

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Six Months to 31 August 2013 (unaudited) £	5 January 2012 to 31 August 2012 (unaudited) £	5 January 2012 to 28 February 2013 (audited) £
Continuing operations			
Administrative expenses	(756,876)	(1,636,540)	(2,358,639)
Operating loss	<u>(756,876)</u>	<u>(1,636,540)</u>	<u>(2,358,639)</u>
Investment income	7,226	51,174	104,700
Loss before tax	<u>(749,650)</u>	<u>(1,585,366)</u>	<u>(2,253,939)</u>
Tax	-	-	-
Loss for the period	<u><u>(749,650)</u></u>	<u><u>(1,585,366)</u></u>	<u><u>(2,253,939)</u></u>
Attributable to:			
Owners of the Company	(749,650)	(1,585,366)	(2,253,939)
Non-controlling interests	-	-	-
	<u><u>(749,650)</u></u>	<u><u>(1,585,366)</u></u>	<u><u>(2,253,939)</u></u>
Loss per ordinary share			
Basic and diluted loss per share (in pence)	4 <u>(0.29)</u>	<u>(0.79)</u>	<u>(0.96)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six Months to 31 August 2013 (unaudited) £	5 January 2012 to 31 August 2012 (unaudited) £	5 January 2012 to 28 February 2013 (audited) £
Loss for the period	(749,650)	(1,585,366)	(2,253,939)
Currency translation differences on translation of foreign operations	(274,137)	(201,709)	(234,021)
Change in value of available for sale investments	138,628	-	(138,628)
Total comprehensive income for the period	<u>(885,159)</u>	<u>(1,787,075)</u>	<u>(2,626,588)</u>
Attributable to:			
Owners of the Company	(885,159)	(1,787,075)	(2,626,588)
Non-controlling interests	-	-	-
	<u>(885,159)</u>	<u>(1,787,075)</u>	<u>(2,626,588)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 August 2013 (unaudited) £	31 August 2012 (unaudited) £	28 February 2013 (audited) £
Assets				
Non-current assets				
Intangible assets: exploration activities	5	53,395,413	51,775,019	53,313,928
Investment in associate	6	3,104,839	-	-
Available for sale investment	6	-	-	248,854
Property, plant and equipment		64,471	89,604	74,487
		<u>56,564,723</u>	<u>51,864,623</u>	<u>53,637,269</u>
Total non-current assets				
Current assets				
Trade and other receivables		68,432	325,332	50,157
Cash and cash equivalents		307,637	3,338,410	1,305,089
		<u>376,069</u>	<u>3,663,742</u>	<u>1,355,246</u>
Total current assets				
		<u>56,940,792</u>	<u>55,528,365</u>	<u>54,992,515</u>
Total assets				
Equity and liabilities				
Current liabilities				
Trade and other payables		(247,723)	(295,026)	(199,142)
Loans and advance due to related parties		-	(226,014)	-
Borrowings	7	(324,415)	-	-
		<u>(572,138)</u>	<u>(521,040)</u>	<u>(199,142)</u>
Total current and Total liabilities				
		<u>56,368,654</u>	<u>55,007,325</u>	<u>54,793,373</u>
Net assets				
Equity				
Share capital	8	3,321,684	2,839,691	2,839,691
Share premium	8	55,781,684	53,822,354	53,811,401
Accumulated deficit		(3,003,589)	(1,585,366)	(2,253,939)
Revaluation reserve		-	-	(138,628)
Foreign exchange translation reserve		(508,158)	(201,709)	(234,021)
		<u>55,591,621</u>	<u>54,874,970</u>	<u>54,024,504</u>
Equity attributable to the owners of the Company				
Non-controlling interests		<u>777,033</u>	<u>132,355</u>	<u>768,869</u>
		<u>56,368,654</u>	<u>55,007,325</u>	<u>54,793,373</u>
Total equity				

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 August 2013 (unaudited)

Equity attributable to owners of the parent company

	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Foreign exchange translation reserve	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£
Balance 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: Foreign currency translation	-	-	-	-	(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
Balance at 31 August 2013	3,321,684	55,781,684	(3,003,589)	-	(508,158)	-	777,033	56,368,654

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period 5 January 2012 to 31 August 2012 (unaudited)**

	Equity attributable to owners of the parent company							
	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Foreign exchange translation reserve	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£
Loss for the period	-	-	(1,585,366)	-	-	(1,585,366)	-	(1,585,366)
Other comprehensive income: Foreign currency translation	-	-	-	-	(201,709)	(201,709)	-	(201,709)
Total comprehensive income for the period	-	-	(1,585,366)	-	(201,709)	(1,787,075)	-	(1,787,075)
Transactions with Owners: Non-controlling interests	-	-	-	-	-	-	132,355	132,355
Issue of shares	2,839,691	53,692,567	-	-	-	56,791,832	-	56,791,832
Less issue costs	-	(129,787)	-	-	-	(129,787)	-	(129,787)
Balance at 31 August 2012	2,839,691	53,822,354	(1,585,366)	-	(201,709)	54,874,970	132,355	55,007,325

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period 5 January 2012 to 28 February 2013 (audited)

Equity attributable to owners of the parent company

	Share capital	Share premium	Accumulated deficit	Revaluation reserve	Foreign exchange translation reserve	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£	£	£
Loss for the period	-	-	(2,253,939)	-	-	(2,253,939)	-	(2,253,939)
Other comprehensive income: Foreign currency translation	-	-	-	-	(234,021)	(234,021)	-	(234,021)
Fair value loss on available for sale investment	-	-	-	(138,628)	-	(138,628)	-	(138,628)
Total comprehensive income for the period	-	-	(2,253,939)	(138,628)	(234,021)	(2,626,588)	-	(2,626,588)
Transactions with Owners: Non-controlling interests	-	-	-	-	-	-	768,869	768,869
Issue of shares	2,839,691	53,954,131	-	-	-	56,793,822	-	56,793,822
Less issue costs	-	(142,730)	-	-	-	(142,730)	-	(142,730)
Balance 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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six Months ended 31 August 2013 (unaudited)	5 January 2012 to 31 August 2012 (unaudited)	5 January 2012 to 28 February 2013 (audited)
	£	£	£
LOSS BEFORE TAXATION	(749,650)	(1,585,366)	(2,253,939)
Adjustment for:			
AIM listing expenses settled with shares	-	-	273,000
Interest income net	(7,226)	(51,174)	(104,700)
Depreciation	18,484	10,402	
	<u>(738,392)</u>	<u>(1,626,138)</u>	<u>(2,085,639)</u>
(Increase)/Decrease in receivables	(18,275)	(241,717)	33,487
Increase in payables	48,581	521,040	199,142
Net cash used in operating activities	<u>(708,086)</u>	<u>(1,346,815)</u>	<u>(1,853,010)</u>
Cash flows from investing activities			
Interest received net	7,226	51,174	104,700
Purchase of exploration and evaluation assets	(529,100)	(932,778)	(2,100,284)
Purchase of tangible fixed assets	(18,865)	(48,640)	(62,975)
Cash acquired on acquisition of subsidiary	-	266,267	266,267
Purchase of available for sale investments and investment in associate	(265,081)	-	(386,053)
Net cash used from investing activities	<u>(805,820)</u>	<u>(663,977)</u>	<u>(2,178,345)</u>
Cash flows from financing activities			
Proceeds from issue of shares	-	5,460,000	5,460,000
Costs taken against share premium from issue of shares	-	(129,778)	(142,730)
Proceeds from issue of 8% Loan Notes	324,415	-	-
Net cash generated from financial activities	<u>324,415</u>	<u>5,330,222</u>	<u>5,317,270</u>
Net increase/decrease in cash and cash equivalents	(1,189,491)	3,319,430	1,285,915
Cash and cash equivalents at the beginning of the period	1,305,089	-	-
Effect of foreign exchange rates	192,039	18,980	19,174
Cash and cash equivalents at end of period	<u>307,637</u>	<u>3,338,410</u>	<u>1,305,089</u>

Corporate information and principal activities

Bushveld Minerals Limited (“Bushveld”) was incorporated in Guernsey on 5 January 2012, and listed on 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.

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% 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.

1. 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 2014 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 2013 is based on the statutory accounts for the financial year ended 28 February 2013. 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 £53.3 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. The cash flow forecasts prepared have taken into account the November 2013 cash injection of circa £1.2m. The directors focus is on the Group's strategy is to create commodity focused platforms that can attract project specific funding post a Scoping Study for the Tin and Iron Ore projects and the integration of Lemur coal contracts within the group. With the Scoping Study for the Iron Ore Project complete, as announced to the market on 22 April 2013, the Group is now in discussions with several potential strategic partners for funding the project to completion of feasibility studies.

The Tin Project is currently in a resource definition and metallurgical studies stage with a scoping study expected to be completed within Q4 2013, after which a strategic partner will be sought for the further development of the project.

The directors are therefore confident that with the November cash injection of £1.2m will 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.

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 2013 (unaudited)	5 January 2012 to 31 August 2012 (unaudited)	5 January 2012 to 28 February 2013 (audited)
Loss for the period attributable to the owners of the company (£)	749,650	1,585,366	2,253,939
Weighted average number of shares in issue	254,906,917	199,840,974	235,900,175
Loss per share (pence)	<u>0.29</u>	<u>0.79</u>	<u>0.96</u>

5. Intangible assets

	Exploration activities – Iron Ore £	Exploration activities – Tin £	Total £
Cost			
As at 5 January 2012	-	-	-
Acquired on acquisition of a subsidiary	34,932,526	16,415,872	51,348,398
Additions	575,417	71,892	647,309
Foreign exchange translation	<u>(156,586)</u>	<u>(64,102)</u>	<u>(220,688)</u>
As at 30 September 2012 (unaudited)	35,351,357	16,423,662	51,775,019
Additions	1,017,953	553,198	1,571,151
Foreign exchange translation	<u>(5,495)</u>	<u>(26,747)</u>	<u>(32,242)</u>
As at 28 February 2013 (audited)	36,363,815	16,950,113	53,313,928
Additions	324,239	204,861	529,100
Foreign exchange translation	<u>(213,192)</u>	<u>(234,423)</u>	<u>(447,615)</u>
As at 31 August 2013 (unaudited)	<u>36,474,862</u>	<u>16,920,551</u>	<u>53,395,413</u>

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").

6. Investments

	Investment in Associate £	Available for sale investments £
As at 31 August 2012 and 5 January 2013	-	-
Additions	-	386,053
Fair value loss	-	(138,628)
Foreign exchange movement	-	1,429
	<hr/>	<hr/>
As at 28 February 2013	-	248,854
Additions	-	710,165
Fair value adjustment	-	138,628
Transfer to investment in associate on gaining effective control	1,097,647	(1,097,647)
Additions	2,007,192	-
Share of loss of associate	-	-
	<hr/>	<hr/>
As at 31 August 2013	3,104,839	-

On 8 November 2012, the Group acquired 5,150,000 shares in Lemur Resources Limited for a consideration of £386,053.

On 13 May 2013, the company announced the launch of an off-market take-over bid for the Lemur Resources Limited a coal project development company on the ASX. This bid follows the acquisition by Bushveld Minerals of 5.15 million shares in Lemur Resources (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 values Lemur at A\$19.1 million or A\$0.099 per share, which has a 65.5% premium to Lemur's closing price on Friday May 10, 2013. Lemur Resources has a 136 million tonne thermal coal project in Madagascar, known as the Imaloto coal project as well as A\$17.5 million in cash.

With the acquisition of the Lemur shares in tranches in August 2013 significant influence was deemed to have been established and therefore considered to be an instrument in associate.

By 31 August 2013, the company had received acceptances from Lemur shareholders amounting to 48% in the share capital of Lemur Resources Limited.

The offer period closed on 1 November 2013 and the company's shareholding in Lemur Resources Limited was 104,697,097 ordinary shares representing a 54.39% interest.

7. 8% Convertible Loan Notes

	31 August 2013 £	31 August 2012 £	28 February 2013 £
8% Convertible Loan Notes	<u>324,415</u>	<u>-</u>	<u>-</u>

On 22 July 2013, the company issued US\$ 500,000 8% Loan Notes to Mineral Health International Limited in terms of a Loan Note Instrument in which the principle amounts of the Notes is limited to US\$ 3,000,000. The Loan Notes may be repaid at the option of the company. Unless previously repaid or converted the Notes shall be redeemed at par on 22 July 2014. The Note holders may give notice that the notes to be repaid at a later date provided that such later date may not be later than 22 July 2015.

At the date of repayment the note holders may elect that all or part of the loan noted be converted into fully paid ordinary shares. The Notes have a conversion rate to have an aggregate value equal to the aggregate principle amount in US\$ into ordinary shares based on the value of the Ordinary Share at the conversion date multiplies by 0.8.

The company has issued 850,000 warrants at an exercise price of £0.12 linked to the Loan Notes.

8. Share capital

	31 August 2013 (unaudited) £	31 August 2012 (unaudited) £	28 February 2013 (audited) £
Ordinary shares of 1 Pence each			
Opening	2,839,691	-	-
Issue of ordinary shares in the period	<u>481,993</u>	<u>2,839,691</u>	<u>2,839,691</u>
Closing	<u><u>3,321,684</u></u>	<u><u>2,839,691</u></u>	<u><u>2,839,691</u></u>

The Company was incorporated on 5 January 2012 with unlimited authorised share capital. On incorporation 100 ordinary shares of £1.00 each were issued at par. On 12 March 2012 the ordinary shares were subsequently converted into 10,000 ordinary shares of 1 pence each.

On 15 March 2012 255,304,110 ordinary shares of 1 pence were issued at 20 pence per share as fully paid in exchange for the acquisition of Bushveld Resources Limited and Greenhills Resources Limited for total consideration of £51,060,822. Share premium of £48,507,781 arose as a result of the transaction.

On admission to the AIM Market of the London Stock Exchange ('AIM') on 26 March 2012 a further 28,665,000 ordinary shares of 1 pence each were issued at 20 pence per share. Of this amount, 27,300,000 were issued for cash consideration and fully paid on admission raising £5,460,000. 1,365,000 shares were issued for non cash consideration. Share premium of £5,446,350 arose as a result of the transactions.

In May 2013 the Company launched a bid offer to acquire Lemur Resources Limited, a company listed on the Australian Stock Exchange. The offer was 3 Bushveld Shares for 5 Lemur Shares. By 31 August 2013, the company had secured the purchase of 48% of Lemur with the issue of 48,199,288 ordinary shares at a cost of £2,452,276.

Post period end the company acquired further shares in Lemur, obtaining control and bringing the total holding up to 54.39%. A further 11,528,970 of Bushveld ordinary shares of £0.01 were issued at a cost of £592,649.

On 5 November the Company issued 36,764,702 new ordinary shares of 1 pence each issued for cash consideration of 3.4 pence raising gross proceeds of £1.25m. As part of the issue the participants were issued with warrants on the basis of one Warrant for every one share issued. The warrants have an exercise price of 5 pence and an exercise period of two years. In addition, Fox-Davies Capital has received 1,838,235 broker warrants exercisable at the placing price and an exercise period of two years. The net proceeds are intended to be used for the ongoing development of its Bushveld Iron Ore Project and Mokopane Tin Project as well as general working capital purposes. The Company anticipates that any further capital required may be provided through the introduction of strategic partners at the project level thereby reducing any further dilution to shareholders of the Company. The Company will keep shareholders apprised of continuing discussions with strategic partners at an appropriate juncture.