

Bushveld Resources

The Company made significant progress during the interim period to develop its vanadium platform into a globally significant low cost integrated vanadium entity and advancing participation in the growing energy storage market through VRFBs. Highlights of our major strides achieved are discussed below.

Bushveld Vametco Limited: Acquisition of Evraz Group S.A.'s ("Evraz") 78.8% interest in Strategic Minerals Corporation.

In May 2016, BMN's 45% owned subsidiary, Bushveld Vametco Limited ("BVL") announced the signing of a share purchase agreement ("SPA") with Evraz for the conditional purchase of SMC which owns the Vametco vanadium mine and plant in South Africa ("Vametco Alloys"). Vametco Alloys is a high quality, low cost producer with a patented vanadium product and global customer base. The US\$16,466,000 acquisition will also provide potential capacity for planned electrolyte manufacturing in South Africa which is the subject of current studies being undertaken by Bushveld Energy Limited ("Bushveld Energy") and the IDC under the pair's Cooperation Agreement signed in June 2016.

The consideration payable is substantially less than the cost of a greenfield mine and plant of the same capacity. This proposed transformational acquisition is a major step towards achieving Bushveld's stated objective to develop a significant, vertically integrated vanadium platform and accelerates the Company's path to production by several years.

The Company has to-date made payments totalling US\$1,646,000 (£1,244,922) towards the consideration for SMC and is making good progress in securing the financing for the completion of the acquisition. Such financing is envisaged to include a combination of debt and equity with a preference for debt. Furthermore, progress is being made in the fulfilment of conditions precedent to the transaction, including securing regulatory approvals for the transaction.

Bushveld Energy Limited : UniEnergy Technologies MoU

In April 2016, BMN's 84% subsidiary Bushveld Energy signed a MoU with UET, a United States of America based manufacturer of turn-key, large and medium-scale energy storage systems for utility, micro-grid, commercial and industrial applications. The core of the UET system is an advanced VRFB that includes breakthrough electrolyte and optimised power electronics. This MoU provides a framework of cooperation between the two companies in the development of market opportunities for VRFBs and has two broad objectives:

- To identify and develop immediate business opportunities in Africa for large and medium sized VRFB installations;
- To create a vanadium value chain in South Africa that includes vanadium electrolyte manufacturing, VRFB manufacturing and local component sourcing.

Bushveld Energy Limited: Cooperation agreement with the Industrial Development Corporation

In June 2016, Bushveld Minerals' subsidiary Bushveld Energy Limited signed a cooperation agreement with the IDC to determine the economic viability of VRFBs for use and manufacture in South Africa. The IDC is South Africa's national development finance institution, wholly-owned by the South African government. It aims to be the primary source of commercially sustainable industrial development and innovation to benefit both South Africa and the rest of Africa by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles. In 2015, the IDC approved R 11.5 billion (approximately USD 1 billion) in funding to companies across various sectors.

Further to the UET MoU and IDC cooperation agreement, the Company announced the signing of an addendum to its cooperation agreement with the IDC to involve UET in its steering committee. This is designed to enhance the cooperation between all parties in the common objective of developing the African market and local manufacturing capacity for VRFBs.

Bushveld Energy Limited: Finalisation of tenders for studies related to VRFB's in partnership with the Industrial Development Corporation

In October 2016, progress was achieved in respect of the cooperation agreement with IDC through the finalisation of the tenders for the VRFB market and techno-economic studies. The market study is essential to enhancing the Company's knowledge of attainable market opportunities for VRFB, whilst the techno-economic study will identify the optimal vanadium electrolyte production processes for South African vanadium feedstocks. Bushveld Energy has determined that the opportunities for commercial scale energy storage are numerous globally and the Company is well positioned to deal with the two common hurdles of VRFB adoption of the availability of vanadium supply and vanadium input costs.

Bushveld Resources Limited: Integrated environmental authorisation granted for Mokopane Vanadium project

On 21 September 2016, Bushveld confirmed the granting of an Integrated Environmental Authorisation by the South African Mineral Resources Department in terms of Section 24 L of the National Environmental Management Act (Act 107 of 1998) for the Mokopane Vanadium Project. The Environmental Impact Assessment was compiled as part of the Mining Right Application ("MRA") submitted on 12 March 2015. The next step in the MRA process is the receipt of the approval of the Company's mine works programme and social and labour plan. The Mokopane Vanadium Project remains a key part in the Company's vanadium strategy and offers meaningful synergies with the Vametco Alloys opportunity being pursued.

Greenhills Resources

Greenhills Resources, Bushveld's tin platform, was established to develop a pan-African portfolio of tin assets with a near term production profile. The company continues to advance its stated strategy to build a critical mass of tin resources with a near term production profile and to advance the projects towards production.

On 28 November 2016, the Company announced that it had signed a MoU with VBKom for the joint development of the Mokopane Tin project. Under the terms of the MoU, VBKom commits to conduct due diligence on the Mokopane Tin Project, following which, if a successful outcome, VBKom intends to enter binding agreements to provide capital investment and technical support for the development of the Groenfontein and Zaaiplaats deposits to mine commissioning in return for equity participation in the project, not exceeding 50%. The MoU provides for VBKom to conduct due diligence on the Mokopane Tin Project for a period to 31 January 2017.

The joint development effort is expected to build on the 2014 Mokopane Tin Project Scoping Study (the "Study") based on the two deposits, Groenfontein and Zaaiplaats. The Study envisaged an initial 691,000 tons per annum Run-of-Mine operation to produce 700 tons per annum of 99.5% Sn purity metal. The positive results of the Study included a pre-tax IRR of 34.6%, all-in cash cost of US\$14,276/ton Sn for a US\$16

million capex and using a long-term tin price of \$22 928/ton.

Lemur Resources

Lemur Resources is the coal and power platform mainly focussed on assets in Madagascar. In the interim period a settlement agreement was reached with Madam Rahajasoamampionona Ramiaramanana in respect of the mining licence 4578 dispute within the Imaloto power project coal concession in Madagascar. This settlement terminates the long running legal case and reaffirms Lemur Resources' ownership rights. The Company continues to be committed to securing the power purchase agreement with the state owned utility entity, Jirama, in order to further the project's economic realisation.

EVENTS AFTER THE REPORTING DATE

The Company released the £2,600,000 previously held in escrow to Darwin Strategic in accordance with the agreed terms of the facility and subsequently terminated the arrangement. A total amount of £514,800 being the accumulated interest plus penalty for late settlement was paid to Darwin Strategic on 8 November 2016. This serves as the full and final settlement of our obligations under the facility.

The Company successfully raised funding through equity for working capital and to fulfil progress payments on the Vametco transaction:

- Shares were issued in September following a placing on 1 September 2016 of 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;
- Another placing was completed on 27 October 2016 of 53,571,430 new ordinary shares of 1.0 pence each in the Company at a price of 1.4 pence each raising gross proceeds of £750,000.

On 22 November 2016 Greenhills Resources assigned an MoU with VBKom for the joint development of the Mokopane Tin Project.

OUTLOOK

The Company remains on track to achieving its objectives in respect of all three of its platforms:

- To complete the SMC acquisition by securing acquisition finance for the transaction
- To secure a mining right for its Mokopane Vanadium project in Mokopane;
- To complete the studies for VRFBs in Africa, electrolyte manufacturing in South Africa, and to secure a test site for a sizable VRFB installation in the country.
- To build a critical mass of tin resource inventory and to advance the tin projects towards production;
- To secure a power purchase agreement for the development of a coal-fired power station using the Imaloto coal resource in Madagascar.

Enquiries: info@bushveldminerals.com

Bushveld Minerals

Fortune Mojapelo +27 (0) 11 268 6555

Beaufort Securities

Jon Bellis +44 (0) 20 7382 8300

Strand Hanson

Andrew Emmott +44 (0) 20 7409 3494

Blytheweigh

Tim Blythe / Camila Horsfall +44 (0) 20 7138 3204

Gabriella von Ille +27 (0) 711 121 907

ABOUT BUSHVELD MINERALS LIMITED

The Company's vision is to become the largest low cost integrated primary vanadium producer through owned low-cost high-grade assets. This incorporates development and promotion of the role of vanadium in the growing global energy storage market through Bushveld Energy, the Company's energy storage solutions provider. Whilst the demand for vanadium remains largely anchored in a slow growing steel industry, Bushveld Minerals believes there is a strong potential for imminent significant global vanadium demand surge from the fast-growing energy storage market, particularly through the use and adoption of Vanadium Redox Flow Batteries.

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

UNAUDITED CONSOLIDATED INCOME STATEMENT For the six months ended 31 August 2016

	Six months to 31 August 2016 (unaudited) £	Six months to 31 August 2015 (unaudited) £	Year to 29 February 2016 (audited) £
Continuing operations			
Administrative expenses	129,081	(954,555)	(1,556,216)
Sundry income	11,890	-	41,152
Finance income	66	90,116	77,992
Finance expense	(173,800)	-	(351,206)
Loss before tax	(32,763)	(864,439)	(1,788,278)

Tax	-	-	-
Total loss for the period	(32,763)	(864,439)	(1,788,278)
Attributable to:			
Owners of the Company	(32,763)	(847,095)	(1,699,000)
Non-controlling interests	-	(17,344)	(89,278)
	(32,763)	(864,439)	(1,788,278)
Loss per ordinary share attributable to the owners of the company			
Basic and diluted loss per share (in pence)	4 (0.01)	(0.18)	(0.39)

The notes on pages 14 to 22 form part of these interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 August 2016

	Six months to 31 August 2016 (unaudited) £	Six months to 31 August 2015 (unaudited) £	Year to 29 February 2016 (audited) £
Loss for the period	(32,763)	(847,095)	(1,788,278)
Currency translation differences on translation of foreign operations	77,539	(779,749)	(1,262,002)
Total comprehensive loss for the period	44,776	(1,626,844)	(3,050,280)
Attributable to:			
Owners of the Company	44,776	(1,609,500)	(2,961,002)
Non-controlling interests	-	(17,344)	(89,278)
	44,776	(1,626,844)	(3,050,280)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 August 2016

	Note	Six months to 31 August 2016 (unaudited) £	Six months to 31 August 2015 (unaudited) £	Year to 29 February 2016 (audited) £
Assets				
Non-current assets				
Intangible assets: exploration activities	5	57,661,954	56,601,236	56,386,494
Property, plant and equipment	6	329,142	60,957	321,206
Total non-current assets		57,991,096	56,662,193	56,707,700
Current assets				
Trade and other receivables	7	1,954,810	535,516	3,066,855
Cash and cash equivalents		117,462	6,144,678	478,619
Total current assets		2,072,272	6,680,194	3,545,474
Total assets		60,063,368	63,342,387	60,253,174
Equity and liabilities				
Current liabilities				
Financial liabilities	8	(1,095,895)	(3,697,725)	(3,511,631)
Total current liabilities		(1,095,895)	(3,697,725)	(3,511,631)
Net assets		58,967,473	59,644,662	56,741,543

Equity				
Share capital	9	5,916,706	4,863,373	4,863,373
Share premium	9	60,770,208	59,927,541	59,927,541
Accumulated deficit		(7,353,076)	(4,969,818)	(7,320,313)
Revaluation reserve		-	(138,628)	-
Warrant reserve		422,386	481,653	422,386
Foreign exchange translation reserve		(2,423,418)	(2,018,704)	(2,500,957)
Equity attributable to the owners of the Company		57,332,806	58,145,417	55,392,030
Non-controlling interests		1,634,667	1,499,245	1,349,513
Total equity		58,967,473	59,644,662	56,741,543

The notes form part of these interim financial statements.

The financial statements were authorised and approved for issue by the Board of Directors and authorised for issue on 28 November 2016.

G N SPROULE
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the six months ended 31 August 2016

	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Warrant reserve	Foreign exchange translation reserve	Total attributable to owners of the parent company	Non-controlling interests	Total equity
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
Loss for the period	-	-	(32,763)	-	-	-	(32,763)	-	(32,763)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	77,539	77,539	-	77,539
Total comprehensive income for the year	-	-	(32,763)	-	-	77,539	44,776	-	44,776
Transactions with owners:									
Issue of shares	1,053,333	842,667	-	-	-	-	1,896,000	-	1,896,000
Movement in non-controlling interest	-	-	-	-	-	-	-	285,154	285,154
Total equity at 31 August 2016	5,916,706	60,770,208	(7,353,076)	-	422,386	(2,423,418)	57,332,806	1,634,667	58,967,473

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the six months ended 31 August 2016

	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Warrant reserve	Foreign exchange translation reserve	Total attributable to owners of the parent company	Non-controlling interests	Total equity
Total equity at 31 August 2015	4,863,373	59,927,541	(4,969,818)	(138,628)	481,653	(2,018,704)	58,145,417	1,499,245	59,644,662
Loss for the period	-	-	(2,184,189)	-	-	-	(2,184,189)	-	(2,184,189)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	(482,253)	(482,253)	-	(482,253)
Total comprehensive loss for the year	-	-	(2,184,189)	-	-	(482,253)	(2,666,442)	-	(2,666,442)
Transactions with owners:									
Revaluation reserve transfer	-	-	(138,628)	138,628	-	-	-	-	-
Treasury shares	-	-	(27,678)	-	-	-	(27,678)	-	(27,678)
Issue of warrants	-	-	-	-	-	-	-	-	-
Warrants exercised	-	-	-	-	(59,267)	-	(59,267)	-	(59,267)
Movement in non-controlling interest	-	-	-	-	-	-	-	(149,732)	(149,732)
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

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the six months ended 31 August 2016

	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Warrant reserve	Foreign exchange translation reserve	Total attributable to owners of the parent company	Non-controlling interests	Total equity
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 period	-	-	(847,095)	-	-	-	(847,095)	(17,344)	(864,439)
Other comprehensive income:									
Currency translation differences	-	-	-	-	-	(779,749)	(779,749)	-	(779,749)
Total comprehensive loss for the year	-	-	(847,095)	-	-	(779,749)	(1,626,844)	(17,344)	(1,644,188)
Transactions with owners:									
Issue of warrants	-	-	-	-	59,267	-	59,267	-	59,267
Movement in non-controlling interest	-	-	987,242	-	-	-	987,242	(2,887,927)	(1,900,685)
Total equity at 31 August 2015	4,863,373	59,927,541	(4,969,818)	(138,628)	481,653	(2,018,704)	58,145,417	1,499,245	59,644,662

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 August 2016

	Six months to 31 August 2016 £	Six months to 31 August 2015 £	Year to 29 February 2016 £
Loss after taxation	(32,763)	(847,095)	(1,788,278)
Adjustments for:			
Loss on disposal of tangible assets	-	1,549	-
Finance income	(66)	(90,116)	(77,992)
Finance expenses	173,800	-	351,000
	<u>140,971</u>	<u>(935,662)</u>	<u>(1,515,270)</u>
Operating cash flows before movements in working capital			
Decrease/(increase) in receivables	2,356,967	(388,805)	(320,144)
Increase/(decrease) in financial liabilities	(2,415,736)	3,233,776	63,638
Net cash used in operating activities	(82,202)	1,909,309	(1,771,776)
Cash flows from investing activities			
Interest received	66	90,116	77,992
Purchase of exploration and evaluation assets	(1,275,460)	(1,403,960)	(1,498,013)
Purchase of tangible fixed assets	-	-	(275,682)
Acquisition of subsidiary	-	(1,108,029)	-
Deposit paid to Evraz	(1,244,922)	-	-
Cost of acquisition of minority shares in subsidiary	-	-	(2,991,812)
Net cash used in from investing activities	(2,520,316)	(2,421,873)	(4,687,515)
Cash flows from financing activities			
Proceeds from issue of shares and warrants	1,896,000	-	-
Cost of purchase net treasury shares	-	-	(27,678)
Net cash generated from financing activities	1,896,000	-	(27,678)
Net (decrease)/increase in cash and cash equivalents	(706,518)	(512,564)	(6,486,969)
Cash and cash equivalents at the beginning of the period	478,619	7,595,777	7,595,777
Effect of foreign exchange rates	345,361	(938,535)	(630,189)
Cash and cash equivalents at end of the period	117,462	6,144,678	478,619

The notes on form part of these financial statements

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 August 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"), Greenhills Resources Limited ("GRL"), companies registered and domiciled in Guernsey together with their South African subsidiaries and Lemur Resources Limited ("Lemur") and its 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 ("Pamish 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 Resources Limited ("Lemur") is a coal project development company previously 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 August 2016

1. Corporate information and principal activities (continued)

As at 31 August 2016, the Bushveld Group comprised:

Company	Equity holding and voting rights	Country of incorporation	Nature of activities
Bushveld Limited	N/A	Guernsey	Ultimate holding company
BRL ¹	100%	Guernsey	Holding company
Bushveld Energy ¹	84%	Mauritius	Holding company
Bushveld Energy 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 No 71 Proprietary Limited ⁵	100%		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
Zaaipplaats Mining ⁵	100%	South Africa	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 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.

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 29 February 2017 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 29 February 2016 is based on the statutory accounts for the financial year ended 29 February 2016. 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS For the six months ended 31 August 2016

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 carrying value of intangible exploration assets of £57.7 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 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 through equity financing. Since posting of the 2016 Annual Financial Statements on 30 August 2016 the Company has raised funding through the following means in order to support its going concern status:

1. Issue of shares in September following a placing completed on 25 August 2016 of 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;
2. A placing completed on 21 October 2016 of 53,571,430 new ordinary shares of 1.0 pence each in the Company at a price of 1.4 pence each raising gross proceeds of £750,000.

Thus, the directors continue to adopt the going concern basis in preparing the Groups financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 August 2016

4. 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 2016 (unaudited)	Six Months to 31 August 2015 (unaudited)	Year to 29 February 2016 (audited)
Loss for the period attributable to the owners of the Company (£)	32,763	847,095	1,699,000
Weighted average number of shares in issue	503,520,451	486,337,438	460,361,182
Loss per share (pence)	(0.01)	(0.18)	(0.39)

5. Intangible assets

	Exploration activities - Vanadium / Iron Ore	Exploration activities - Tin	Total
Cost	£	£	£
As at 28 February 2015	37,919,544	17,851,700	55,771,244
Additions	751,423	78,569	829,992
As at 31 August 2015	38,670,967	17,930,269	56,601,236
Additions	583,208	84,813	668,021
Foreign Exchange adjustment	(605,074)	(277,689)	(882,763)
As at 29 February 2016	38,649,101	17,737,393	56,386,494
Additions	600,729	-	600,729
Foreign exchange adjustment	674,731	-	674,731
As at 31 August 2016	39,924,561	17,737,393	57,661,954

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 August 2016

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.

During the period, Lemur Resources Limited signed a binding term sheet to acquire the Brits Vanadium project, as announced 14 August 2015, with the acquisition completing post period end. The Brits Project comprises new order prospecting rights on the properties Portion 3 of Uitvalgrond 431 JQ and the remaining extent of Doornpoort 295 JR, and a contested mining right application on the farms Syferfontein 430 JQ and Portion 2 of Uitvalgrond 431 JQ. Collectively, the mineral rights are for vanadium, iron ore and rutile.

6. Property, plant and equipment

	Mining asset £	Motor vehicles £	Geological equipment £	Fixtures and fittings £	Total £
Cost					
At 31 August 2015	-	43,953	230,000	18,788	292,741
Additions	206,272	-	65,073	4,337	275,682
Exchange differences	-	(3,277)	(18,801)	(7,701)	(29,779)
Cost At 29 February 2016	206,272	40,676	276,272	15,514	538,734
Additions	-	-	-	-	-
Exchange differences	11,107	5,582	-	7,469	24,158
Cost At 31 August 2016	217,379	46,258	276,272	22,983	562,892
Depreciation 31 August 2015	-	43,953	173,427	14,404	231,784
Charge for the period	-	2,080	7,802	2,095	11,977
Exchange differences	-	(5,357)	(15,008)	(5,867)	(26,232)

Depreciation at 29 February 2016	-	40,676	166,221	10,632	217,529
Charge for the period	-	-	7,730	1,703	9,433
Exchange differences	-	5,582	-	1,186	6,768
Depreciation at 31 August 2016	-	46,258	173,951	13,521	233,750
Net book value					
At 31 August 2015	-	-	56,573	4,384	60,957
At 29 February 2016	206,272	-	110,051	4,882	321,205
At 31 August 2016	217,379	-	102,321	9,462	329,142

The depreciation charge for the period has been capitalised as exploration activities in the period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS For the six months ended 31 August 2016

7. Trade and other receivables

	Six months to 31 August 2016 (unaudited) £	Six months to 31 August 2015 (unaudited) £	Year to 29 February 2016 (audited) £
Advances and deposits	1,244,922	9,028	2,625,000
Other receivables	709,888	526,488	441,855
	1,954,810	535,516	3,066,855

8. Financial liabilities

	Six months to 31 August 2016 (unaudited) £	Six months to 31 August 2015 (unaudited) £	Year to 29 February 2016 (audited) £
Short term loans	519,800	2,756,000	2,984,044
Trade payables	247,258	549,577	152,409
Accruals	328,127	392,148	375,178
	1,095,185	3,697,725	3,511,631

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS For the six months ended 31 August 2016

9. Share capital and share premium

	Number of Shares Issued	Issue Price per Share	Nominal Value of Shares of 1 pence each	Share Premium	TOTAL SHARE CAPITAL AND PREMIUM
		£	£	£	£
Share Capital and Premium at 31 August 2015 and 29 February 2016	486,337,438		4,863,373	59,927,541	64,790,914
Capital raise 9 June 2016	48,333,334	0.018	483,333	386,667	870,000
Shares issued 14 June 2016	50,000,000	0.018	500,000	400,000	900,000
Shares issued 22 June 2016	7,000,000	0.018	70,000	56,000	126,000
Share Capital and Premium 31 August 2016	591,670,772		5,916,706	60,770,208	66,686,914

Share Capital and Premium 31 August 2016

As at 29 February and 31 August 2016 the Company owned 670,000 treasury shares with a nominal value of 1 pence (31 August 2015 Nil).

Placings and subscription after the reporting date

Subsequent to 31 August 2016 there have been two placings and subscriptions undertaken by Beaufort Securities Limited on behalf of Bushveld Minerals Limited

On 1 September 2016 38,666,668 shares with a nominal value of £0.015 per share raising net proceeds of £514,500.19,333,334 warrants were granted to the placees for two years at £0.024 expiring on 31 August 2018. Beaufort Securities Limited were granted 3,886,687 warrants a £0.015 expiring in 5 years after admission for their role in the placing.

On 27 October 2016 53,571,143 shares with a nominal value of £0.01 were Placed by Beaufort Securities Limited at a subscription price of £0.014 Beaufort Securities were granted 5,357,143 warrants £0.028 per share expiring in three years after admission.

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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 August 2016

10. Warrants

The following warrants were granted during the year ended 29 February 2016 and the six months to 31 August 2016

Warrants granted					
Date of grant	28/05/2015	06/06/2016	09/06/2016	09/06/2016	09/06/2016
Number granted	4,000,000	25,000,000	4,833,333	652,000	434,000
Contractual life	5 years	2 years	5 years	4 years	4 years
Estimated fair value per warrant	£0.001	£0.001	£0.001	£0.001	£0.001

Date of grant	24/08/2016	24/08/2016
Number granted	19,333,334	3,886,667
Contractual life	2 years	5 years
Estimated fair value per warrant	£0,001	£0,001

Warrant scheme					
Date of grant	28/05/2015	06/06/2016	09/06/2016	09/06/2016	09/06/2016
Share price at grant date	£0.040	£0.018	£0.018	£0.018	£0.018
Exercise price	£0.10	£0.024	£0.024	£0.046	£0.069
Expected life	5 years	2 years	5 years	4 years	4 years
Expected volatility	65.00%	58.40%	58.40%	58.40%	58.40%
Expected dividends	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	2.99%	0.51%	0.51%	0.51%	0.51%

Date of grant	24/08/2016	24/08/2016
Share price at grant date	£0.015	£0.015
Exercise price	£0.024	£0.015
Expected life	2 years	2 years
Expected volatility	60.70%	60.70%
Expected dividends	Nil	Nil
Risk-free interest rate	1.81%	1.81%

The warrants issued during the year are as follows:

	Number of warrants	Weighted average exercise price £
Outstanding at 1 March 2015	30,473,089	-
Granted during the year 29 February 2016	4,000,000	0.028
Lapsed during the year	(23,965,114)	0.028
Outstanding at 29 February 2016	10,507,975	0.028
Granted during this period	54,139,334	0.033
Exercisable at 31 August 2016	64,647,309	0.033

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 August 2016

11. Darwin Strategic Limited

Bushveld Minerals 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 £400,000 for general working capital purposes and further loans in aggregate, up to £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 was repayable by the maturity date of 29 November 2015 unless Darwin Strategic elected 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.

The Company has negotiated and agreed with Darwin to amend the agreement to allow Bushveld and Darwin to explore and consider acquisition opportunities. Under the revised terms, the maturity date of the facility was extended to 29 February 2016. Bushveld placed an amount equal to the principal of the facility being a total of £2,600,000 in an escrow account. Interest continued to be payable at a rate of 1.5% per month. Interest accrued at 29 February 2016 amounted to £351,000.

The principal sum of £2.6 million was repaid to Darwin on 6 May 2016 having been released from escrow. A further amount of £78,000 of interest was incurred. The total interest due to Darwin at the repayment date amounted to £429,000.

Bushveld Minerals were unable to repay the interest due to Darwin thereby incurring a penalty.

An amount of £514,800 being the accumulated outstanding interest plus including the penalty for late settlement was paid to Darwin Strategic on 8 November 2016.

12. Events after the reporting date

Details of events after the reporting date are provided in the performance report on page 5.

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