BUSHVELD MINERALS

Simple. Fast. Effective.

Building a new way of doing things and shaping the future

Year-End December 2023

Annual Report & Financial Results

Bushveld Minerals is a primary vanadium producer. It is one of the world's three primary vanadium producers, offering compelling exposure to vanadium through its upstream asset.

Vanadium is an essential element in many modern processes. It is playing a critical role in the transition to a low-carbon economy to enable a more sustainable world. It reduces carbon emissions generated during steel production and in advancing utility-scale battery storage solutions. Bushveld's mission is to operate as a 'simple, fast and effective' company, combining mining and vanadium processing to produce products for the steel industry.

OUR PURPOSE

To mine, process and beneficiate vanadium in a way that contributes to the sustainability of the planet while creating tangible value for our stakeholders and society.

OUR STRATEGY

To become a simple, fast and effective mining company with a singular focus on the upstream. In implementing this strategy Bushveld will build a sustainable, cash-generating, low-cost production platform. Our leadership prioritises the proactive identification and mitigation of all business and operating risks that may impede our objectives.

This report is also available at

www.bushveldminerals.com/financial-reports

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Throughout this publication, the Boards are referred to collectively as the Board. In this Annual Report, the terms "Bushveld Minerals Group", "Bushveld", "Company", "Group", "we", "us", "our" and "ourselves" are used to refer to Bushveld Minerals Limited. The terms "Vametco mine and processing plant", "Vametco mine" and "Vametco" are used to refer to Bushveld Vametco Alloys (Proprietary) Limited. The terms "Vanchem plant" and "Vanchem" are used to refer to "Bushveld Vanchem Proprietary Limited". Cross-references refer to sections of the Annual Report, unless stated otherwise.

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A simple, fast, effective company underpinned by robust fundamentals

We offer investors exposure to a commodity that has long-term demand prospects, as vanadium is not only a key component in steel alloys but also plays a critical role in the production of renewable energy technologies, the growing use of which will facilitate the transition to a low-carbon future.

Following a period of restructuring, which is still underway, and the implementation of austerity measures during the second half of 2023, Bushveld is now set to become a lean, competitive company focused on production and cost-effective delivery.

- We have overhauled Bushveld's strategy to refocus on the core function of mining and vanadium processing.
- We are simplifying the structure of the business by consolidating our assets and streamlining our vanadium operations, positioning Bushveld to generate positive returns throughout the commodity cycle.
- We are in the process of divesting the entire energy business, including the Bushveld Electrolyte Company ("BELCO"), to refocus on the core function of mining, thus reducing complexity and simplifying our business model.
- We are committed to maximising the potential of the Company's operations with Vametco on the path to becoming consistent and sustainable in operational status.
- Our cost saving measures implemented during the course of 2023 will ensure cost effectiveness across the business and facilitate a faster return to profitability.
- Our vanadium products provide flexibility to maximise sales and profit margins according to market demand.

Our strategy

In the context of the Company's current resource constraints and the depressed conditions of the vanadium market, over the second half of 2023, Bushveld's senior management team opted to revise the Group's strategy away from the objective of vertical integration: Bushveld was established as a mining company and to its core remains as such.

The revised strategy aims to refocus the business towards being an efficient mining company that delivers sustained value to all stakeholders. The cornerstone of this strategy is the principle of 'operational excellence', which will facilitate a steady improvement in the Company's financial performance, enhance shareholder value, protect our employees, our communities and the environment, and ultimately ensure long-term success in a challenging industry.

In rolling out this strategy, the immediate focus of the Company is ensuring operational stability at Vametco.

Our long-term strategy is centred on building a sustainable, cash-generating, low-cost production platform, comprising of a refurbished scalable production plant.

The delivery of our strategy is underpinned by:
- The vision and energy of a new, streamlined management team;
- Becoming a simple, fast and effective mining company;
- A clear purpose;
- Productive austerity measures; and
- Achievable targets.

In May 2024, the Group agreed to sell the remaining 50% stake in Vanchem to Southern Point Resources ("SPR"). This is necessitating a further review of the strategy which will be communicated in due course.

Our business at a glance

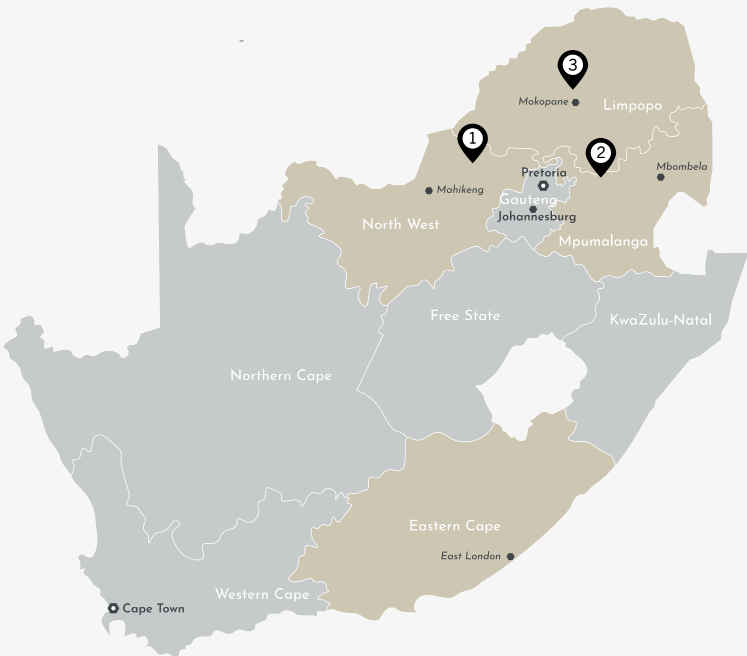
BUSHVELD MINERALS

A PRIMARY VANADIUM PRODUCER

1. **Vametco (100% ownership)**
   - Mine and processing facility
   - Life-of-mine of >30 years (ore reserves)

2. **Vanchem (100% ownership)**[1]
   - Processing facility

3. **Mokopane project (64% ownership)**[1]
   - JORC-compliant 298 Mt resource, including 28.5 Mt reserves with grade of 1.75% V_2O_5 in-magnetite
   - 30-year mining right executed in January 2020



Our business model

Bushveld Minerals' business model combines mining and processing to produce products for use in the steel industry.

In all our activities, we strive to be a responsible and respectable social partner, ensuring sustainable economic growth and development for the communities around us while creating value for our shareholders.

This is how we create value for all our stakeholders:

Mining – We have access to some of the highest grades of vanadium in the world and focus on efficient, sustainable, safe and low-cost extraction.

Processing – Our processing facilities have undergone continued refurbishment and optimisation initiatives to achieve stable processing and refining.

Sales and marketing – We supply products to our customers' specifications and optimise our sales to higher-value markets globally.

1 Commenced sale to Southern Point Resources.

Stabilising business foundations for future growth

DEAR SHAREHOLDERS,

It would be remiss of me not to begin this letter with an acknowledgment of the unprecedented state of flux that has characterised Bushveld's performance during the period under review.

Over the last 15 months, the Company has experienced a significant change in Executive Management and a restructuring of its head office, evolved its strategy to reflect financial realities, navigated funding hurdles, implemented necessary austerity measures, and intensified efforts to improve the operational performance of its assets. All of this at a time when vanadium prices have been subdued and unsupportive, with the geopolitical arena becoming increasingly unstable and complex.

MICHAEL KIRKWOOD
Independent
Non-Executive Chairman

A key event of the year was the change in leadership of the Company with the departure of Fortune Mojapelo at the end of June 2023. Having co-founded Bushveld Minerals back in 2012, Fortune led Bushveld Minerals' evolution from explorer to producer. The Company wishes him well in his future endeavours. Sadly, the Company also had to engage in right-sizing measures to reduce costs and overheads. A number of staff had to be let go in this process and we also wish them well going forward.

Since stepping into the role of CEO in July 2023, Craig Coltman has done a highly commendable job under challenging circumstances. Under his leadership, much progress has been made in overhauling and simplifying the Company's operations and strategy to refocus on the fundamentals of the business, being the mining and beneficiation of vanadium. This progress will be vital to the future performance of the Company. Whilst not yet reflected in the financial outcomes (see the Directors' Report on page 52), the overhaul implemented by the Management team will become clearer when there is a rebound in the price of our commodity.

This has been a significant change for Bushveld. The strategic switch in direction to being a pure vanadium play has not only been undertaken with the objective of simplifying the business model but in recognition that the Company did not have sufficient financial strength to build a vertically integrated mining and energy entity. While vanadium may well have a future as an energy mineral, Bushveld was unable to attract or generate the capital to be a pioneer in executing this long-term opportunity. Following the sale of Vanchem, Bushveld will continue to move towards operating in an agile and lean manner by focusing on getting the Vametco plant and its long-life mine into an efficient, sustainable, cash-producing asset. Consequently, the Company is engaged in the disposal of its investments in the sectors unrelated to the production of vanadium.

Under the new leadership, realistic production targets have been set involving the strengthening of core operations. Management has also endeavoured to stabilise and improve the Company's financial resilience, notably through the restructuring of the Orion convertible loan note, the commitment of US$18.4 million additional equity, of which US$14.9 million has been received, as well as the pending sale of the Vanchem facility.

The Board recognises Craig's candid engagement with his colleagues and shareholders in providing a realistic and frank assessment of the business and what actions have been and still are required to be taken to facilitate the restoration of long-term value. While there is still a way to go on some of the restructuring and operational initiatives announced, the Group looks forward to achieving a potentially more deliverable proposition and a refocused business model geared towards the efficient production and sale of vanadium from its South African production asset, Vametco.

We thank shareholders for supporting the conditional sale of Vanchem, an action that allows us to rectify the Group's overdue creditor balances as well as providing adequate working capital to fund ongoing operations at Vametco.

During the year, Southern Point Resources ("SPR") became a new major shareholder and supporter. The multi-pronged agreement with SPR, which includes a working capital facility, the purchase of Vanchem and our 64% interest Mokopane, an equity subscription and a new sales and marketing arrangement has all helped infuse much-needed capital into the turnaround strategy that the Executive Management team have devised.

I would also like to particularly thank those shareholders who participated in the fundraising exercise we initiated at the end of 2023, which helped raise the funds to strengthen our working capital and invest in some of the maintenance projects required to support our assets. The Board and Executive Management team hope that all shareholders will increasingly see the potential of the business and provide the necessary support to re-rate the shares of the Company to a level that appropriately reflects its underlying value.

We would like to welcome Robbie Taylor who recently joined as Interim Chief Financial Officer replacing Tanya Chikanza. He brings with him over 27 years' experience as a Finance Executive in various sectors and has extensive experience working with listed entities and multinationals. Robbie and the Finance team have made significant strides in addressing capital allocation, creditor management, cost control and overall financial discipline.

The coming months will see a number of changes to your Board:

- David Noko is not standing for re-election at the AGM in order to permit him to focus on his many other commitments. He has served the Company assiduously, particularly in his role as Chair of the ESG Committee. He departs with our thanks and best wishes.
- Further, it is my intention to stand down from the Board and as Chairman once a replacement has been appointed. I have served for over six years and now is the time for a new Chair to lead the Board and the Company forward. The Company will shortly initiate a search process to identify a suitable candidate.
- Subject to completion of regulatory due diligence, replacing David Noko as a Non-Executive Director, Mathews Senosi has been invited to join the Board. We will welcome his involvement and look forward to benefitting from his significant sectoral experience.

The Bushveld Board stands resolutely in support of management's turnaround strategy and focus for 2024. This is to build on the progress made in the second half of 2023 to become a simple, fast and effective mining company. Continued improvement in operational performance, the disposal of the energy assets, and the further reduction of debt will facilitate a strengthening of our investment proposition during the course of the current financial year. A recovery in the price of vanadium will, of course, also be vital and most welcome.

In closing I must recognise the commitment, support, and dedication of my Board colleagues who have been unstintingly generous with their time and have provided much wise counsel during this pivotal period in the Company's development. Collectively, we also recognise the huge effort of the Executive Management team under Craig's leadership for their steady hand and commitment to restoring Bushveld Minerals' intrinsic value for its shareholders.

Michael J. Kirkwood
Chairman
28 June 2024

Refocusing our business objectives

DEAR STAKEHOLDERS,

I am pleased to be writing to you in my first letter as CEO of Bushveld Minerals.

I joined the Company at a critical juncture in its history, heavily beset as it was by a confluence of financial, operational and broader contextual challenges. While I have been at the helm for a relatively short time, just 11 months at the time of writing, I can report that the team has worked incredibly hard, under difficult circumstances, to turn this ship around.

In this, our priority has been the overhaul of Bushveld's strategy. We have moved away from the objective of vertical integration to refocus on the original fundamentals of the business as an efficient miner of vanadium that can deliver a sustained value to all stakeholders.

Such has been the result of our hard work that, today, we present you with a pure-play, focused vanadium producer, capable of producing sustainable free cash flow within the right market conditions.

Of course, prior to my joining mid-year, on 1 July 2023, work refocusing our business objectives had already started on some of the issues facing the business. At an operational level, the load curtailment solution between Vanchem and the Emalahleni Municipality was agreed early in 2023 providing a far more stable, predictable power feed to the kiln. On the financial front, the initial Investment Committee approved the term sheet for the Orion loan restructuring which was announced in May 2023 with the deal finalised in February 2024; and while the proposed listing never crystallised for various reasons, there was an attempt to get the energy assets unbundled into their own listed vehicle.

CRAIG COLTMAN
Chief Executive Officer

This review focuses on the initiatives pursued, including the key transactions announced and hard operational and restructuring decisions taken in my first six months with the Company, and into the current financial year.

STABILISING THE BUSINESS

Within days of arriving at Bushveld, the uphill task we had ahead of us was quite clear. Beyond the long-term debt position with Orion that had become current, we also owed creditors large sums of money, the majority of the balance being long outstanding, and it was apparent that we had to reduce these creditor balances in order to improve the steady supply of raw materials that would in turn facilitate consistent output from both our production facilities.

To do this, we had to bolster our cash balance and improve our working capital situation quickly, to ensure our credit period days were reduced and suppliers were more confident they would be paid timeously on supply of goods.

A big contributor to achieving the funding boost, was the comprehensive proposed investment by Southern Point Resources ("SPR") announced in September 2023. There is no doubt that the immediate US$8.0 million (ZAR150.0 million) working capital loan under the SPR agreement provided an immediate boost to our bank balance and breathing room as we proceeded with the other transactions within the overall US$69.5-77.5 million funding package. In December 2023, we also successfully concluded the definitive agreements for the sale of 50% of Vanchem and our 64% interest in Mokopane for a total price of US$25 million. This transaction was altered in May 2024 to include 100% of our share in Vanchem. During the period, we also concluded a sales and marketing agreement with SPR, part of which will see them provide Bushveld with a provisional working capital facility of US$25-30 million, to replace our existing working capital facilities.

We also pushed the button on a much-needed equity raising, which, including the previously agreed US$12.5 million injection from SPR, saw us raise a commitment of a total of US$18.4 million in fresh capital for the business of which US$14.9 million has been received. While there have been some post-year-end delays on the flow of some of these funds, we have made great strides with SPR in executing the various parts of our broad agreement and are continually engaging on the remaining transactions.

REFOCUSING OUR BUSINESS OBJECTIVE

From an operational perspective we identified that, in order to improve Vanchem's performance, it was vital we implement various initiatives during the month of July 2023 to get that facility into a sustainable positive cash flow position in the short term and achieve stable production levels of approximately 180 mtV per month. Initiatives pursued included:

- Changing the re-agent mix from 100% sodium sulphate to a mix of sodium carbonate and sodium sulphate, which reduces the silica build up at the kiln and hence increases the kiln availability.
- Deploy a team from Vametco to Vanchem to improve knowledge sharing.
- 24/7 shift managers for supervision to ensure immediate decision-making.

After familiarising myself with the business as a whole, I realised that there were several legacy and non-core assets that were using management time and Company funds to maintain and develop, while not contributing any near- to medium-term returns. Once identified, we initiated the process of disposing of those assets to focus on our main business, namely the production of vanadium.

Toughest of all the decisions was the one we had to make towards the end of the financial year where, having right-sized the business, and taken into account our financial constraints, we had no choice but to make redundant a number of our Group Head Office employees. The office restructuring will result in a cost saving of US$1.5 million per year. While it is never easy letting people go, we knew these measures were essential for navigating the current market conditions and ensuring the Company's continued competitiveness throughout the commodity cycle.

FINANCIALS

The 2023 financial results were affected by lower vanadium prices and higher operating costs which resulted in an underlying EBITDA[1] loss of US$7.5 million. We used cash generated from operating activities of US$6.2 million and ended the year with a cash and cash equivalent balance of US$1.3 million.

At the beginning of 2024, the Company completed the refinancing of the unsecured convertible loan notes issued to Orion as follows:

- US$4.7 million of the convertible debt obligations capitalised into a subscription for 124,747,016 new ordinary shares.
- A new convertible loan note of US$14.1 million maturing on 30 June 2028.
- A term loan of US$28.3 million maturing on 30 June 2026.
- Supplemental royalty at not more than 0.264% of Bushveld's gross revenues and reducing by 80% at the term loan maturity.

The announcement of the 100% sale of Vanchem made post the financial year end, has provided working capital to fund ongoing operations and allows the Group to reduce its overdue creditor balance.

ASSET RATIONALISATION

In our efforts to reduce costs and simplify our business, the Company has also initiated processes on disposing of several of its assets.

Within the scope of the SPR transaction, the Company has conditionally sold Vanchem to SPR and our 64% interest in the Mokopane development project for US$40-45 million. Definitive agreements have been signed for both of these transactions and we await final conditions around regulatory approvals to be met.

Advisors have also been hired to manage the sale process of CellCube and the Bushveld Electrolyte production plant.

We also reassessed the merits of pursuing the mining right application associated with the Brits Project, neighbouring Vametco, and concluded that it should be discontinued. Discussions over the disposal of Lemur, a thermal coal asset in Madagascar, are also underway.

OPERATIONS

It was clear early on in my tenure that while Vametco was largely reliable and in suitable operating condition (save for the Barren Dam constraints), it was Vanchem which required further improvements and consistency in order to stand on its own two feet.

After spending some time at the assets, I took the difficult decision to revise guidance to a realistic and achievable target of between 3,700 mtV and 3,900 mtV (previously between 4,200 mtV and 4,500 mtV). The good news is that the turnaround plan implemented and described above helped us achieve the targeted production rates, with Vanchem achieving its highest production level since the asset was acquired by Bushveld.

At Vanchem, we saw a significant improvement in our safety performance with a total recordable injury frequency rate of 2.31 (2022: 10.32). The improvement is a result of the implementation of a safety diagnostic assessment action plan, with special focus on the leading indicators, namely, visible felt leadership, planned task observations, inspections and addressing all the audit results.

OUTLOOK

Our immediate focus for the remainder of 2024 is to build on the aforementioned achievements. We aim to ensure that Vametco realises operational stability and achieves a sustainable monthly production of circa 240 mtV by Q4 2024. In addition to commencing with the project to buttress the slimes dam, increasing the capacity of the Barren Dam at Vametco remains an important debottlenecking project that needs to be resolved.

We will continue to reduce debt and implement cost saving measures in line with our asset rationalisation.

The low vanadium price has continued into 2024 with the commodity trading around US$26/kgV. As a Group, we will continue to prioritise sales into higher value markets, such as the aerospace application, speciality alloy and chemicals, and higher price markets, such as nitro vanadium in North America.

I must thank Orion, SPR and all other shareholders for their support through this difficult time. As mentioned at the start of this letter, we have taken big strides in focusing this business on the efficient production of vanadium for global markets.

I look forward to updating you on our progress to becoming a simple, fast and effective company during the course of the current financial year.

Craig Coltman
28 June 2024

1 Underlying EBITDA is Adjusted EBITDA excluding impairment losses.

2023 Performance and future objectives

	2023 achievements	2024 objectives	Near to medium-term objectives
HEALTH AND SAFETY	– Reported zero fatalities. – There were two lost time injuries, an improvement from nine lost time injuries in 2022.	– Maintain a safe environment for all employees and contractors through deliberate housekeeping and asset integrity programmes. – Ensure that all hazards are fully understood and risks are assessed, through reviewing and updating all safe operating and maintenance procedures.	
FINANCIAL	– US$7.5 million underlying EBITDA loss, US$66.1 million adjusted EBITDA loss. – Impairment charges of US$58.6 million, mostly due to impairment loss of US$49.6 million and US$8.2 million recognised for Mokopane Project and Vanchem, respectively. – US$1.3 million cash and cash equivalents as at 31 December 2023. – Group cost per unit sold (including sustaining capital) US$51.0/kgV. – Completed the refinancing of the Orion convertible loan note. – As part of the Group's cost savings initiative the Company has implemented a restructuring at Head Office which will result in cost saving of the amount US$1.5 million per annum.	– Strengthen the Company's balance sheet. – Increase business profitability and free cash flow generation. – Implement further cost saving initiatives across the Group.	– Achieve a capital structure that will enhance shareholder value. – Realise additional cost savings through a production increase and other cost management initiatives.
OPERATIONAL	– Realised annual production of 3,714 mtV. – Vanchem achieved its highest production volume since acquisition, through the implementation of a turnaround project. – Production cash cost of US$26.6/kgV.	– Attain operational stability and maintain consistent performance. – Ensure that Vametco realises operational stability and achieves a sustainable monthly production of circa 240 mtV by Q4 2024.	
STRATEGIC	– Announced the sale process of CellCube. – Acquired the 26% minority interest in Vametco, taking the total shareholding to 100%. – US$69.5-77.5 million investment by Southern Point Resources ("SPR"). – Raised a total of US$18.4 million via an equity placing of which US$14.9 million has been received.	– Complete the Vanchem and Mokopane sale. – Sell CellCube, BELCO and Lemur.	

Increased volumes and revised capital structure

1. OVERVIEW

	Unit	FY 2023	% change	FY 2022
Revenue	US$m	137.5	-7%	148.4
Cost of sales	US$m	(122.1)	13%	(108.3)
Other operating income and costs[1]	US$m	(77.2)	93%	(40.0)
Administrative costs	US$m	(20.8)	2%	(20.3)
Adjusted EBITDA[2]	US$m	(66.1)	3.884%	(1.7)
Impairment charges	US$m	(58.6)	145%	(24.0)
Underlying EBITDA[3]	US$m	(7.5)	-133%	22.3
Average foreign exchange rate	US$/ZAR	18.46	13%	16.35
Group production	mtV	3,714	-3%	3,842
Group sales	mtV	4,051	13%	3,584
All-in sustaining costs ("AISC")	US$/kgV	51.0	17%	43.7
Average realised price	US$/kgV	33.9	-18%	41.4

The 2023 financial results were affected by lower vanadium prices and higher operating costs to stabilise the assets. The operational initiatives to prioritise operational stability paid off with Vanchem achieving its highest yearly production since the asset was acquired by Bushveld. Our turnaround efforts, which resulted in us achieving this record production and stabilising the operation, allowed us to achieve meaningful value for this asset when an agreement was reached to sell 100% of Vanchem post financial year end.

In 2023, we recorded an underlying EBITDA loss of US$7.5 million and adjusted EBITDA loss of US$66.1 million. The operating loss also included impairment losses of US$58.6 million (2022: US$24.0 million). US$49.6 million of the impairment losses pertain to Mokopane and US$8.2 million to Vanchem.

The refinancing of the Orion Mine Finance ("Orion") US$35.0 million convertible loan notes and capitalised interest into a revised capital structure was completed at the beginning of 2024. The Group also conducted, during the end of 2023, an equity raise and entered into agreements with Southern Point Resources ("SPR") for a cumulative proposed investment of US$69.5-77.5 million.

2. INCOME STATEMENT

ANALYSIS OF RESULTS

The income statement summary below is adjusted from the "statutory" primary statement presentation:

Figures in thousands of US$	Year ended 31-Dec-23	% change	Year ended 31-Dec-22
Revenue	137,471	-7%	148,448
Cost of sales excluding depreciation	(106,097)	18%	(90,268)
Other operating income and costs excluding impairment losses	(18,567)	16%	(15,985)
Other operating income	2,059	-25%	2,733
Selling and distribution costs	(8,825)	-5%	(9,270)
Other mine operating costs	(2,838)	4%	(2,723)
Idle plant costs	(8,963)	33%	(6,725)
Administration costs excluding depreciation	(20,266)	2%	(19,889)
Underlying EBITDA	**(7,459)**	**-133%**	**22,306**
Impairment losses	(58,637)	145%	(23,965)
Adjusted EBITDA	**(66,096)**	**3,884%**	**(1,659)**
Depreciation	(16,491)	-11%	(18,475)
Operating loss	**(82,587)**	**310%**	**(20,134)**
Other losses	(3,378)	313%	(818)
Share of loss from joint venture	(4,242)	-17%	(5,112)
Fair value gain on derivative liability	32	-99%	2,934
Net financing expenses	(14,864)	9%	(13,654)
Loss before tax	**(105,039)**	**186%**	**(36,784)**
Income tax	(1,730)	-229%	1,345
Net loss for the year	**(106,769)**	**201%**	**(35,439)**

1 Other operating income and costs include other operating income, impairment losses, selling and distribution costs, other mine operating costs and idle plant costs.
2 Adjusted EBITDA is EBITDA excluding the Group's share of losses from joint ventures, fair value gain on derivative liability and other losses.
3 Underlying EBITDA is Adjusted EBITDA excluding impairment losses.

Revenue

	Year ended 31-Dec-23	Year ended 31-Dec-22
Group sales (mtV)	4,051	3,584
Average realised price (US$/kgV)	33.9	41.4
Revenue (US$'000)	137.5	148.4

Revenue of US$137.5 million for the Group was seven percent lower than in the previous year, due to an 18% decrease in the average realised price to US$33.9/kgV, partially offset by a 13% increase in Group sales to 4,051 mtV.

The geographic split of Group sales in 2023 was 44% to the USA, 27% to Europe, nine percent to Asia, seven percent to South Africa, and 13% to the rest of the world. During the year we continued to prioritise sales into the higher value markets (aerospace application, speciality alloy and chemicals) and higher price markets (Nitro Vanadium in North America).

COST ANALYSIS

Figures in thousands of US$	Year ended 31-Dec-23	Year ended 31-Dec-22
Cost of sales excluding depreciation	(106,097)	(90,268)
Other operating income and costs	(77,204)	(39,950)
Administration costs excluding depreciation	(20,266)	(19,889)
Total income statement operating cost excluding depreciation	(203,567)	(150,107)
Total units sold (mtV)	4,051	3,584
Cost per income statement per unit sold (excluding depreciation) (US$/kgV)	50.3	41.9
Sustaining capital	(3,202)	(6,589)
Total cost including sustaining capital	(206,769)	(156,696)
Cost per unit sold including sustaining capital (US$/kgV)	51.0	43.7

COST OF SALES

The cost of sales, excluding depreciation, for the year was US$106.1 million, 18% higher than the prior year primarily due to higher costs at both Vametco and Vanchem. The cost increases included:

- Reduction in finished goods as the Group sold 340 mtV more than what was produced in the year;
- Increase in raw material prices from suppliers;
- Increase in energy and staff costs due to cost escalation;
- Increase in inventory write-downs at Vanchem which included a net realisable value write-down of US$1.8 million as well as a US$1.2 million write-down of work-in-progress and raw materials; and
- These costs increases were partially offset by a decrease in the ZAR:USD exchange rate.

OTHER OPERATING INCOME AND COSTS

Other operating income and costs increased to US$77.2 million primarily due to:

- A US$34.7 million increase in impairment losses to US$58.6 million. US$49.6 million of the impairment losses pertain to the Mokopane Project in order to reduce the carrying amount of the Project to the sales price agreed with SPR of US$3.7 million. US$8.2 million impairment loss was recognised for Vanchem to align the carrying amount with the agreed sales price for the initial 50% sale of Vanchem. After year end, this transaction was altered to sell a 100% of our share in Vanchem. Following the closing of the sale, we will discontinue recognition of the assets and liabilities of Vanchem and any difference between the net assets and the consideration received will be recorded as a gain or loss on disposal;
- A US$2.2 million increase in idle plant costs to US$9.0 million due to additional downtime at Vanchem and Vametco, partially offset by a decrease in the ZAR:USD exchange rate; and
- Selling and distribution costs decreased by US$0.4 million primarily due to lower commissions paid driven by lower average realised prices partially offset by higher distribution costs.

COST PER UNIT SOLD

The Group cost per unit sold for the year (including sustaining capital expenditure) was US$51.0/kgV. This represents a 17% increase relative to the prior year primarily as a result of the cost factors noted above, offset by higher sales volumes and a weaker ZAR:USD exchange rate.

ADMINISTRATION COSTS

Administration costs, excluding depreciation charges for the year were US$20.3 million. Below is a breakdown of the key items included in administration costs:

Figures in thousands of US$	Year ended 31-Dec-23	Year ended 31-Dec-22
Staff costs	9,048	9,327
Professional fees	7,051	6,007
Share-based payments	(254)	315
Other (including IT and security expenses)	4,421	4,240
	20,266	19,889

Professional fees increased by 17% to US$7.1 million primarily driven by higher legal fees and consulting fees incurred as a result of the agreements entered into by SPR and Orion.

ADJUSTED AND UNDERLYING EBITDA

Adjusted EBITDA is a factor of volumes, prices and cost of production. This is a measure of the underlying profitability of the Group, which is widely used in the mining sector. Underlying EBITDA removes the effect of impairment charges.

Figures in thousands of US$	Year ended 31-Dec-23	Year ended 31-Dec-22
Revenue	137,471	148,448
Cost of sales	(122,068)	(108,304)
Other operating income and costs	(77,204)	(39,950)
Administration costs	(20,786)	(20,328)
Add: Depreciation	16,491	18,475
Adjusted EBITDA	(66,096)	(1,659)
Add: Impairment losses	58,637	23,965
Underlying EBITDA	(7,459)	22,306

The Group delivered an adjusted EBITDA loss of US$66.1 million, a US$64.4 million reduction compared to 2022 primarily driven by impairment losses, lower realised prices and higher operating costs. The Group generated an underlying EBITDA loss of US$7.5 million, US$29.8 million less than 2022.

NET FINANCING EXPENSES

Net financing expenses were US$14.9 million, US$1.2 million higher than in the previous year. The increase was primarily due to interest on the Orion production facility agreement ("Orion PFA") and Orion convertible loan notes. Below is a breakdown of net financing expenses:

Figures in thousands of US$	Year ended 31-Dec-23	Year ended 31-Dec-22
Finance income	(523)	(494)
Interest on borrowings	12,151	11,189
Unwinding of discount rate	1,873	1,726
Interest on lease liabilities	724	974
Other finance costs	639	259
	14,864	13,654

Interest on borrowings mainly reflected the finance costs on the Orion convertible loan notes of US$7.1 million (2022: US$6.4 million), interest on the Orion PFA of US$4.4 million (2022: US$4.4 million), and interest on interim working capital facility from SPR of US$0.4 million (2022: US$ nil).

OTHER NON-CASH COSTS

The share of loss from investments in joint ventures of US$4.2 million (2022: US$5.1 million) is the Group's share of the loss from its investment in VRFB Holdings Limited.

Other losses of US$3.4 million include a write-down of the Mustang Energy Plc ("Mustang") convertible loan notes of US$1.7 million following the exercise of the backstop agreement, a write-down of US$0.4 million on the conversion of the Mustang working capital loan as well as US$1.3 million of additional funding provided to CellCube.

3. BALANCE SHEET

ASSETS

Intangible assets decreased compared to the previous year as the Mokopane intangible asset was impaired by US$49.6 million to reflect a recoverable amount of US$3.7 million. The Mokopane intangible asset was reclassified to asset held for sale as the sale was considered highly probable at year end.

Property, plant and equipment decreased by US$27.7 million due to depreciation of US$16.5 million, impairment losses of US$9.0 million and weaker ZAR:USD exchange rate, partially offset by capital expenditure of US$5.7 million.

Inventories decreased by US$12.7 million compared to the previous year primarily due to a decrease in finished goods as the Group sold more than what was produced, a decrease in the ZAR:USD exchange rate and an increase in the write-offs recorded partially offset by an increase in the weighted average production cost.

Trade and other receivables increased by US$15.5 million compared to the prior year primarily due to the recognition of subscription receivables of US$13.9 million which was received subsequent to year end.

The decrease in other financial assets is due to the write-down of the Mustang convertible loan notes following the exercise of the backstop agreement.

The decrease in cash and cash equivalents to US$1.3 million was primarily due to cash used from operations (US$6.2 million), capital expenditures incurred (US$5.7 million), repayment of finance costs and borrowings (US$5.5 million), partially offset by net proceeds received from the interim working capital facility (US$7.5 million) and net proceeds received from the equity raise (US$0.8 million).

EQUITY

The increase in share capital and share premium was due to the shares issued to the Mustang convertible loan note holders following the exercise of the backstop agreement, the shares issued in order to acquire the minority interest in Bushveld Vametco Holdings and the shares issued in the equity raise completed at year end.

LIABILITIES

Total borrowings (excluding lease liabilities) of US$98.58 million increased by US$15.5 million compared to the prior year due to the capitalisation of finance costs to borrowings of US$12.7 million and additional funding provided of US$9.0 million, partially offset by the repayment of Orion PFA of US$3.9 million and repayment of the Primorus convertible loan note of US$1.2 million.

The net debt reconciliation below outlines the Group's total debt and cash position:

Figures in thousands of US$	Year ended 31-Dec-23	Year ended 31-Dec-22	Variance
Orion Production Financing Arrangement	(35,635)	(35,146)	(489)
Orion Convertible Loan Note	(46,766)	(39,742)	(7,024)
Industrial Development Corporation Loans	(6,238)	(5,480)	(758)
SPR interim working capital facility	(7,812)	–	(7,812)
Other	(2,124)	(2,762)	638
Lease liabilities	(8,428)	(7,283)	(1,145)
Total debt	(107,003)	(90,413)	(16,590)
Cash and cash equivalents	1,281	10,874	(9,593)
Net debt	(105,722)	(79,539)	(26,183)

Net debt increased by US$26.2 million compared to the previous year due to capitalised interest of US$7.1 million on the Orion convertible loan notes, the SPR interim working capital of US$7.8 million and an increase in lease liabilities of US$1.1 million and the decrease in the cash and cash equivalents balance of US$9.6 million.

We completed the refinancing of the unsecured Orion convertible loan notes at the beginning of 2024 as follows:

- US$4.7 million of the convertible debt obligation capitalised into a subscription for 124,747,016 new ordinary shares;
- A new convertible loan note of US$14.1 million maturity on 30 June 2028;
- A term loan of US$28.3 million maturing on 30 June 2026; and
- Supplemental royalty not more than 0.264% of Bushveld's gross revenues reducing by 80% at the term loan maturity.

4. CASH FLOW STATEMENT

The table below summarises the main components of cash flow during the year:

Figures in thousands of US$	Year ended 31-Dec-23	Year ended 31-Dec-22
Operating loss	(82,587)	(20 134)
Impairment losses	58,637	23,965
Depreciation	16,491	18,475
Other non-cash items	(3,213)	(6,629)
Changes in working capital and provisions	7,151	6,154
Taxes paid	(2,705)	(648)
Cash inflow/(outflow) from operations	(6,226)	21,183
Sustaining capital expenditures	(3,202)	(6,589)
Free cash flow	(9,428)	14,594
Cash used in other investing activities	(2,478)	(13,000)
Cash generated from/(used in) financing activities	2,941	(5,346)
Cash outflow	(8,965)	(3,752)
Opening cash and cash equivalents	10,874	15,433
Foreign exchange movement	(628)	(807)
Closing cash and cash equivalents	1,281	10,874

OPERATING ACTIVITIES

The Group used cash from operating activities of US$6.2 million, compared to cash generated from operations of US$21.2 million in the prior year. The change is primarily driven by the decrease in adjusted EBITDA.

INVESTING ACTIVITIES

Cash used in investing activities (including sustaining capital expenditure) of US$6.3 million was primarily driven by capital expenditure on property, plant and equipment of US$5.7 million.

CAPITAL EXPENDITURE

Figures in thousands of US$	Year ended 31-Dec-23	Year ended 31-Dec-22
Vametco	**2.4**	**6.5**
– Growth	–	–
– Sustaining	2.4	6.5
Vanchem	**0.9**	**4.5**
– Growth	–	4.4
– Sustaining	0.9	0.1
Bushveld Energy	**2.4**	**7.1**
– Growth	2.4	7.1
Total capital expenditures	**5.7**	**18.2**

FINANCING ACTIVITIES

Cash generated from financing activities of US$2.9 million comprised of the US$9.0 million proceeds received from borrowings mainly from the interim working capital facility and the net proceeds of US$0.8 million received from the equity raise, partially offset by the repayment of Orion PFA of US$3.9 million, repayment of Primorus convertible loan note of US$1.2 million, the repayment of lease liabilities of US$0.7 million and the amount paid in cash to acquire the minority interest in Bushveld Vametco Holdings of US$0.6 million.

5. FINANCIAL RISK

The primary financial risks faced by the Group relate to the availability of funds to meet business needs due to the historically low vanadium price (liquidity risk), the risk of default by counterparties to financial transactions (credit risk), fluctuations in interest and foreign exchange rates, and commodity prices (market risk). These factors are more fully outlined in the notes to the consolidated financial statements. They are important aspects to consider when addressing the Group's going concern status. We proactively manage the risks within our control.

There are, however, factors outside the control of management. These are volatility in the ZAR:USD exchange rate, as well as the vanadium price, which have a significant impact on the cash flows of the business. We have a hedging policy and assess the potential to implement a strategy to address the fluctuations in the ZAR:USD exchange rate when we attain steady state production at our operations.

6. GOING CONCERN AND OUTLOOK

We closely monitor and manage liquidity risk by ensuring that the Group has sufficient funds for all ongoing operations. As part of the annual budgeting and long-term planning process, the Directors reviewed the approved Group budget and cashflow forecast through to 30 June 2025. The current cashflow forecast has been amended in line with any material changes identified during the year. Equally, where funding requirements are identified from the cashflow forecast, appropriate measures are taken to ensure these requirements can be satisfied.

We have performed an assessment of whether the Group would be able to continue as a going concern for at least twelve months from the date of the annual consolidated financial statement. We took into account the financial position, expected future performance of the operations, the debt facilities and debt service requirements, the working capital requirements, capital expenditure commitments and forecasts, expected proceeds from the sale of Vanchem and Mokopane and outstanding equity proceeds. Additionally we factored in the favourable relationship with Orion, demonstrated by the restructuring of agreements to accommodate market conditions and constructive engagement in relevant matters.

The Group's ability to continue as a going concern is dependent on its ability to complete the sale of Vanchem and Mokopane and the timing of those sales proceeds, complete the refinance of the Orion senior term loan and the timing of receiving the additional funding, the continuing support of Orion, and achieving the planned production levels at the estimated average sales prices. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The consolidated financial statements for the year ended 31 December 2023 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its operating and capital costs requirements and pay its debts as and when they fall due for at least twelve months from the date of this report. The going concern note included in the accounting policies provides further information.

Robbie Taylor
Interim Chief Financial Officer
28 June 2024

Operating assets and operational review

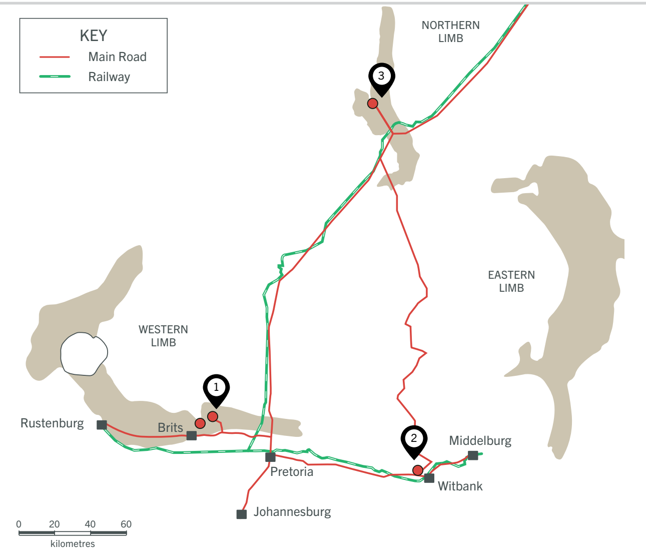
In the period under review, Bushveld owned and operated the Vametco mine and processing plant and the Vanchem processing plant. In the post-financial period, in May 2024, the Group entered into a binding term sheet with Southern Point Resources ("SPR") to conditionally sell the entire Vanchem asset to SPR ("the Disposal"). The Disposal is conditional upon Competition Commission approval, and it is expected to close in the second half of 2024. This section reflects the 2023 performance of both assets.

Vametco (100% ownership)

- Integrated production facility comprising of an open-pit mine that supplies ore to a vanadium processing plant located on the same property, 8km north-east of Brits in South Africa's North West Province.
- Produces:
  - nitro vanadium
  - ammonium metavanadate
  - modified vanadium oxide

Vanchem (100% ownership)

- Primary vanadium-processing facility at the Ferrobank Industrial Park in Emalahleni Local Municipality in Mpumalanga Province.
- Produces:
  - vanadium pentoxide
  - ferrovanadium
  - vanadium chemicals
  - capable of producing vanadium trioxide
- In May 2024, the Company agreed to the 100% sale of Vanchem to SPR.



1. Vametco mine and plant
2. Vanchem plant
3. Mokopane Project

PROCESSING

Vametco's processing plant receives ore from the co-located Vametco mine. The plant utilises the standard salt-roast and leach process to produce a steel-alloying vanadium carbon nitride product called nitro vanadium, a key ingredient in optimising the strengthening mechanisms in high-strength, low-alloy steel.

Vanchem's ore supply is a blend between the Vametco Upper Seam project and third-party ore, and also utilises the salt-roast beneficiation process.

2023 VAMETCO AND VANCHEM OPERATIONAL PERFORMANCE

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

	Unit	2023	2022	2022 vs 2023
Group production	mtV	3,714	3,842	-3.3%
Group weighted average production cash cost[1]	US$/kgV	26.6	27.7	-3.9%
Vametco weighted average production cash cost[1] (C1)	US$/kgV	25.5	23.7	7.6%
Vanchem weighted average production cash cost[1] (C1)	US$/kgV	27.9	37.2	-25.0%

1 Includes direct costs of production. Excludes depreciation, royalties, movements in finished goods inventories and selling, general and administrative expenses.

Group production for 2023 of 3,714 mtV was in line with the revised guidance of 3,700-3,900 mtV. Vametco's production was impacted by constraints at the Barren Dam and the Sulphate Recovery Plant ("SRP"), reliability challenges at the leach plant, and cash flow shortfall. Different measures have been implemented during the second half of 2023 to reduce these constraints and challenges.

In 2023, Vanchem achieved the highest yearly production volume since it was acquired, supported by a turnaround project implemented in Q3 2023. The turnaround project included:

- Changing the reagent mix from 100% sodium sulphate to a mix of sodium carbonate and sodium sulphate, which reduces the silica build up at the kiln and hence increases the kiln availability.
- Deploying a team from Vametco to Vanchem to improve knowledge sharing.
- Introducing 24/7 shift managers for supervision to ensure immediate decision making.

Non-core interests

1. MOKOPANE PROJECT

Mokopane is located on the central portion of the northern limb of the Bushveld Complex. The project includes one of the world's largest primary vanadium resources, with an average grade of 1.80% V_2O_5 in-magnetite.

An Ore Reserve of 28.56 Mt of Main Magnetite Layer mineralisation was estimated as mineable, supporting a minimum 30-year life-of-mine. In 2023, the Company agreed to sell its 64% interest in Mokopane to SPR.

2. BUSHVELD ENERGY

Bushveld Energy is 84% owned by Bushveld Minerals. It was established to drive the positioning of vanadium redox flow batteries ("VRFBs") as a superior grid storage technology and their greater adoption in the global energy storage market.

BELCO

Bushveld Electrolyte Company ("BELCO") is located in East London, South Africa. It is 55% owned by Bushveld Energy and 45% by the Industrial Development Corporation ("IDC"). The plant is designed to take vanadium oxide from Bushveld's Vanchem operation as the preferred feedstock provider. Oxide from Bushveld Vametco or non-Bushveld suppliers may also be used. Construction of the BELCO plant was completed in August 2023 and, following the initial production run, product samples were distributed to potential customers for qualification and compatibility. BELCO's electrolyte has already been successfully qualified by three international battery companies and is in the qualification process with others. The Company is in discussion with multiple companies on possible supply contracts. Furthermore, BELCO is in the process of looking for either additional investors in its plant or a buyer.

CELLCUBE

The Group commenced the sale process for its stake in CellCube, an energy storage and battery manufacturer, as part of the plan to simplify the business structure to focus on primary vanadium production for the steel industry. The process is still ongoing and the Company is in discussion with various parties.

VAMETCO MINI-GRID

Bushveld Energy has developed a commercial solar plus storage mini-grid project for Vametco, with 3.5 MW of solar PV and 1 MW/4 MWh VRFB. The mini-grid is owned and co-funded by Bushveld Energy and Nesa Capital. Nesa holds 60% of the equity in the project and Bushveld hold the remaining 40%. Construction of the mini-grid was completed in September 2023 and all that remains outstanding is completion of the grid compliance testing. Eskom provided approval to run the plant at full power in June 2024 to complete grid compliance testing that is expected to be in July 2024, following which the minigrid will be fully operational. The plant will generate approximately 10% of Vametco's electricity requirements.

3. LEMUR HOLDINGS

Lemur Holding Limited, a Mauritius-incorporated company, is developing an integrated thermal coal mining and independent power project (the Imaloto Project) in Madagascar. The Company has entered into a conditional agreement to dispose of Lemur Resources. The transaction is subject to consent to the change of control by the Development Bank of South Africa.

4. THE PQ IRON & TITANIUM PROJECT

The PQ Iron & Titanium project is a multi-commodity project under the same licence as the Mokopane project, which is being sold to SPR as part of the Mokopane transaction.

Principal risks

1. RISK MANAGEMENT

In 2021, Bushveld Minerals implemented an enterprise risk management strategy to gradually improve and position the Company to achieve a mature risk culture, operate risk-intelligently, and optimise value by 2025. The strategy evolves and matures continually to ensure that risk management is firmly embedded throughout the business and is aligned to the Company's overall strategic objectives.

The Company has adopted the ISO 31000 (2018) Enterprise Risk Management ("ERM") Framework, and accordingly our risk management strategy is underpinned by the principles contained in these internationally recognised principles of value creation and protection.

Risk management is one of the core responsibilities of the Board and management team, and it is central to our decision-making processes. The Board and management have the following primary responsibilities in relation to risk management:

- Making a robust assessment of emerging and principal risks.
- Continuously monitoring risk management and internal controls.
- Embedding and promoting a risk-aware culture across the business.

Understanding our risk management information and how it links to Bushveld's strategic objectives and goals is essential. Our risks are categorised and linked to the Company's strategy and objectives. We evaluate the risks in terms of likelihood (probability) and impact (consequence). Risks are then ranked in terms of high, medium and low. This enables the Company to prioritise the risks and allocate resources effectively and efficiently to manage them.

2. ERM ROAD MAP

Our journey on ERM is summarised by the road map below. We continue to roll out the plan to ensure that risk management is embedded across Bushveld in line with our ERM Framework and Policy.

OUR ERM ROAD MAP

START

2021
Basics – Risk management
- ERM Framework (formalise and structure)
- Basic risk assessment (high level)
- Principal risks identification (top 10)

2022
ERM Formalised & structured
- Customised – ERM Framework and Policy
- Leadership and commitment – ERM
- Review of principal risks (Board)

2023
Risk awareness
- Introduction – Risk management process
- Governance structure, system and culture
- Assess the risk management process

2024
Improvement & insight
- Improve the risk management process
- Align strategy, risk and decision making
- Define risk tolerance and acceptance levels

We are here

2025
Integration & optimisation
- Integrate – Risk to decision making
- Influence value protection and creation
- Automate and optimise risk management

FINISH

3. PRINCIPAL RISKS

Principal risk refers to a risk or combination of risks that could materially affect the performance, future prospects or reputation of Bushveld today or in the future, and have their origin inside or outside of the Company. Principal risks comprise of risks which could threaten the Company's solvency, liquidity, performance and its strategic objectives and business model.

Principal risks are those risks that could individually or collectively have material and adverse effects on the Company, prior to any mitigating controls. They emanate from the worst-case scenario, without regard to probability, and assume all risk controls are ineffective.

Our focus for principal risks is to not only prevent their occurrence or minimise their impact should they occur, but to also consider how to maximise the possible benefits associated with strategic risks. Principal risks are required to be evaluated at least once a year to determine whether our exposure is within our risk appetite.

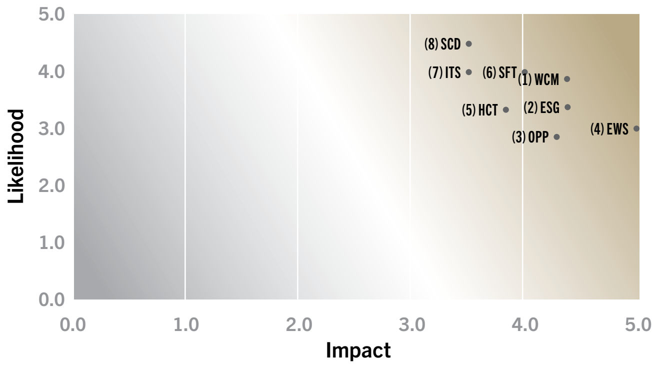
As part of the risk management strategy, and in an effort to safeguard our operation and ensure the sustainability of the Company, Bushveld has had to change its overall strategy to focus on its key and primary business.

Accordingly, we have reviewed and updated our principal risks to ensure that there is alignment with the revised strategic objectives of the Company. In addition, we continue to review and refine our risk management process as part of continuous improvement in line with our mission statement of being a 'simple, fast and effective' business.

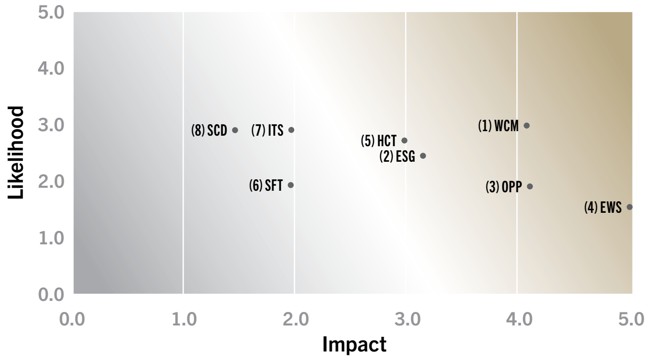
PRINCIPAL RISKS (HEAT MAP)

Below is the heat map of the consolidated principal risks before adding the controls (inherent risks) and after adding the controls (Residual Risks).

Inherent risks



Residual Risks



ACRONYMS

(1) WCM – Working capital management	(5) HCM – Human capital management
(2) ESG – Environmental, Social & Governance	(6) SFT – Safety
(3) OPP – Operational performance	(7) ITS – Information technology & systems
(4) EWS – Electricity & water supply	(8) SCD – Supply chain disruption

The following table is a detailed analysis of our principal risks, risk rating, and mitigation measures as determined for 2024.

1. WORKING CAPITAL MANAGEMENT ("WCM")

Nature of risk	Risk rating	Controls and mitigating actions
– Low vanadium prices	High	– Enter into several frame contracts and finalise with sales agents. – Channel a percentage of the vanadium production to selected markets with the highest prices.
– Sales price variance greater than five percent versus budget	High	– Produce different products to maximum contribution per product.
– Exchange rate fluctuation (Rand strengthening against the US Dollar by more than five percent)	Medium	– Management to evaluate and consider hedging.
– Balance of funding not received before end of May 2024	High	– Engagement with SPR GP1 Proprietary Limited and Acacia Resources Limited to ensure receipt of the balance of shareholder funding and explain the business impact. – Explore alternative funders.
– Plant stoppages due to non-payment of suppliers	High	– Weekly meetings with stakeholders to address and manage the available cash. – Prudent use of the available funds to keep operations running.
– Going concern materialising	High	– Proactive engagement with shareholders and debt holders. – Detailed analysis and disclosure.

2. ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG")

Environmental: – Atmospheric emission license ("AEL") compliance not adhered to, may lead to Vametco total mine closure or fines	High	– Engage stakeholders to show plans in place to address identified issues. – Commit and start work on capital projects identified.
– Environmental non-compliance impacting production over a month	High	– Regular engagement with the regulatory authorities. – Commence the multi-year capex plan.
– Slimes dams collapse – northern flank	High	– Buttressing and constant monitoring.
Social: – Community or social unrest leading to operational disruptions resulting in months of production losses	High	– Engage regularly with communities. – Continuous and proactive engagements with business and community forums on the state of business, highlighting opportunities for communities. – Strike management rules of engagement in place, and security/law enforcement.
Governance: – Poor governance leading to ineffectiveness, irregularities, reputation damage, etc.	High	– Adherence to the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). – Maintain fit-for-purpose governance structures and processes that support good decision making. – Board and Management oversight, Internal Audit to assist with identification of shortfalls and non-compliance issues, etc.
Legal & Compliance – Legal disputes, lawsuits and contract breaches impacting the Company's financial stability and reputation	High	– Effective policy and procedures in place, including monitoring and enforcement to ensure compliance with legal obligations. – Clearly defined policies and procedures to guide and direct employees. – Engaging with experienced legal counsel to provide guidance and advice where required.
– Inability to pursue legal actions due to inability to pay legal fees	High	– Budgeting for legal and funding set aside to address some of the legal issues.
Regulatory Compliance Risk – SPR transaction conditions fulfilment delays	High	– Submit comprehensive and complete filings with the competition authorities to mitigate against requests for further information/delays for approval.
– London Stock Exchange Alternative Investment Market ("AIM") listing requirements (including reporting) and Market Abuse Regulations ("MAR"): Failure to comply with regulations and laws can result in significant fines, censure, suspension/cancellation of the Company's shares from trading and damage to the Company's reputation	Medium	– Nominated Adviser whose responsibility it is to advise and guide Bushveld on its responsibilities under the AIM Rules. – Access to MAR experts through its UK legal counsel who advise Bushveld when required. – Experienced legal counsel and investor relations who can provide guidance/advice.

2. ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG") *CONTINUED*

Nature of risk	Risk rating	Controls and mitigating actions
– Mining right suspension as a result of non-compliance on completing the Social and Labour Plan ("SLP")	High	– Continue to engage the Department of Mineral Resources and Energy ("DMRE") on the non-compliance and agree a robust catch-up plan. – Continue to execute an accelerated plan to close off on the SLP.
– Non-resolution of disputes with Uitvalgrond landowners (royalties, compensation, Black Economic Empowerment ("BEE") flip-up)	High	– Various options tabled for consideration by Bushveld's CEO. – Legal guidance and support to stakeholder relations and CEO in negotiations.

3. OPERATIONAL PERFORMANCE ("OPP")

– Production budget variance greater than 10%	High	– Put incentives in place for Business Unit Managers to deliver on budget.
– Shortage of ore supply – Vanchem is dependent on third-party ore supply exposing it to various external factors	High	– Diversify suppliers, including the usage of Vametco concentrate.
– Loss of Barren Dam freeboard – vital to ensure the plant keeps running	High	– Industrial sprays, dam wall extension. – Salt Recovery Plant online time. – Reduce the wash water.
– No available product due to strikes or failure to produce due to lack of raw materials	Medium	– Maintain buffer material in stock to allow for unforeseen circumstances.
– Laboratory equipment failure causing delays in dispatching products	Medium	– Collaborations with independent laboratories in place.
– Structural failures of the plants	High	– Periodic structural assessments. – Quick contractor mobilisation.
– Breakdowns preventing the achievement of the budgeted critical asset online time (plant availability)	High	– Increased focused planned asset management.

4. ELECTRICITY & WATER SUPPLY ("EWS")

– Prolonged interruption of power supply – Vanchem relies on municipality-supplied power	High	– Maintain relationship with the municipality and Eskom, in principle load-shed agreement and back-up generators.
– Water shortage at Vanchem negatively affecting production	High	– Use and recirculate tailing water. – Introduce raw water connection – mid term.

5. HUMAN CAPITAL MANAGEMENT ("HCM")

– Attraction and retention of key/critical skills impacting on business continuity	High	– Craft a talent framework, clear value proposition and succession plan matrix. – Competitive remuneration practices. – Develop talent from within and identify external sources of talent timeously. – Develop short-term incentive ("STI") and long-term incentive ("LTI") retention schemes. – Communicate with the team regularly, provide career growth opportunities.
– Labour disruption/strike action impacting production over two weeks	High	– Sensitise and engage labour on the current business context timeously.
– Non-compliance with the Basic Conditions of Employment ("BCEA") and fatigue management	Medium	– Planning and understanding of the financial impact on the business and make provisions. – More stringent governance process, ensuring overtime is kept strictly to 40 hours.

6. SAFETY ("SFT")

Nature of risk	Risk rating	Controls and mitigating actions
– DMRE stoppage following non-compliance to the Mine Health and Safety Act ("MHSA")	High	– Identified deviations addressed immediately. – Minimise and avoid repeated deviations. – Engage the DMRE on operations' liquidity.

7. INFORMATION TECHNOLOGY & SYSTEMS ("ITS")

– Cyber-security resulting in operational stoppage, disruptions and or financial loss	High	– Third-party monitoring of the systems and network access and protections. – Email and device monitoring/controls. – Back-up plans and systems in place.
– Manual systems leading to errors in reporting	High	– Simplify the reporting process/systems and reduce excel dependency. – Perform reconciliations and checks. – Automate some of the reports and functions.

8. SUPPLY CHAIN DISRUPTION ("SCD")

– Port congestion resulting in extended delays in shipping (at least a month)	High	– Utilise other available and/or different ports. – Continue shipping at reduced throughput.
– Uneconomic supplier terms leading to reduced profitability	High	– Increase the contract spend by over 15% of the 2023 actual. – Renegotiate pricing whilst remaining out of terms with suppliers.

The risk of developing products for the energy transition has fallen from the list of principal risks as a result of the change in the Company's strategy. The Information Technology & Systems risk was included on the list of principal risks as a new and emerging risk for the Company, in line with our revised business strategy.

Our mission

To create value in a safe and sustainable way through a true partnership with all our stakeholders, especially our communities, while creating value for our shareholders.

The sustainable creation of shared value for all stakeholders is core to our business and operational model. We are committed to maintaining responsible mining and mineral processing practices beyond compliance across all our operations and projects. This means that we operate responsibly, respecting Environmental, Social and Governance ("ESG") issues, and adding sustainable value to our key stakeholders.

While we have remained steadfast in this commitment, it must be acknowledged that our ESG performance was impacted and, to a degree, inhibited, by the financial and resource challenges experienced by the Company during the period under review. In the context of these austerity and capacity measures, our ESG efforts and initiatives of 2023 were primarily limited to ensuring compliance with regulatory requirements, meeting the obligations of our SLP – a fundamental requirement of South African mineral legislation – and developing and embedding ESG capability across the business.

Fortunately, at the time of the release of the Annual Report, we are in a more financially and operationally stable position. Under the direction of new management, we look forward to furthering our sustainability journey to facilitate and ensure shared value creation beyond compliance in 2024.

BUSHVELD MINERALS' ESG STRATEGY

Our ESG strategy has four key objectives:

- To instil a culture of sustainability throughout the organisation;
- To fully integrate this culture into our business decision-making process;
- To report on key ESG KPIs; and
- To communicate a consistent message about our ESG commitments to all our stakeholders.

We are rolling out our strategy in four phases. Despite significant resource constraints, we remained committed to the roll-out of this strategy in 2023 with our efforts focusing on ensuring compliance and strengthening our ESG governance framework and support structures at a Group and operational level.

Governance

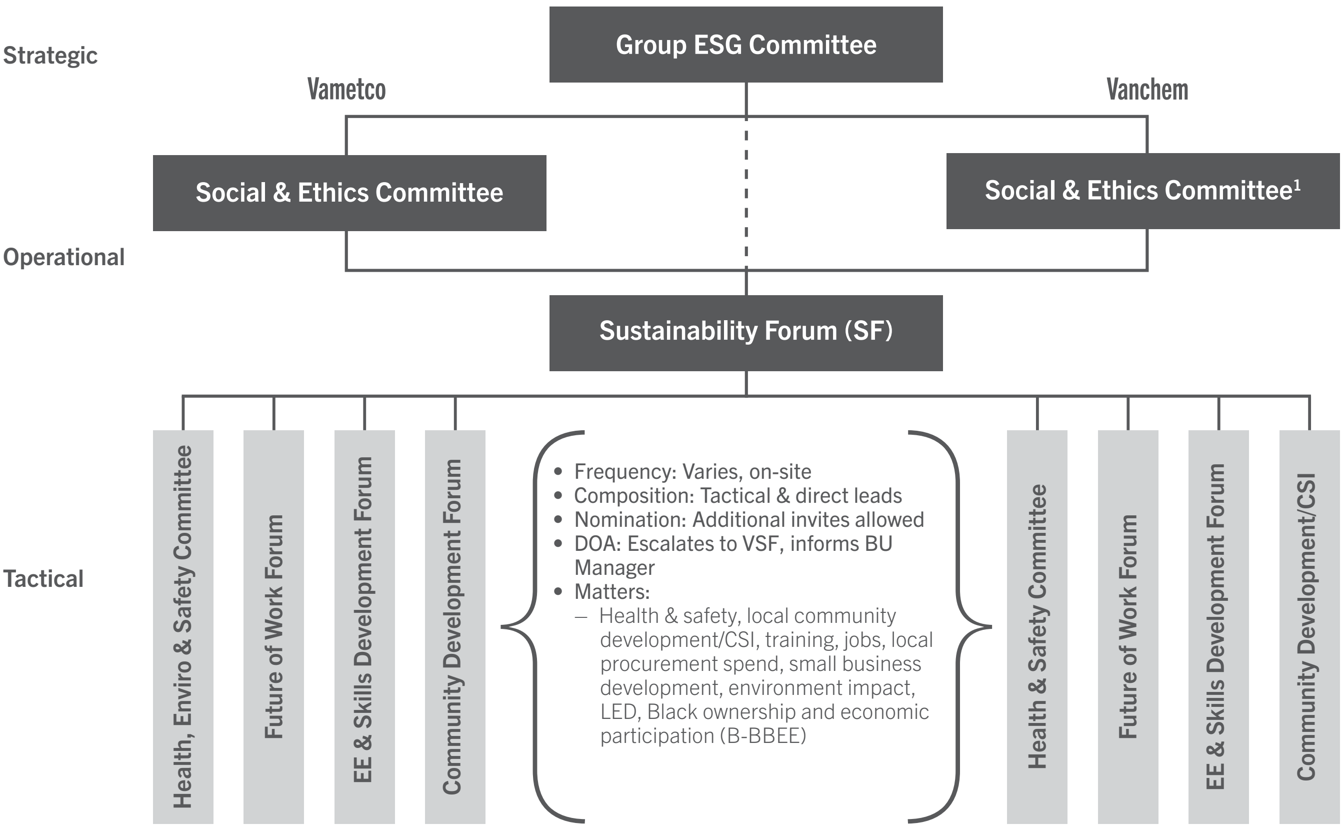
Over the last few years, we have worked tirelessly to create a fit-for-purpose ESG governance framework to support our ‘compliance beyond value’ philosophy and to provide a structured approach to the measurement and transparent reporting of all non-financial aspects of our business.

We now have in place a robust governance framework that is driven by dedicated and qualified teams at an operational level with oversight from the Board and Executive Management team.

The ESG Committee met every quarter in 2023 to assess progress made towards achieving set targets on various aspects of our ESG strategy. The Committee discussed pertinent issues related to our licence to operate and legal compliance, and assessed progress on our sustainability commitments. Some of the topics covered in 2023 included tailings dam safety, environmental compliance around air emissions standards, the circumvention of water pollution, as well as Broad-Based Black Economic Empowerment (“B-BBEE”) transformation.

As part of our reporting standards, we continue to align our sustainability efforts with the International Finance Corporation (“IFC”) Environmental and Social Performance Standards and various other global reporting standards such as the United Nations Sustainable Development Goals (“UN SDGs”) and provide biannual updates against these global benchmarks.

GOVERNANCE FRAMEWORK OVERVIEW



1 To be established.

ESG strategy 2023-2030

JOURNEY TO 2030

Overall vision	To be a responsible market leader
	Environmental: – Contribute to the development of a low-carbon economy. – Proactively reduce our environmental footprint. **Social:** – Ensure the health and safety of our employees. – Foster a diverse and respectful working environment. – Invest in the development of our people and host communities. – Improve the socio-economic conditions of the communities in which we operate. – Plan for sustainable mine closure and developing 'life-after-mine' economic opportunities for the surrounding communities and municipalities. **Governance:** – Engage proactively with our stakeholders and cultivate strong working relationships. – Report transparently and consistently. – Assess and manage risks continuously.
Commitments	
	Environmental: – Reduce Scope 1 and 2 greenhouse gas ("GHG") emissions and set goal for net zero emissions by 2050. – Grow the Company's electricity self-generation capacity. – Increase the percentage of vanadium that is reused. – Increase the amount of water recycled/reused and reduce freshwater consumption. – Minimise the risks associated with groundwater contamination. – Align water reporting and management in line with ICMM guidance. – Reduce waste to landfill, actively pursue partnerships in communities and strive for zero waste to landfill. – Safely manage and decommission tailings storage facilities in line with the Global Industry Standard on Tailings Management ("GISTM") requirements. – Develop an approach to biodiversity management and strive for biodiversity gains, or no net loss. – Zero significant environmental fines or incidents. **Health & Safety:** – Zero fatalities. – Improve Lost Time Injury Frequency Rate ("LTIFR") in line with international best practice in the mining industry. **Social:** – Improve attraction and retention of key talent. – Reduction in external grievances recorded. – Improve well-being of host communities through increased procurement spend, creation of jobs, and provision of essential services. – Increase procurement spend with host communities. **Governance:** – Obtain a Level 2 B-BBEE score. – Equal representation of women on the Board and other leadership positions. – Zero tolerance for unethical behaviour and corruption.

Task Force on Climate-related Financial Disclosures ("TCFD") Statement

In 2023, Bushveld Minerals tentatively embarked on its TCFD reporting journey. With climate change being the greatest threat facing humanity, we recognise the importance of understanding and transparently disclosing on our climate-related risks and opportunities, particularly in how we may impact and be impacted by the phenomenon over the medium and long term. As a mining company specialising in vanadium production in South Africa, we understand the critical role that our operations play in the global transition to a low-carbon economy. By implementing the TCFD recommendations, we are demonstrating our dedication to value beyond compliance while providing our stakeholders with a comprehensive understanding of how climate-related issues may impact our business and how we are taking steps to manage and mitigate these risks.

Given the resource constraints experienced in 2023, Bushveld is still, admittedly, in the early stages of its TCFD reporting pathway. What follows is a high-level summary of our management of climate-related risks and opportunities. We commit to producing a more in-depth TCFD Statement in the next annual reporting cycle, reflecting our dedication to transparency and best practices in climate risk management.

GOVERNANCE

Bushveld is committed to strong corporate governance practices to ensure transparency, accountability and oversight in its climate-related decision-making processes.

The ESG Committee, a sub-committee of the Board of Directors, has been tasked with assessing and managing all climate-related issues, with the Board having oversight of such activities.

Climate change matters are primarily discussed at quarterly meetings of the ESG Committee during which technical updates are presented by the Group Executive: Operations on behalf of Vametco and Vanchem. Our performance on various climate change related metrics, such as energy use, GHG emissions and water consumption, is included in these quarterly meetings.

Our journey forward

In 2024, the ESG Committee will be engaging with the Board on our plans to implement the TCFD's recommendations. Furthermore, we will develop a training and capacity-building plan to ensure sufficient expertise are developed across the business to understand and manage climate change and its impacts. We will take steps to formalise our structures and processes for dealing with climate change.

STRATEGY

We understand the significance of implementing both climate change mitigation and adaptation strategies as we move forward. In our pursuit of operational excellence across our operations, we are already considering international best practice in the drive to reduce our carbon footprint.

Our journey forward

Given the operational and financial challenges experienced over the last few years, Bushveld's priority focus for the immediate future is to reach and maintain operational stability at both operations. Once this has been achieved, we intend to turn attention to investigating effective climate change mitigation and adaptation measures. We will also intend to refine our actions by developing specific climate change related targets, including energy performance and the mitigation of GHG emissions. We have similarly committed to investigate the scope for performing climate change scenario analyses and developing a more comprehensive understanding of physical and transition climate change risks.

Once completed, this will be communicated to our stakeholders as part of a more formalised statement of our ambition regarding climate change.

RISK MANAGEMENT

Bushveld has a comprehensive ERM Framework in place. As with our broader ESG priorities, climate risks are in the process of being integrated into this risk management programme.

Our journey forward

While we have developed processes for evaluating and managing some risks related to physical climate change, we aim to fully assess climate change transition risks in the coming year.

METRICS AND TARGETS

Bushveld has been recording GHG emission related data since 2021, which is the baseline year. These figures can be found on page 26 of this report.

We monitor our performance through indicators related to climate change, including our energy use, water consumption and other GHG-producing activities.

We have not yet introduced GHG reduction targets for our producing assets, being primarily focused on first achieving operational stability. We will communicate these targets when appropriate.

Environment

STATUS OF ENVIRONMENTAL OPERATING LICENCES/AUTHORISATIONS AND COMPLIANCE

All our operations have firm commitments to comply with all applicable environmental laws and regulations (national, provincial and local) at all times and to align with international standards, including the IFC's Environmental and Social Performance Standards and the ISO 14001:2015 Environmental Management System.

Annual environmental performance assessment audits are conducted by an external environmental specialist and by regulatory authorities. They assess how we are complying with the conditions of the Environmental Management Plan ("EMP") and the mine's environmental authorisations. No major findings were reported from any of these audits in 2023 and no environmental penalties were imposed by the regulatory authorities.

ENVIRONMENTAL INCIDENTS

In 2023, we recorded 18 environmental incidents, a six percent increase compared with 2022. The minor incidents have decreased from 11 in 2022 to eight minor incidents. Significant incidents increased from six in 2022 to 10 in 2023. However, no environmental directives or fines were issued. As we show below, we are taking corrective measures.

Incident type	Vametco	Vanchem	Total
Minor environmental incidents	5	3	8
Significant environmental incidents	8	2	10
Major environmental incidents	0	0	0
Environmental directive/order	0	0	0
Fines for non-compliance	0	0	0

2024 Targets: 10% reduction

SUMMARY OF SIGNIFICANT INCIDENTS REPORTED IN 2023

Nature of significant incidents	Key learnings	Status of corrective actions
Storm water dam ("SWD") overflow, resulting in discharge of polluted water after rainfall.	– Divert unnecessary storm water away from SWD. – Desilt SWD to maintain storage capacity. – Install silt trap upstream of SWD. – Maximise use of storm water during dry season to create adequate capacity to accommodate wet season and accidental spillages.	Initiatives are in place to implement corrective actions in 2024.
Barren Dam wall leakage.	– Bathymetric survey to determine the storage capacity of the dam and amount of build-up sediments.	

ENERGY MANAGEMENT AND CLIMATE CHANGE

The table below summarises fuel consumption per source at Vametco and Vanchem:

2023 Energy consumption	Unit	Vametco	Vanchem	Total energy consumption
Electricity (Eskom)	MWh	81,829	40,375	122,204
Sasol gas	GJ	n/a	230	230
LPG bulk	Kt	0.09	n/a	0.09
Synthol fuel (heavy fuel)	KL	319,690	n/a	319,690
Pea coal	Kt	10,581	1,311	11,881
Duff coal	Kt	17,798	18,212	35,798
LPG cylinder (48 kg/cylinder)	Kt	0.001	#	0.001
Acetylene (13.6 kg/cylinder)	Kt	0.001	0.001	0.002
Diesel	KL	2,259	524	2,783

\# = data not available
n/a = not applicable

Based on the 2023 energy consumption data, the table below summarises GHG emissions for each operation:

2022 GHG emissions	Unit	Vametco	Vanchem	Totals
Tonne GHG/	CO_2-eq	92,445	54,579	147,024
Total products	CH_4	0.94	0.88	1.82
Nitrovan/Chemicals (V_20_5)	N_2O	1.24	0.90	2.14

Below is a summary of tons emitted per ton of product produced between the two business units:

	Vametco	Vanchem
GHG emission type	Tons of emissions per ton of product produced (nitrovan)	Tons of emissions per product produced (chemical products)
CO_2-eq	31.66	25.51
CH_4	0.00032	0.00063

In 2024, the business focus will be to achieve operational stability, however, we have targets in place to reduce GHG emissions and these will be communicated in due course.

WATER MANAGEMENT

Given how important water is to the functioning of our operations, we have a robust system of water accounting in place at both Vanchem and Vametco.

WATER INTENSITY

Overall water intensity decreased from an average of 3 m^3/ton of ore milled in 2022 to an average of 2.4 m^3/ton of ore milled in 2023. Vametco achieved water intensity of 2.3 m^3/ton of ore milled as opposed to Vanchem's 3.8 m^3/ton of ore milled.

Refer below to the 2024 target for water intensity at Vametco:

Aspect	Key performance indicator	Unit	2024 Target (per annum)	Comments
Resource utilisation efficiencies	Water intensity	m^3/t of crushed ore product	2.2 (Vam) 3.0 (Vam)	Efficient use of water

WATER WITHDRAWALS

Total water used decreased by two percent from 3,859 ML in 2022 to 3,765 ML in 2023. New water injected into or withdrawn from the water resource decreased by 27% from 1,727 ML (in 2022) to 1,260 ML in 2023.

WATER DISCHARGE

Water discharge increased by 126% from 300 ML in 2022 to 678 ML in 2023. Abnormal rainfall experienced in 2023 triggered the need for the operations to discharge as a last resort to ensure safe continuation of mining operations, and the action was consistent with the Water Use Licence (WUL) at Vametco.

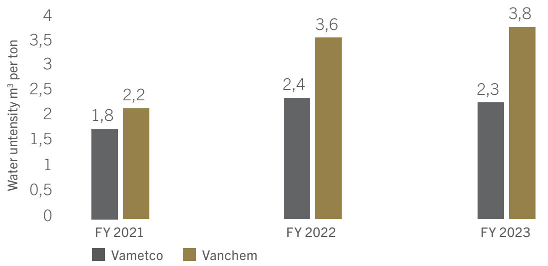
GROUNDWATER POLLUTION PLUME REMEDIATION

Vametco's WUL notes the existence of a historic groundwater pollution plume which should be managed through a series of interceptor or scavenger boreholes. Shown in bottom chart opposite is the performance of scavenger boreholes against the targets set in the WUL.

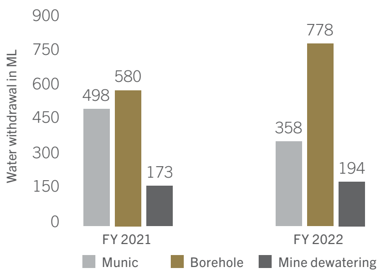
POLLUTION PLUME ABSTRACTION

The performance of pollution plume abstraction boreholes has failed to meet the minimum abstraction threshold in the WUL over the past three financial years. In 2023, we managed to achieve 61% (79 ML) of the required WUL abstraction volume of 202 ML per annum. The improvement in pollution plume abstraction in 2023 over 2022 was the result of the large efficient abstraction pumps installed towards end of 2022.

Water intensity: water m^3/ton vanadium milled



Vametco water withdrawals (ML)



Vanchem water withdrawal (ML)

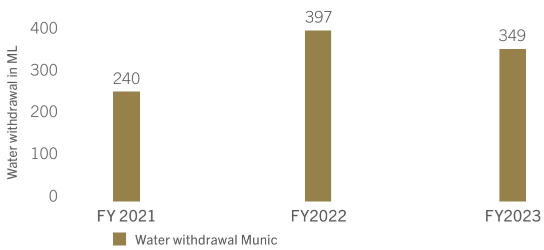
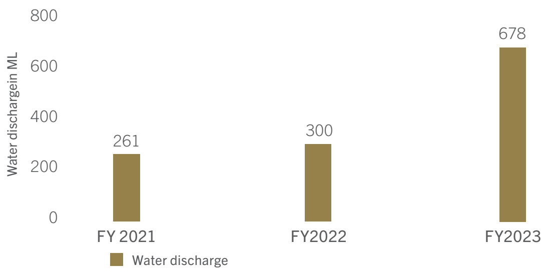
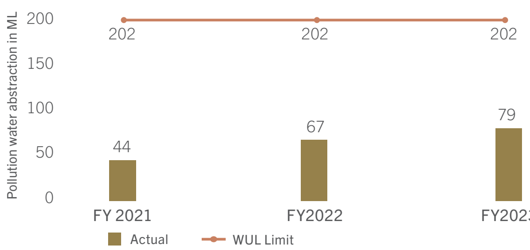


Table 4: Water discharge (ML)



Pollution plume abstraction vs WUL limit (ML)



Environment *continued*

WATER RECYCLING

The Group managed to recycle or reuse a total of 2,505 million litres of water in 2023, equivalent to a total reuse/recycling efficiency of 67%.

Water recycling/reuse (ML)

Type	Vametco	Vanchem	Total
TSF Return water	1,669	643	2,312
Storm water	110	57	167
Sewage effluent	25	0	25

Vanchem achieved 67% recycling efficiency, while Vametco achieved 66%. The Group target for water recycling in 2024 is 65%.

AIR QUALITY AND ENVIRONMENTAL DUST FALL-OUT

All facilities in business units hold AELs valid until 2027.

Summarised below is our compliance with AELs in 2023:

Sampled parameter (mg/Nm^3)	Vametco	Vanchem (main plant)	Vanchem (FeV plant)	Comment
PM	🔴	🟢	🟢	Vanchem FeV plant met all compliance requirements. Vanchem was issued with MES postponement to comply with SO_2 limit on condition it refurbish its emissions abatement technology for SO_2 at its Kiln plants.
SO_2	🟢	🟢	🟢	
NH_3	🔴	🟢	🟢	Vametco PM and NH_3 failed to meet MES requirement. Vametco has planned for upgrade of emissions abatement technologies (cyclones, scrubbers and baghouses) in FY2024 and beyond.
Ambient dust (DFO – mg/m^2/day)	🟢	🔴	🟢	Vanchem main plant operates within the Ferrobank industrial area, which is experiencing a resurgence of open cast coal mining activities, excessive traffic by haulage trucks and unrehabilitated third-party calcine dump in immediate vicinity, which makes it challenging to devise and implement mitigation measures.

🔴 Exceeds limit

🟢 Below limit

PM –Particulate matter
SO_2 – Sulphur dioxide
NH_3 – Amonia
MES – Minimum Emission Standards
DFO – Dust fall-out

WASTE GENERATION AND MANAGEMENT

The tables below provide breakdowns of waste types generated per business unit in the 2023 financial year.

2023 Waste generation	Unit	Vametco	Vanchem	Total
Hazardous waste (off-site disposed)	Kt	0.01	0.4	0.41
General waste (municipal landfill)	Kt	0.13	0.06	0.19
Sewage effluent disposed (municipal sewer system)	ML	0.36	129	129,36
Hazardous waste – mineral tailings (calcine)	Kt	429	291	720
Non-hazardous waste – mineral tailings	Kt	700	22	722
Waste rock dumps	Kt	1,846	n/a	1,846
Recycled waste (paper)	Kt	0.001	0	0.001
Recycled waste (scrap metals)	Kt	0.251	0	0.251
Recycled waste (rubber)	Kt	0	0	0
Recycled waste (used oil)	Kt	31	6	37
Boiler ash – community brick manufacturing	Kt	1,932	0	1,932

Total waste generated in 2023 was 3,290 Kt, a 12% decline from the 2022 total waste of 3,726 Kt.

LAND AND BIODIVERSITY MANAGEMENT

Of the 11,618 hectares of land that the Group owns or manages, only five percent has been disturbed for operational activities.

Land management	Unit	Vametco	Vanchem	Pamish	Total
Total land leased/ managed/owned	ha	1,508	82	10,029	11,618
Total land disturbed	ha	543	35	0	578
Total land rehabilitation	ha	0	0	0	0

No land was rehabilitated in 2023, so significant efforts will be required from 2024 and beyond to ensure concurrent rehabilitation. Each business unit will need to develop rehabilitation targets to reduce its land disturbance footprint.

Social development

SOCIAL AND LABOUR PLAN ("SLP")

At the time of writing, Bushveld Minerals was in the final stages of implementing the committed projects relating to Vametco's 2018 to 2022 SLPs and Pamish (Mokopane) 2019 to 2024 SLP, as approved by the DMRE. These projects are carried out in consultation and, in some instances, in partnership with the local municipality, beneficiary communities and other relevant stakeholders.

Our new Vametco SLP for the period spanning 2023 to 2027 has been submitted to the DMRE for approval. The SLP is Vametco mine's commitment to socio-economic and community development for employees and its host communities.

To fully understand the socio-economic landscape of our host communities and strengthen relationships with them, we have commenced a comprehensive socio-economic baseline study, to be completed in Q1 2024. The study will inform the Company's community social development strategy going forward, ensuring that we make a lasting positive impact to the communities in which we operate.

ENTERPRISE SUPPLIER DEVELOPMENT

We are committed to supporting local small, medium and micro enterprises ("SMMEs") through our Enterprise and Supplier Development ("ESD") programmes. Our ESD strategy and associated programmes contribute towards supporting businesses in local communities, enabling them to grow local economies beyond the life of the mine.

Bushveld, in partnership with Procure Supply Chain Network ("SCNet") hosted two-day training sessions at both its Vametco and Vanchem sites and trained 179 SMMEs in 2023. The key objective of the training sessions was to up-skill the SMMEs to make use of the Bushveld Minerals Procurement Portal, a platform that provides an automated solution for interaction between the Company's buyers and the vendors.

The SMMEs are trained on navigating the portal, to enable ease of access and help them maximise their interaction with the Company through the platform. Through the information available on the portal, we can determine the capabilities and development requirements of SMMEs in and around our local communities and directly give support where it is required.

OUR APPROACH TO STAKEHOLDER RELATIONS

The Company continues to engage with different stakeholders, including the three spheres of the South African government: the DMRE at national level, and the provincial and local government departments where Bushveld Minerals' operations are located.

We continue to meet regularly with various community groups in our host communities, which range from unemployment forums to community concern groups. Issues discussed with these forums range from employment opportunities to community development initiatives and give the business an indication of key issues pertinent to each community.

CASE STUDIES: COMMUNITY PROJECTS

MALEDU PRIMARY SCHOOL UPGRADE

In 2023, we completed an improvement project of the Maledu Primary School, located in our host community of Rabokala. The project involved the much-needed improvement of the school's dilapidated ablution and kitchen facilities; ZAR1.4 million was spent on upgrading the amenities at the school.

The school has 550 learners all of whom have been provided with an environment that is conducive to learning. We used the services of a local business, Uitvalgrond Industries, to execute the project and created 19 temporary jobs during the project. As a result of this investment, the relationship, goodwill and engagement with the community has improved.

RABOKALA WATER PROVISION

Access to clean running water and sanitation is a basic human right and as such we are working with the Madibeng Local Municipality to augment water provision in the Rankotea and Uitvalgrond communities.

Bushveld Minerals contributed a total budget of ZAR2 million for the provision of clean and drinkable water in Rabokala. It covers drilling and equipping additional boreholes, installing water tanks, and placing communal taps next to the boreholes. For reliable availability of water in the area, the boreholes will use a solar energy system, which will ensure that water is available despite loadshedding and other power cuts. At the time of writing, the project was being finalised.

The second phase of the Uitvalgrond water project which involves fixing the reticulation system and equipping all the other outstanding boreholes was at the time of writing being completed. Bushveld Minerals worked with the community to repair the main borehole pump, and now the community can access clean water.

ROADS AND STORM WATER PROJECTS

The mine is currently working with Madibeng Local Municipality to re-gravel some of the local roads in Rankotea, Switch and Thetele, as well as Mothutlung. This road improvement project is part of the municipality's Integrated Development Planning ("IDP") infrastructure development programme.

At the time of writing, the project was in its final stages of implementation. Vametco appointed Local SMMEs from all three communities to implement this project. We set aside a total budget of ZAR3 million for this programme and 20 people were employed during the construction stage.

Our people

HEALTH AND SAFETY

We care about our employees and communities, and we have a responsibility to ensure their safety and well-being. We take a risk-based approach to health and safety. It starts with a Baseline Risk Assessment, moving to an Issue-based Risk Assessment, and then to a Continuous Risk Assessment, which includes lag and lead indicators. We do not tolerate any deviations from regulatory requirements, whether by our own staff or contractors.

In 2022, Vanchem was certified in ISO 9001:2015 Quality Management Systems ("QMS"), while Vametco retained its QMS certification.

In 2023, a safety diagnostic audit was conducted at both Vanchem and Vametco to determine the safety and risk maturity levels and identify opportunities for improvement. This included the field verification of activities and the application of documented safety management processes, using pre-defined assessment tools.

From the consolidated report, 10 priority initiatives were identified to improve the maturity level from reactive to independent and ultimately to interdependent, in line with the Bradley Safety Maturity Curve. A corrective action plan was developed to address the gaps, which are tracked for implementation and closure. The corrective action plans are discussed at operational level, in operational committee and Executive Committee meetings.

SAFETY

Our commitment to achieving zero harm while mining and processing was evident in our zero-fatality record in 2023.

The Group Total Injury Frequency Rate ("TIFR") improved from 10.32 in 2022 to 2.31 in 2023. No lost time injuries were recorded during the financial year, only first aid cases, caused largely by inability to identify hazards (mainly slip, trip and fall incidents) during routine activities. The safety team has intensified its awareness campaign to employees and contractors to reduce these incidents.

VAMETCO

Vametco reported zero fatalities and zero lost time injuries in 2023. The TIFR improved from 11.15 in 2022 to 6.21 in 2023 due to zero lost time injuries.

The DMRE's Mine Health and Safety inspectors conducted 16 inspections in 2023 compared to 12 in 2022. Eight Section 55 instructions and one Section 54(c) instruction were issued in terms of the MHSA. All instructions were implemented, and reports were submitted to the DMRE.

VANCHEM

Vanchem recorded zero fatalities and two lost time injuries in 2023. The TIFR improved from 9.92 in 2022 to 3.77 in 2023. The Department of Labour conducted one inspection at Vanchem plant with particular emphasis on contractor management. A compliance order was issued in respect of payment to one of the suppliers.

SAFETY INDICATORS

Land Management	Safety indicators	Vametco	Vanchem	Bushveld Minerals
Injuries	First aid cases	9	1	**10**
	Medical treatment cases	4	2	**6**
	Fatalities	0	0	**0**
	Total recordable injuries	13	4	**17**
	Lost time injuries	0	2	**2**
Lagging indicators	Time lost	0	4.90	**4.90**
	LTIFR	0	1.88	**0.94**
	TIFR	6.21	3.77	**4.99**
Incidents	Critical incidents	0	0	**0**
	High potential risk incidents	2	5	**7**
	Near miss incidents reported	32	7	**39**
Authority indicators	Section 55 directives	8	0	**8**
	Section 54 directives	1	0	**1**

HEALTH

To protect our employees' general health and wellness, we monitor chronic diseases, screen for tuberculosis and provide HIV/Aids voluntary counselling and testing at on-site and off-site occupational health clinics.

Category	Health indicators	Vametco	Vanchem	Head Office	Bushveld Minerals
Occupational diseases	Total occupational diseases	1	2	0	**3**
	New noise induced hearing loss cases	0	1	0	**1**
	New respiratory diseases	1	1	0	**2**
New 'other' cases	Non occupational diseases	159	43	0	**202**

In 2023, three occupational diseases were recorded: one noise-induced hearing loss case and two respiratory illnesses, this compared against a single occupational disease reported in 2022. The number of non-occupational diseases increased to 202 from 165 in 2022.

OUR CULTURE JOURNEY

We continue to progress our values and culture journey with the key focus over the 2023 period being the strive for excellence, including proper planning and focusing on the right performance outcomes.

The emphasis has largely been on back to basics, goals and guidelines that are linked to the overall business objectives. This has included continual support for line management to ensure that our performance processes are properly managed and compliance tracked, often utilising project management principles. The objective of building a culture of performance within the Company remains a journey and our plans for 2024 will include empowering our line managers and allowing them to take greater accountability for leading performance management. We will also be considering innovative ways and means of rewarding good and exceptional performers over and above the traditional remuneration practices.

OUR VALUES CAN BE SUMMARISED AS FOLLOWS:

CARE
We care for the safety and health of our people, safety of our assets, environment and our communities.

COURAGE
We are pioneering, resilient, innovative, curious and open to new ideas.

COLLABORATION
We collaborate for shared success by building unity through our shared purpose and effective communication.

EXCELLENCE
We continuously strive for excellence through rigour, effort and deliberate planning, focused on the right performance outcomes.

TRUSTED
We are trusted because we show integrity, aspire to deliver on our promises, and go beyond compliance.

REVIEWING OUR POLICIES AND OTHER BUSINESS PROCESSES

The work of reviewing our Company-wide policies in 2023 has continued and a lot of progress has been made with 70% of such policies already updated. The remaining draft policies (which have potential financial implications) will be finalised and signed off during the course of the 2024 financial year.

EFFICIENT AND INNOVATIVE WAYS FOR ATTRACTING TALENT

Part of our strategy for attracting and retaining critical talent has been to consider more efficient and innovative ways and means of replacement as and when losses are experienced. We secured replacement for 99% of these roles utilising online talent recruitment platforms. This method of recruitment has proven to be equally efficient and much more expeditious and cost effective than the traditional usage of recruitment and headhunting agencies.

OVERALL GROUP STAFF COMPLEMENT

The Group employed a total of 780 people at the end of December 2023. The table below provides a breakdown by business unit:

Employment type	Corporate incl. Bushveld Energy and Lemur	Vametco	Vanchem
Permanent	58	427	231
Fixed-term contractors	4	13	31
Learners/apprentices/ interns/graduates	–	11	5
Total	**62**	**451**	**267**

DIVERSITY AND INCLUSION

Our gender ratios have slightly improved over the year under review. We increased our ratio to 23.3% (187) female staff versus 76.7% (549) male staff. This is compared with 2022 when we had 23% (185) female employees versus 77% (621) male staff. Gender representation will remain essential to our transformation plans in the coming years.

RESTRUCTURING FOR LONG-TERM COMPETITIVENESS

The Company has been implementing various strategic cost curtailment measures aimed at ensuring the long-term competitiveness and financial stability of the Group as well as rightsizing headcount at the Group's Head Office, given Bushveld's renewed focus on its core operational assets. This decision was driven partly by global market conditions, but also by the decision to focus on our core operating assets, Vametco and Vanchem, while disposing of other assets, including our downstream energy assets and the Mokopane development project.

Approximately 40% of corporate office positions were reduced. This strategic move is expected to result in an annual saving of approximately US$1.5 million.

Our people *continued*

EMPLOYEE RELATIONS

The key drivers of the strategy will be collaboration and cooperation across the functions with organised labour to achieve operational stability and functional relationships.

HIGHLIGHTS OF 2023

- The Future Forum was re-launched at Vametco as part of compliance with the Mineral and Petroleum Resources Development Act. The terms of reference are due to be finalised in February 2024.
- Streamlined and standardised the Disciplinary and Grievance Code across the operations.
- Two years without business disruptions in the form of a strike/labour disruption due to engagement and partnerships with organised labour.
- Implemented Relationship Building by Objective ("RBO") with Vanchem management.

OTHER FOCUS AREAS

- Roll out a robust programme on business understanding across the business units and with regional labour representatives. This programme is aimed at ensuring all stakeholders understand the state of the business, key focus areas, the state of the vanadium market and everyone's contribution to the Company's success.
- Identify and manage the employee relations risks on a continuous basis.
- Establish an annual alignment forum with key national union leaders.

GOVERNANCE

Governance

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Meet the Board of Directors

MICHAEL J. KIRKWOOD (77)
INDEPENDENT NON-EXECUTIVE CHAIRMAN

BOARD APPOINTMENT
April 2018

Experience: After spending 31 years at Citigroup, Michael has taken on the chairmanship of Ondra LLP. He has held main board roles at several listed companies, including Kidde, Circle Holdings, AngloGold Ashanti and UK Financial Investments. He was deputy Chairman of PwC's Advisory Board, Chairman of British American Business, and President of the Chartered Institute of Bankers.

Qualifications: Graduate of Stanford University; Fellowships: FCIB, HonFCT; Honours: CMG.

CRAIG W. COLTMAN (63)
CHIEF EXECUTIVE OFFICER

BOARD APPOINTMENT
July 2023

Experience: 30+ year career with De Beers Consolidated Mines, with Craig's most recent role being Chief Financial Officer and Executive Director. He has extensive international project management experience including serving on the boards of JV companies between De Beers and the Namibian and Botswanan Governments. He was project director for the migration of the De Beers sales and marketing function from London to Gaborone. Craig is currently Chairman of De Beers Pension Fund.

Qualifications: A qualified UK Chartered Management Accountant (CIMA) and holds a South African Honours degree in Finance from UCT.

KEVIN ALCOCK (61)
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

BOARD APPOINTMENT
March 2022

Experience: Kevin's business career has been focused on financial services, management consulting and technology. He successfully founded an asset management consultancy business which was later sold to a London-listed Company, where he became CEO. Over the past 15 years, he continues to be active in various Non-Executive Director roles, including board positions at prominent asset management and outsource services companies in the UK and Southern Africa.

Qualifications: Chartered Accountant.

DAVID NOKO (67)
INDEPENDENT NON-EXECUTIVE DIRECTOR

BOARD APPOINTMENT
May 2022

Experience: David's comprehensive business acumen is the result of many years of advising prominent companies. He has held senior roles at General Electric Company, Pepsi Cola International, South African Breweries, De Beers Group, and AngloGold Ashanti. David is Chairman of the Council of the University of the Free State.

Qualifications: Mechanical Engineer; MBA from Heriot Watt University; postgraduate Diploma in Company Direction from the Graduate Institute of Management Technology.

MIRCO BARDELLA (65)
INDEPENDENT NON-EXECUTIVE DIRECTOR

BOARD APPOINTMENT
March 2022

Experience: Chartered Accountant and former EY Assurance Partner, Mirco has led audits in the natural resources sector and advised organisations on a range of assurance and governance services. Throughout his career, he has been involved in mentorship programmes, diversity and inclusiveness initiatives, as well as other aspects of human resources.

Qualifications: Chartered Accountant; Member of SAICA and the Institute of Chartered Accountants in Australia and in Scotland.

E ESG Committee
D Disclosure Committee
N Nomination Committee
R Remuneration Committee
A Audit Committee
Denotes Chair

* The Disclosure Committee was expanded in March 2022 to include dealing with ad hoc matters requiring attention outside of the quarterly Board meetings but that did not necessitate a full Board meeting. However, all meetings last year were treated as full Board meetings and there were no Disclosure Committee meetings.

Executive Management team

CRAIG W. COLTMAN (63)
CHIEF EXECUTIVE OFFICER

SINCE
July 2023

Experience: 30+ year career with De Beers Consolidated Mines, with Craig's most recent role being Chief Financial Officer and Executive Director. He has extensive international project management experience including serving on the boards of JV companies between De Beers and the Namibian and Botswanan Governments. He was project Director for the migration of the De Beers sales and marketing function from London to Gaborone. Craig is currently Chairman of De Beers Pension Fund.

Qualifications: Chartered Management Accountant (CIMA) with South African Honours degree in Finance from UCT.

ROBBIE TAYLOR (55)
INTERIM CHIEF FINANCIAL OFFICER

SINCE
February 2024

Experience: Over 27 years' experience as a finance executive in various sectors. In various sectors, Robbie has extensive experience working with listed entities and multinationals.

His professional skills include areas such as mergers and acquisitions, cost control, corporate governance, unit economics (profit and cost per unit), profit optimisation, management accounting, and financial reporting and treasury.

Qualifications: Chartered Accountant with a Bachelor's degree in commerce from UCT.

LUCAS MSIMANGA (53)
GROUP EXECUTIVE: OPERATIONS

SINCE
July 2022

Experience: Lucas is a seasoned metallurgical engineer with over 25 years' experience in the mining and processing sectors. He has held senior operational roles at Rio Tinto, BHP Billiton and South32, where he was exposed to different commodities. He is also the former Vice-President of Manganese South Africa.

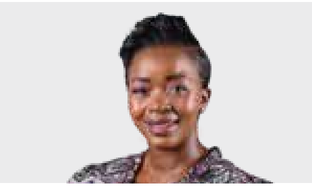
Qualifications: BSc (Hons) Metallurgical Engineering; Masters in Business Leadership.

VIKI RAPELAS (45)
GROUP EXECUTIVE: LEGAL, GOVERNANCE AND COMPLIANCE

SINCE
January 2019

Experience: Viki was admitted as an attorney of the High Court of South Africa in 2004 and admitted as a notary and conveyancer in 2012. She has been the legal adviser to the Bushveld Minerals Group since 2007. She has over 20 years' experience in transactional advisory, mergers and acquisitions and general corporate and commercial law.

Qualifications: International Law qualification from University of Antwerp (Belgium); BProc and LLB from Rand Afrikaans University (now University of Johannesburg).



SIBU MAJOZI (40)
GROUP EXECUTIVE: HR, CORPORATE AFFAIRS AND SUSTAINABILITY

SINCE
August 2022

Experience: Sibu has over 16 years' experience in corporate communications, gained in South Africa and abroad. She spent just over nine years at the De Beers Group and has worked in corporate communications for Suntory and Naspers/Prosus in the Netherlands. She was previously the Executive Manager for Corporate Communications and Reputation Management at Transnet Freight Rail.

Qualifications: Bachelor of Commerce (Economics and Marketing from University of KwaZulu Natal).

The Board collectively recognises that implementing an effective corporate governance structure is of paramount importance to continue delivering on the Company's business objectives, while maintaining our licence to operate to create long-term value for shareholders.

Bushveld continues to adhere to the Quoted Companies Alliance Corporate Governance Code ("QCA Code"), which takes key elements of good governance and applies them in a manner that supports the different needs of growing companies.

The Board is satisfied that it is applying the 10 principles of the QCA Code effectively across the business. These principles are set out below, supplemented with details of how the Company is applying them and how the principles will support the Company's medium to long-term success.

DELIVER GROWTH

PRINCIPLE 1:
ESTABLISH A STRATEGY AND BUSINESS MODEL THAT PROMOTES LONG-TERM VALUE FOR SHAREHOLDERS

In the year under review, Bushveld overhauled its strategy to ensure the viability of our business model in the context of sustained adverse market conditions. The Board believes that this amended strategy, which principally focuses on the stability of the core operating assets, Vametco and Vanchem through greater efficiency measures and effective management, will serve to unlock long-term value of these operations and thereby deliver returns to shareholders.

The operating model defines the structures in which Bushveld operates and the capabilities it requires to achieve its goals.

PRINCIPLE 2:
SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Board is committed to providing effective communication with shareholders and attaches great importance to delivering clear and transparent information on the Company's activities and strategy. Since assuming the role as Chief Executive Officer, Craig Coltman has devoted time, through active engagement, to understand the requirements of shareholders and other key stakeholders as a fundamental step in meeting their needs and expectations.

The Bushveld Minerals investor relations team communicates the value proposition to both institutional and private investors, as well as the broader market, using different forms of engagement. These engagements provide valuable feedback for the Board's decision-making process and determine how the Company can best meet shareholder expectations.

The Company disseminates news on significant developments and regular operational updates in stock exchange announcements via the Regulatory News Service ("RNS"). These news releases are also available on the Company's website at **http://www.bushveldminerals.com/regulatory-news-rns/**. The website contains a wealth of information for existing and potential shareholders.

Conference calls are hosted by the Chief Executive Officer and Finance Director after the release of quarterly operational updates and the interim and full-year results.

Any shareholder enquiries can be directed to **info@bushveldminerals.com** or **chika.edeh@bushveldminerals.com**.

PRINCIPLE 3:
TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

Bushveld's strategic intent of value beyond compliance is anchored on the principle of creating shared, long-lasting value for all its stakeholders. It is recognised that the successful execution of its business strategy requires the Company to build and maintain meaningful, well-functioning relationships with multiple stakeholders, including, and very importantly, the communities around our projects and operations. We, therefore, make every effort to meaningfully engage with our stakeholders on material matters.

The Company's sustainability strategy is focused on environmental, social and governance ("ESG") principles that aim to integrate material ESG considerations into the decision-making process across the value chain. Material ESG key performance indicators ("KPIs") are reported on, and a consistent message communicated to stakeholders on key ESG commitments.

The ESG Committee, which was established in 2022, has oversight of implementing Bushveld's ESG strategy, which includes engaging with wider stakeholders and ensuring our social licence is maintained effectively.

More information and detail on this topic can be found within the Sustainability section of this report.

PRINCIPLE 4:
EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Board has primary responsibility for establishing and maintaining the Company's governance structures, internal controls and risk management systems, which are designed to meet the particular needs of the Company and address the risks to which it is exposed. The oversight responsibility for reviewing the adequacy and effectiveness of these has been delegated to the Audit Committee.

The Company adheres to an Enterprise Risk Management ("ERM") Framework, developed in 2021, the primary purpose of which is to formalise a systematic and collaborated risk management culture, as well as guide and direct the Company's governance and decision-making. Further details on risk management are provided in the Principal risks section of this report.

Other important tools to identify, evaluate and manage significant risks are frequent Board meetings, which consider detailed reports on the operations of the Company, as well as reports received from the Internal Auditor and the Company's External Independent Auditor, via the Audit Committee, on the state of Bushveld's internal controls.

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

PRINCIPLE 5:
MAINTAINING THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIRMAN

The 2023 Board consisted of the Chair, three Non-Executive Directors and two Executive Directors (the CEO and Finance Director).

In June 2023, having led the Company for over 11 years, Bushveld's co-founder and CEO, Fortune Mojapelo, stepped down from his role and was replaced by Craig Coltman, former Chief Financial Officer and Executive Director of De Beers Consolidated Mines.

Subsequent to that, in mid-November 2023, it was announced that the Company's Finance Director, Tanya Chikanza, had tendered her resignation and concurrent with that had been suspended from her contractual appointment pending the outcome of an investigation in respect of alleged misconduct relating to failure to disclose a material conflict of interest. Following the outcome of that investigation, Tanya's employment and position on the Board ended on 31 January 2024. Thereafter, Bushveld appointed Robbie Taylor as Non-Board Interim Chief Financial Officer.

Consequently, the Board currently consists of the Chairman, three Non-Executive Directors and one Executive Director (the CEO). The Chairman and Non-Executive Directors (Kevin Alcock, Mirco Bardella and David Noko) are considered to be Independent of Management for the purposes of corporate governance and free to exercise independent judgement. Kevin Alcock was appointed as Senior Independent Non-Executive Director with effect from December 2023. The shareholdings of the Non-Executive Directors in the Company are not deemed material, nor is it believed that it has an influence on their ability to make impartial decisions or to act in the best interest of all shareholders.

The roles of the Chairman and CEO are clearly separated. The CEO is responsible for the day-to-day operational management of the business and is supported by the Executive Management team, while the Chairman is responsible for the leadership and effective working of the Board, and the implementation of sound corporate governance.

With respect to the time commitment required from Non-Executive Directors, it is expected that they will spend circa 30 days per annum on work for the Company. Furthermore, the Board met formally four times during the year ended 31 December 2023, with an additional six meetings held to consider matters falling outside the quarterly cycles. Barring Tanya Chikanza, every Director on the Board attended all meetings (Craig and Fortune only within their tenure).

The Board is supported by the Audit, Remuneration, ESG, Nomination, and Disclosure Committees, which operate within specific terms of reference, as described in more detail in Principle 9 below.

The Chairman's Statement on page 6 includes details on some expected changes to the composition of the Board.

PRINCIPLE 6:
ENSURE THAT THE DIRECTORS POOL THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Directors of Bushveld Minerals are appointed based on the varied skills and experience they contribute, as well as their personal qualities and capabilities. Their full biographical details are included on page 36.

The Board is able to engage independent advisers to seek external expertise and advice, should the need arise. Additionally, as part of the induction programme conducted by the Company's nominated adviser, Directors are briefed on regulations that are relevant to their role as directors of an AIM-quoted company.

The Board is determined to maintain the right balance of Directors and the Nomination Committee continually reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the Company's strategy. Every year, at least one-third of Directors retire by rotation and, if they offer themselves for re-election, this is put to a vote of the shareholders at the Annual General Meeting ("AGM").

PRINCIPLE 7:
EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Board recognises the importance of reviewing the effectiveness of its performance and how the Directors and Committees work together to achieve the Company's objectives.

Responsibility for assessing and monitoring the performance of the Executive Directors lies with the independent Non-Executive Directors, using agreed KPIs. Further details can be found in the Remuneration Report on page 44.

The Board as a whole evaluates its own performance internally, as well as the performance of the Committees, and uses the evaluation process to identify opportunities for improving the performance of the Board and to solicit honest and constructive feedback. The last evaluation process was initiated in February 2024 for 2023, led by the Chairman and facilitated by the Company Secretary. This involves the completion of a confidential questionnaire by each Director covering a number of areas, including Board structure, strategy, risk management, processes, Board dynamics, Committee effectiveness, evaluation of the CEO and Chairman, and culture matters. A report is collated with the responses received, on an unattributed basis, which is then presented to the Board for discussion. The overall performance of the Board in 2023 was considered to have improved from 2022 with a great deal achieved in the last six months of 2023.

As noted in Principle 6, succession planning is driven by the Nomination Committee.

PRINCIPLE 8:
PROMOTE A CORPORATE CULTURE BASED ON ETHICAL VALUES AND BEHAVIOURS

Bushveld is committed to the highest standards of transparency and accountability. It conducts its business in an honest and ethical manner, following sound governance principles, and is determined to ensure that ethical values and behaviours are fully embedded throughout the Company. Bushveld seeks to ensure that responsible business practices are fully integrated into the management of its operations, which is essential for operational excellence and to deliver the Company's strategy.

BUSHVELD HAS THE FOLLOWING POLICIES:
CONFLICTS OF INTEREST, ANTI-CORRUPTION AND BRIBERY POLICY

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate.

The purpose of this policy is to provide clear guidelines and acceptable practices to all employees to avoid potential and perceived conflicts of interest. Bribery and corruption in any shape or form is strongly discouraged and employees found to be contravening these policies may be subject to disciplinary proceedings.

FRAUD PREVENTION AND FRAUD INVESTIGATION POLICIES

The purpose of these policies is to detail the Company's expectations on managing fraud risk and to develop awareness of that risk in the organisation. They provide guidance to those who find themselves having to deal with fraud, establish procedures and assign responsibility for the investigation of fraud and related offences.

WHISTLE-BLOWING POLICY

This policy is intended to help counter silence and inaction and assist in preventing corruption within Bushveld and the broader public sector in which the Company operates. We want to encourage employees and stakeholders to feel confident about raising breaches and concerns and ensure that whistle-blowers will be protected from possible reprisals or victimisation if and when disclosures are made in good faith.

SHARE DEALING POLICY

The Company's policy for dealing in its shares incorporates all obligations under both Rule 21 of the AIM Rules for Companies and Article 19 of the Market Abuse Regulations. The policy explains when shares in the Company can be bought or sold by Directors and relevant employees, along with the requirements and procedures that have to be followed when doing so. The Company has a memorandum on inside information which provides additional information on applicable laws and possible sanctions, market-abuse provisions and communication requirements.

SOCIAL MEDIA POLICY

While the Company recognises the benefits of social media engagement in reaching its stakeholders, this policy is in place to facilitate the responsible use of social media and minimise the risks to the Company through its misuse, which could affect its reputation.

PRINCIPLE 9:
MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION MAKING BY THE BOARD

The Board's role is to provide strategic leadership to the Company within a framework of prudent and effective controls, enabling risk to be assessed and managed. It is supported by Committees that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. These Committees are primarily made up of Non-Executive Directors. Descriptions of the various Committees are provided below.

AUDIT COMMITTEE

The Audit Committee is responsible for monitoring the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, preliminary results announcements and any other announcements relating to financial performance, before they are presented to the Board for approval. Its duties include reviewing and reporting on the Company's internal financial controls, risk management initiatives, and governance structures.

The Committee is responsible for recommending the appointment of the auditors and reviewing and monitoring their independence and objectivity. It holds meetings at least three times a year at appropriate intervals in the financial reporting and audit cycle, and as otherwise required.

The Internal Audit and Risk function assists the Audit Committee in executing its responsibilities.

The role of the Audit Committee and the duties it fulfilled during 2023, along with membership details, are more fully described in the Report of the Audit Committee.

The Audit Committee's members are Mirco Bardella (as Chair), and Kevin Alcock. The Committee had quarterly meetings.

REMUNERATION COMMITTEE

In 2023, the Remuneration Committee comprised Kevin Alcock as Chair, Michael Kirkwood and Mirco Bardella. The Committee determines the framework for the remuneration of the Company's Chairman and Executive Directors and, as appropriate, other senior management, including pension entitlements, share option schemes and other benefits. Remuneration of Non-Executive Directors is a matter for the Board. No Directors or senior managers are involved in any decisions on their own remuneration. A comprehensive Remuneration Report can be found on pages 44-51. The Committee met five times during the year.

NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, making recommendations to the Board on any changes, succession planning for Directors and senior management, preparing a description of the role and capabilities required for a particular appointment and nominating candidates to fill Board positions as and when they arise. The Committee also makes recommendations to the Board concerning membership of the Audit, Remuneration and Disclosure Committees, in consultation with the Chair of each of those committees. The Nomination Committee comprises Michael Kirkwood (as Chair), David Noko and Craig Coltman. The Committee met twice during the year.

ESG COMMITTEE

The ESG Committee oversees Bushveld's ESG strategy and management system, ESG risks that can affect the Company's strategy and performance, and the Company's ESG disclosures.

The ESG Committee's members are David Noko (as Chair), Mirco Bardella and Craig Coltman. The Committee had quarterly meetings.

DISCLOSURE COMMITTEE

The purpose of the Disclosure Committee is to oversee the implementation of the governance and procedures associated with the assessment, control and disclosure of inside information in relation to the Company. The Committee meets on an ad hoc basis, as required, and consists of the Chairs of each of the other Committees and the Executive Directors. The chairmanship of the Committee rotates between its independent members.

BUILD TRUST

PRINCIPLE 10:
COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

Bushveld is committed to providing effective communication with shareholders. We attach great importance to delivering clear and transparent information on the Company's strategy, activities and financial position. Our strategies and activities for communicating with shareholders, both existing and potential, are described under Principle 2.

For other relevant stakeholders and social partners, Bushveld Minerals has developed a stakeholder engagement strategy. This provides a blueprint for building collaborative relationships and forging meaningful social compacts with host communities and various local, regional and national stakeholders in support of our strategic objectives.

More information and detail on this issue can be found in our Sustainability Report.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee's main function is to assist the Board of Directors in the fulfilment of its responsibilities by overseeing key areas such as financial reporting, regulatory compliance and risk management. The Audit Committee's work is essential to ensuring the effectiveness of the Group's internal controls and the integrity of the Group financial statements.

This report provides details of the role of the Audit Committee and the duties it undertook during the year under review.

The Audit Committee consisted of independent Non-Executive Directors Mirco Bardella (Chairman) and Kevin Alcock. Mirco and Kevin are both chartered accountants and bring a wealth of experience with them, as set out in their biographical details on page 36.

The Audit Committee meets quarterly and at other appropriate times in the financial reporting and audit cycle, if required. The Finance Director, Company Secretary, Internal Auditor and External Auditor are all invited to attend the meetings. Other individuals may be invited to attend all or part of any meeting, as and when required. In fulfilling its duties, due consideration is given to applicable laws and regulations, the requirements of the AIM Rules, and the QCA Code, as appropriate.

The Chairman of the Committee reports formally to the Board of Directors on all matters within its remit and how it has discharged its responsibilities after each meeting.

Key duties of the Audit Committee include:
- Monitoring the integrity of the Group's financial statements;
- Reviewing the consistency of, and any changes to, accounting policies both on a year-on-year basis and across the Group and reviewing whether management has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the External Auditor;
- Reviewing and reporting to the Board of Directors on significant financial reporting issues and judgements which they contain, having regard to the matters communicated to it by the External Auditor;
- Reviewing the Group's internal financial controls, systems of internal control, and risk;
- Reviewing the adequacy and security of the Group's whistle-blowing facilities and ensuring that appropriate investigations and follow-up action is conducted in respect of concerns raised;
- Reviewing the adequacy of the Group's systems, procedures and controls for detecting fraud, bribery and corruption;
- Making recommendations to the Board of Directors on the appointment of the External Auditor;
- Managing and overseeing the relationship with the External Auditors, including their terms of engagement and remuneration; and
- Meeting regularly with the External Auditors and reviewing their findings.

The Audit Committee evaluates its performance periodically and will conduct an annual review of its constitution and terms of reference to ensure it is operating at maximum effectiveness. Any changes arising from these reviews are then recommended to the Board of Directors for approval.

FINANCIAL REPORTING

The Audit Committee reviewed and assessed the Group's financial reporting in the period, including its interim report, results announcements and this Annual Report. This review included: an assessment of the consistency of, and changes to, accounting policies, estimates and judgements; the methods used to account for significant or unusual transactions; the appropriateness of the accounting standards used; the clarity and completeness of disclosures and the context in which statements are made; and a review of material disclosures regarding audit and risk management in the Group financial statements.

In reviewing the Group financial statements, the Audit Committee has considered the Group's accounting policies, particularly in relation to the treatment of the accounting estimates and judgements as described on page 77. The Audit Committee reviewed the impairment assessment made by management on Vametco and Vanchem cash generating units in accordance with the requirements of the relevant accounting standards. The Audit Committee found the key judgements made by management in assessing the recoverable amount to be reasonable and the impairment loss recognised for the Vanchem cash generating unit appropriate. The Audit Committee reviewed the impairment assessment of the Mokopane Project. Further details provided in note 13 of the Group financial statements. The Audit Committee reviewed the assessment of control over Vanchem and found the key judgements made by management appropriate. The Audit Committee reviewed the Group's cashflow forecasts taking into account its financial position, expected future performance of its operations, its debt facilities and debt service requirements, its working capital requirements, capital expenditure commitments and forecasts, expected proceeds from the sale of Vanchem and Mokopane and the outstanding equity proceeds. The Group continue to adopt the going concern basis in preparing the financial statements. Further details have been provided in note 3 of the Group financial statements.

In addition to the publicly-released reports, the Audit Committee's review covered management reports as well as reports from and discussions with the External Auditor. The Audit Committee provided comment and feedback on this Annual Report before finalisation and approval. The review concluded that, taken as a whole, this Annual Report is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

INTERNAL AUDIT

The scope of the Internal Audit function has been summarised as below:
- Provide independent and objective assurance through evaluating the Group's governance, risk and internal control systems;
- Evaluate the adequacy and effectiveness of internal financial controls over financial reporting and internal controls in general; and
- Review the extent of compliance with laws, regulations, standards and codes.

The Audit Committee is satisfied, having considered the assurance provided by the Group Internal Audit, that no significant or material issues have been identified that would render the Group's system of internal financial controls ineffective. Consequently, the Committee is of the view that reasonable assurance was provided and the financial records may be relied upon for the preparation of the Group financial statements.

EXTERNAL AUDITOR

RSM UK Audit LLP (RSM) is the Group's Auditor and the Audit Committee has recommended to the Board of Directors that shareholders be asked to approve the re-appointment of RSM as auditor at the Annual General Meeting.

The Audit Committee discharged its duties in accordance with its terms of reference during the period, including:
- Approving the engagement of the External Auditor, and reviewing and approving the annual audit plan;
- Meeting regularly with the External Auditor;
- Reviewing the findings of the audit of the Group financial statements for the year ended 31 December 2023 with the External Auditor;
- Reviewing the management representation letter requested by the External Auditor before it was signed by management, and management's response to the Auditor's findings and recommendations; and
- Reviewing the effectiveness of the audit process.

In the current period, audit fees of US$545,000 were paid in respect of audit procedures on the Group financial statements for the year ended 31 December 2023.

NON-AUDIT SERVICES

A policy is in place to govern the supply of non-audit services by the External Auditor, in order to safeguard independence and objectivity. The policy sets out the recommended maximum fees that should be payable for non-audit services as a percentage of the audit fee and contains guidelines as to the circumstances where a proposed engagement should be subject to a tender process. In the current period, non-audit fees of £18,000 were paid in respect of agreed-upon procedures on the interim financial statements for the period ended 30 June 2023.

WHISTLE-BLOWING

The Group has a Whistle-Blowing Policy, coupled with a whistle-blowing reporting system (Bushveld Minerals – ethics and fraud hotline), facilitated and managed by an independent external service provider, Advance Call. The policy aims to encourage stakeholders and employees to raise any suspected breaches, irregularities or concerns, without fear of reprisal, and to provide a secure platform for stakeholders and employees to anonymously raise suspected breaches or concerns and to prompt management to investigate all the reported cases. The policy commits the Group to treat all such disclosures made in good faith, in a confidential and sensitive manner. The Group receives reports regarding any allegations made, for investigations in line with our Fraud Investigation Policy.

Ongoing communication and training are also offered to our employees on the whistle-blowing line to create awareness, and to educate them about the whistle-blowing process and associated policies.

A total of four (4) issues were reported through the whistle-blowing hotline to date, of which all were reviewed and resolved.

RISK MANAGEMENT AND INTERNAL CONTROL

The Audit Committee is mandated to provide oversight on the Group's governance, internal control and risk management systems. Internal controls and risk management systems are in place to support the integrity of the financial reporting process and the preparation of accounts. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly, to permit the preparation of Group financial statements in accordance with UK-adopted International Accounting Standards.

The key elements of the Group's system of internal controls are discussed in this report.

The Group's Senior Executive Management – the Executive Committee – is responsible for managing and monitoring the risks under the stewardship of the Group Head: Internal Audit and Risk and the Audit Committee actively reviews the key risks and mitigating controls. The Audit Committee's review of the system of internal controls is supplemented by reports from the internal and External Auditors regarding issues identified during their engagement, particularly those relating to control weaknesses and the responses from management.

Mirco Bardella
Chairman of the Audit Committee
28 June 2024

PART ONE: BACKGROUND STATEMENT FROM THE REMUNERATION COMMITTEE CHAIRMAN

Dear Shareholders,

As the Chairman of the Remuneration Committee at Bushveld Minerals, I am pleased to present the Remuneration Report for FY2023. Despite FY2023 being a difficult year for the Group, we remain committed to fostering a culture of fairness, transparency, and accountability in the remuneration practices within our organisation.

Our Committee is focused on ensuring that our remuneration policies align with the Group's strategic objectives. We prioritise a balanced approach that considers both short-term performance incentives and long-term value creation, encouraging alignment between the interests of our executives and shareholders.

We are committed to adhering to best practices in corporate governance, regularly reviewing and benchmarking our remuneration structures against industry standards and regulatory requirements. This ensures that our compensation packages remain competitive, equitable, and in line with our performance expectations.

Our overarching goal is to cultivate a culture of performance achievement, where remuneration reflects individual contributions and drives collective success. Through transparent communication and continuous evaluation, we aim to uphold the highest standards of integrity and accountability in all aspects of our remuneration practices.

The remuneration outcomes for FY2023 are reflective of our performance for the year under review:

The outgoing CEO and Finance Director ("FD") received fixed pay for the periods that they were in employment. No bonuses were awarded to the CEO and FD or to any other staff members that were eligible to participate in the 2023 bonus scheme. The 2022 long-term incentives awards were approved in November 2022 and issued to employees in 2023. No employees received new long-term incentives for 2023. Unvested long-term incentive performance awards held by the CEO and FD were treated in accordance with the plan rules and unvested deferred bonus awards have been forfeited. Lastly, no fee adjustments were made to Non-Executive Director fees.

ROLE OF THE COMMITTEE AND KEY DECISIONS TAKEN

The Committee was established by the Bushveld Minerals Board. The Committee's main purpose is to ensure that the remuneration policies, frameworks and practices are aligned with the Company's strategy, objectives and values in order to drive long-term shareholder value.

The Committee is responsible for and oversees the governance of all Group remuneration matters. It is specifically responsible for determining the individual remuneration of Directors (Executive and Non-Executive) and Senior Executives. In all compensation matters, the Committee retains full discretion to amend pay outcomes in light of performance and reasonableness. In order to discharge its responsibility, the Committee is required to:

- Oversee the establishment of a Remuneration Policy that will promote the achievement of strategic objectives, encourage individual performance and support Bushveld's long-term interests. The final approval of the Policy rests with the Board.
- Determine the remuneration framework applicable to Executives of Bushveld Minerals.
- Review the Group's remuneration strategy and its implementation on an annual basis.

In the 2023 financial period, the Committee executed on their various duties as set out in the Committee's terms of reference, including:

- Review of the Group's pay scales.
- Review of the short-term incentive ("STI") policy.
- Review and approval of the STI performance conditions for FY2024 (Group companies).
- Review of the STI performance outcomes for FY2023 which resulted in the payment of no bonuses.
- Approval of salary increases and adjustments for Executives, management, and employees.
- Appointment of the Remuneration Advisor for a further three years.

In order to incentivise key staff during this critical turnaround period for the Company, certain revisions to the STI scheme have been made in the short term, particularly in relation to achievement of positive EBITDA as a financial measure for the group after a number of loss making years. The conventional LTI scheme has been suspended whilst these short term revisions to the STI remain in place. Additionally, the Remuneration Committee is currently considering a retention scheme to retain key staff over the next critical period.

SHAREHOLDER ENGAGEMENT

When the shareholder register reflects more institutional shareholders, the Group will engage to obtain views and comments on remuneration policy and its implementation. For the time being, the Committee will respond to any inward enquiries relating to this report.

FUTURE FOCUS AREAS

- Evaluating the effectiveness of performance metrics used in incentive plans to ensure they are challenging, relevant, and conducive to driving stability and sustainable long-term growth.
- Assessing the design and structure of short-term and long-term incentive plans to ensure they motivate Executives and employees to achieve strategic objectives and create shareholder value.
- Supporting talent development initiatives to cultivate a pipeline of skilled Executives and employees capable of driving the Company's long-term success.
- Communicating the rationale behind remuneration-related decisions to stakeholders.

In FY2024, the focus is to continue embedding and strengthening the Group's remuneration and performance philosophy into the wider people management framework. This includes:

- Reviewing the existing performance management framework.
- Considering the introduction of a total reward statement for employees to better explain our employee value proposition.
- Monitor the implementation of the Interim Incentive for 2024 that will address the Group's short-term strategic objectives, while addressing the retention of key and critical employees for the achievement of the Group's long-term objectives.

REMUNERATION ADVISORS

The Committee used the services of PricewaterhouseCoopers ("PwC"), an independent professional services firm with a global remuneration practice, to act as independent advisors to the Committee. The Committee is satisfied that they act independently.

We encourage and pursue open and regular dialogues with all our stakeholders. Constructive input is valued and appreciated as we continue to improve the remuneration system.

On behalf of the Committee, I thank you for your continued support and feedback regarding our remuneration framework.

Kevin Alcock
Chairman of the Remuneration Committee
28 June 2024

PART TWO: REMUNERATION POLICY

GENERAL REMUNERATION POLICY

The Group Remuneration Policy seeks to enable Bushveld Minerals to attract, motivate and retain high-performing individuals. It guides decision-making in relation to all aspects of remuneration and supports the execution of strategic deliverables, as expressed in the Group's performance framework.

The Committee aims for the Policy to be rolled-out to all subsidiaries where applicable and necessary, taking into account existing contractual obligations and terms and conditions of employment. The Remuneration Policy follows the general principles of the Quoted Companies Alliance ("QCA") Code and is anchored on the following remuneration philosophy statements and principles:

Total guaranteed remuneration is primarily set between the lower quartile and the median in the relevant market.

Incentive-based rewards are earned by achieving stretch performance conditions consistent with shareholder interests over the short, medium and long term.

Remuneration practices are aligned with corporate strategy.

Incentive plans, performance measures and targets are structured to operate effectively throughout the business cycle and include an overall cap.

STIs relate to financial and ESG measures.

LTIs include measures of free cash flow margin and total shareholder return.

Remuneration is aimed at being fair and responsible.

The Remuneration Policy, principles and benchmarking approaches will be transparent.

The design of long-term incentives is prudent and does not expose shareholders to unreasonable financial risk.

FAIR AND RESPONSIBLE REMUNERATION

The Committee's stance is that "fair" remuneration is impartial and free from discrimination. It is also free from self-interest, prejudice or favouritism. "Fair" does not mean "the same" and remuneration levels will differ according to a number of factors, such as productivity, performance, skill, experience, risk and complexity, degree of challenge, level of responsibility of decision making, and consequence and impact on the organisation. Equal contributions to performance should, however, be rewarded equally. The Company's policy on fair and responsible remuneration can be summarised as follows:

- All variable pay is subject to the achievement of performance metrics, carefully calibrated and approved by the Committee, ensuring a close alignment with shareholder value creation over the performance period.
- Although remuneration is benchmarked, affordability is a key consideration when making pay adjustments. Variable pay is subject to reduction (malus) and recoup (claw-back). Executives are also expected to build and maintain a minimum shareholding in the Company.
- Job profiles are in place for all roles within the organisation. Jobs are evaluated in accordance with a robust methodology and employees are remunerated in accordance with the determined pay scales.
- The Group is committed to eliminating any unfair or unjustified differentiation within its remuneration implementation.
- Horizontal fairness is applied and employees performing the same or similar job requirements at the same or similar level of performance receive similar remuneration, aligned to the Group pay scale.
- Vertical fairness is applied by assessing the pay ratio between the CEO and the pay levels of employees below the executive level – this is monitored by way of tools such as the Gini coefficient.
- Pay is well administered, with employees paid accurately, on time and in a way that is convenient.

ELEMENTS OF REMUNERATION

The Bushveld Minerals remuneration structure is made up of a combination of fixed and variable pay. The fixed pay component is referred to as the total guaranteed pay ("TGP") and the variable component includes the Group's STIs and LTIs. As mentioned above, during 2024 no participation will be offered in the normal STI and LTI programmes.

Below is a summary of the Policy as it applies to designated employees in the organisation (exclusions as explained above):

TOTAL GUARANTEED PAY, COMPRISING FIXED CASH SALARY PLUS BENEFITS

The main objective of the TGP is to provide individuals with a fixed income, priced in line with the market and aligned with the job that they do. TGP consists of a cash package and benefits which include a Medical Aid, Retirement Fund, Group Life Cover, Disability Benefit and Death-in-Service-Benefit. Our Policy is to set TGP for all levels of staff between the lower quartile and median of the market, while the total package opportunity (inclusive of incentives) is set at the median or above of the market, in the case of the achievement of stretched targets, subject to the Group's discretion which will consider, among other factors, business needs to attract scarce skills to the Company.

For Executives, the benchmark is derived from a mix of foreign- and South African-listed companies with a similar profile to that of Bushveld Minerals. Other employees are benchmarked against the mining circle of the REMchannel® remuneration survey.

Ordinarily, distribution of increases to employees outside the bargaining forums is done with reference to individual performance, inflation, internal equity, competence and potential.

2024 INTERIM INCENTIVE

OVERVIEW

The objective of the Interim Incentive is to create a simplified incentive, considering softened financial targets to incentivise and retain employees in the short to medium term while the Company recovers. The plan uses the normal STI scorecard that was used in the past, but EBITDA is set as the financial measure (the detailed scorecard is disclosed below).

The Interim Incentive is proposed for the FY2024 performance period only. The full award will be settled in shares, subject to the following provisions:

- No more than 1.5% of the share capital of the Company can be used in settlement of the plan.
- The incentive will be delivered in three equal tranches at six-monthly intervals on 30 June 2025, 31 December 2025, and 30 June 2026.

Good leaver principles will be applied for employees on separation.

PART TWO: REMUNERATION POLICY *CONTINUED*

2024 SCORECARD

The following Group financial and non-financial targets will apply for the year:

Key performance area	Weighting	KPI	Threshold	On target	Stretch
FINANCIAL MEASURES: 70% weighted score					
Consolidated economic profit	100%	EBITDA	EBITDA US$1.0 million	EBITDA US$1.5 million	EBITDA US$3.0 million
NON FINANCIAL MEASURES: 30% weighted score					
Comprehensive ESG	**20%**				
	100%	Compliance to IFC Environmental and Social Performance Standards	n/a	100%	n/a
Occupational health and safety	**25%**				
	30%	Total Recordable Injury Frequency Rate ("TRIFR")	≥2.5% performance improvement	≥5% performance improvement	≥10% performance improvement
	30%	Lost time injury	6	4	2
	20%	New occupational disease cases (No)	6	4	2
	20%	ISO 45001 Certification	Gap Audit (Stage 1)	Certified	Certified
Environment	**20%**				
	20%	Significant environmental incidents	8	6	4
	20%	Major environmental incidents	2	1	0
	20%	Environmental non-compliance fines/directives	2	1	0
	20%	Environmental authorisations	80%	90%	100%
	20%	ISO 14001 certifications (Vametco)/ISO 9001 accreditation (Vanchem)	Retained with more than five minor non-conformances	Retained with less than five minor non-conformances	Retained with less than three minor non-conformances
Social licence to operate	**20%**				
	100%	Acquire and maintain social licence to operate	Compliance to applicable regulatory frameworks (MCII, B-BBEE and DTI Codes, etc)	Additional: Adherence to MCIII plan milestones and improvement on previous year ratings on DTI Scorecards	Additional: Effective cross-functional internal forums such as sustainability forums, future forums transformational forums inclusive of all Business Unit Management, Finance, Procurement, HR and Stakeholder Engagement
Governance	**15%**				
	40%	KPI/Performance contracts in place	85% KPI/Performance contracts in place	100% KPI/Performance contracts in place	70% KPI/Performance contracts in place
	40%	Retention of key/critical skills	35% retention of key/critical skills	50% retention of key/critical skills	75% retention of key/critical skills
	20%	Employee engagement (embedding of culture, values, and engagement of our employees)	40% participation rate	55% participation rate	75% participation rate
TOTAL	**100%**				

THE CONVENTIONAL INCENTIVES

The conventional incentives will not be used in 2024 but are summarised below, should the Company elect to reintroduce these in subsequent years.

SHORT-TERM INCENTIVES

Middle management employees and above participate in the STI. Monthly cash production bonuses are in place for employees represented in the bargaining counsel. The STI takes the form of a bottom-up structure, determined as the sum of business and personal performance and calculated as:

Qualifying Annual TGP x On-Target Incentive Percentage x {(Personal Score x Personal Weighting) + (Business Score x Business Weighting)}.

EARNING POTENTIAL

The on-target incentive percentages are determined per grade and expressed as a percentage of an employee's qualifying TGP and relates to the potential STI that can be earned should on-target performance be achieved for the performance period. Current on-target cash STI is 45% of TGP for the CEO and CFO.

WEIGHTINGS AND PERFORMANCE MEASURES

A combination of business (using a combination of financial and non-financial measures) and personal measures are used, each with an assigned weighting depending on seniority. Executive performance is heavily weighted toward business performance, to ensure Executive and shareholder alignment. The CEO and CFO's performance is weighted 80% towards business measures and 20% towards personal measures. The applicable targets are disclosed below.

As a result of the volatility in the market of the vanadium price and exchange rate, the Committee implemented a collar and cap approach for the "consolidated economic profit" target. The intention of the collar and cap on the vanadium price and foreign exchange rate is to ensure that management is partially insulated from factors that are beyond their control on both the upside and downside.

The personal score (with a 20% weighting) ranges between zero percent and 150% and will be dependent on the personal performance rating of the employee for the relevant financial year. A personal score below threshold acts as a gatekeeper, which means even if the business score was achieved, a participant with a personal score below threshold will not qualify for any bonus.

GATEKEEPER PROVISIONS

Payment of any STI is subject to the gatekeeper conditions which will result in no bonus being paid if:

- the gatekeepers or any one of the following gatekeepers are not met; or
- the Company is in a loss-making position; or
- payment or settlement of the bonus will cause the Company to breach debt covenants; or
- payment or settlement of the bonus places the Company in financial distress.

Due to the current financial situation, the Company's STI awards as stated above have been amended to meet the objectives of the interim turnaround incentive.

LONG-TERM INCENTIVES

PERFORMANCE AWARDS

The Company makes use of a conditional share plan ("CSP") which grants performance awards. Eligible employees (middle management and above) may receive performance awards which are subject to forward-looking Company performance conditions, measured over a three-year performance period. Awards will vest subject to the achievement of the performance measures and continued employment for the duration of the vesting period. However, due to the current financial situation, the LTI awards are put on hold until further notice.

The Company voluntarily imposed a dilution limit for the CSP: up to five percent of the issued share capital can be issued in settlement of awards granted under the CSP. When required under listing rules, the Company would seek to formalise the limit in a general meeting.

MATCHING AWARDS

The incoming CEO is encouraged to build up a shareholding in the Company and is expected to purchase shares up to 100% of his fixed pay which the Company will match on a 1:1 basis. The company matching portion is limited to 100% (£350,000) of his fixed pay. His own purchased portion and the company matching portion will equate to 200% of his fixed pay, which is equal to the minimum shareholding requirement ("MSR") target that has been set for the CEO role. The matching shares will be awarded within 42 days of the FY end results announcement and will be fully vested immediately. In FY 2023, Craig Coltman purchased 833,333 shares as part of the December 2023 Capital Raise.

FURTHER DETAILS RELATING TO EXECUTIVES AND DIRECTORS

To ensure further shareholder alignment, Executives are required to build up and maintain a percentage of their TGP in unencumbered Company shares over a three-year period from date of implementation of the policy, or appointment. This shareholding can be built up as desired by Executives. Any existing shareholding, as well as vested CSP shares (including those that are subject to the holding period), will be taken into consideration when calculating the shareholding percentage.

The required shareholding levels, as a percentage of TGP (before tax) are as follows:

Chief Executive Officer (CEO)	200%
Chief Financial Officer (CFO)	175%
Other Executives	150%

PART TWO: REMUNERATION POLICY *CONTINUED*

MALUS AND CLAW-BACK POLICY

Variable remuneration is subject to malus and claw-back. The purpose of this policy is to give the Board the discretion to recoup vested, settled and/or paid incentives (also referred to as “claw-back”) and to reduce and cancel any unvested and/or unpaid incentive remuneration (also referred to as “malus”) when trigger event(s) occur.

The policy may be implemented by the Board where there were material misstatements of financial results or other calculation errors that resulted in the overpayment of incentives and gross misconduct on the part of the employee leading to dismissal. The policy applies to all variable pay as follows:

- Malus can apply at any time before vesting and settlement of the awards. Unvested STI bonus shares and unvested LTIs are subject to malus as a pre-vesting forfeiture provision;
- Vested STI bonus shares and 50% of vested LTIs may be subject to claw-back as a post-vesting recoupment of paid/settled and vested incentives; and
- LTIs that are subject to a holding period will be subject to claw-back as follows: 25% can be clawed back after a one-year period post vesting and settlement, and the remaining 25% after a two-year period post vesting.

TERMINATION OF EMPLOYMENT

All newly appointed Executives’ contracts include a six-month restraint of trade period. The STI and LTI make a distinction between fault and no-fault terminations as follows:

Reason for termination of employment	Treatment of incentives
Fault termination (resignation and dismissal)	The incentive is forfeited
No-fault termination (termination due to death, ill health, disability, retrenchment, sale of an employer, retirement)	A pro-rata portion of the incentive is received, based on the number of complete months in service, and adjusted for performance. The unvested or unpaid portion will lapse

NON-EXECUTIVE DIRECTOR FEES

Non-Executive Directors are appointed to the Bushveld Minerals Group based on their ability to contribute meaningfully to assist the Group to set and achieve its objectives based on their competence, insights, and experience. Consequently, fees are set at levels to attract and retain the calibre of Directors necessary to contribute to a highly effective Board.

Non-Executive Directors do not participate in either the STI or LTI. No arrangements exist for compensation in respect of loss of office. The aggregate fees of all Directors shall not exceed £500,000 (US$609,459) per annum, or such higher amount as may be determined by ordinary resolution (excluding amounts payable under any other provisions of the Articles). The fees paid to Non-Executive Directors did not exceed the above threshold in the year under review.

The current approved fee structure was as follows:

Board Position	2022 Annual fee – US$	2023 Annual fee – US$
Chairman	92,848	93,233
Non-Executive Director	49,519	49,724
Senior Non-Executive Director	61,898	62,155

Board Committee Chairperson	2022 Annual fee – US$	2023 Annual fee – US$
Remuneration Committee	6,190	6,216
Audit Committee	6,190	6,216
Nominations Committee	3,095	3,108
Environmental, Social and Governance (ESG) Committee	6,190	6,216
Disclosure Committee	–	–

PART THREE: REMUNERATION IMPLEMENTATION REPORT

REMUNERATION PAID TO EXECUTIVE DIRECTORS DURING THE YEAR: SINGLE FIGURE OF REMUNERATION TABLE

The Company's increase cycle has been changed to allow for the finalisation of the financial results prior to increases being awarded. Increases will, therefore, be made in July of 2024 and reported retrospectively in the 2024 Annual Report. Similar to FY2022, no cash STI was payable for FY2023.

Name	Year	Guaranteed pay US$	Benefits US$	STI[2] US$	LTI Reflected[3] US$	Other US$	Total single figure of Remuneration US$
Executive Directors							
F. Mojapelo[4]	2023	347,523				351,649[4]	699,172
	2022	374,280		–	–	–	374,280
C. Coltman	2023	167,912		–	–	–	167,912
	2022	–	–	–	–	–	
T. Chikanza[5]	2023	270,882	–	–	–	13,923	284,805
	2022	280,647	–	–	–	–	280,647

1 All amounts for the 2023 single figure disclosure were converted to US$ using the average exchange rate of 18,4621 for the 2023 financial year (2022: 16,32).
2 No cash STI were earned in relation to the 2023 financial year.
3 No bonus shares were earned in relation to the 2023 financial year and any performance awards with a performance period ended in 2023 did not vest.
4 Other payments for F. Mojapelo relates to separation agreement in terms of a six-month exit payment per his employment contract together with the write-off of the loan that was made to him at the end of February 2021 to cover his tax liability on shares previously awarded. F. Mojapelo left the employ of the Company on 30 June 2023. The guaranteed pay disclosed is reflective of this period.
5 Other payments for T. Chikanza relate to accrued leave paid out in February 2024.

TABLE OF UNVESTED AWARDS

Names	Award date	Vesting date	Opening balance on 1 Jan 2022	Granted during 2022	Forfeited during 2022	Settled during 2022	Closing balance on 31 Dec 2022	Cash value of receipts 2022 (US$)[1]	Estimated closing fair value on 31 Dec 2022 (US$)[2]	Granted during 2023	Forfeited during 2023[1]	Settled during 2023	Closing balance on 31 Dec 2023	Cash value of receipts 2023 (US$)[1]	Estimated closing fair value on 31 Dec 2023 (US$)
Executive directors															
F Mojapelo															
CSP awards:															
Performance share award	Oct–19	Oct–22	678,572	–	678,572	–	–	–	–	–		–		–	–
Performance share award	Nov–22	May–25	–	1,573,556	–	–	1,573,556	–	93,217	–	1,573 556			–	–
Bonus share award	Jul–20	50% in Dec 2020 and 50% in June 2021	–	–	–	–	–	–	–	–	–	–	–	–	–
Bonus share award	Jul–21	75% in Dec 2021 and 25% in June 2022	827,850	–	–	–	827,850	–	49,041	–	827,850			–	–
T Chikanza															
CSP awards:															
Performance share award	Nov–22	May–25	–	1,179,877	–	–	1,179,877	–	69,895	–	1,179,877	–		–	–
Bonus share award	Jul–21	75% in Dec 2021 and 25% in June 2022	623,838	–	–	–	623,838	–	36,956	–	623,838	–		–	–

1 The performance share awards were forfeited.
2 The bonus share awards lapsed and been forfeited.

NON-EXECUTIVE DIRECTOR FEES PAID DURING THE YEAR

The fees paid during 2023 compared to 2022 are disclosed below.

		2023 Fees received by Non-Executive Directors (US$)					
Non-Executive Directors Fees	Board	Remuneration Committee Chair	Audit Committee Chair	Nomination Committee Chair	ESG Committee Chair	Total Fees received 2023	Total Fees received 2022
Michael Kirkwood	93,233			3,108		96,341	71,373
David Noko	49,724				6,216	55,940	33,425
Kevin Alcock	49,724	6,216				55,940	47,043
Mirco Bardella	49,724		6,216			55,940	48,281

DIRECTORS' REPORT

The Directors of Bushveld Minerals Limited hereby present their Report together with the consolidated financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Bushveld Minerals is a primary vanadium producer. It is one of only three primary vanadium producers, offering compelling exposure to vanadium through its upstream assets. Reviews of the Group's financial and operational performance and future developments are provided in the Chairman's Statement, Chief Executive Officer's Review, and the Chief Financial Officer's Review.

RESULTS AND DIVIDEND

The Group's results show a net loss before tax for the year of US$105.0 million. Consequently, the Directors will not be recommending the declaration of a dividend.

SHARE CAPITAL AND FUNDING

Full details of the authorised and issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown on page 87 of the Group financial statements. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

DIRECTORS

The Directors who served the Company during the year and to date are as follows:

Craig Coltman	Chief Executive Officer (appointed 1 July 2023)
Michael J. Kirkwood	Chairman and Independent Non-Executive Director
Kevin Alcock	Independent Non-Executive Director
Mirco Bardella	Independent Non-Executive Director
David Noko	Independent Non-Executive Director
Fortune Mojapelo	Chief Executive Officer (resigned 30 June 2023)
Tanya Chikanza	Finance Director (resigned 31 January 2024)

DIRECTORS' INTERESTS

The Directors' beneficial interests in the shares of the Company at 28 June 2024 were:

	Ordinary shares of 1p each 28 June 2024	Ordinary shares of 1p each 31 December 2022
Craig Coltman	833,333	–
Michael Kirkwood	500,000	300,000
Kevin Alcock*	4,760,809	3,035,809

* 1,551,640 of these shares are held directly by Kevin Alcock, while 3,209,169 are held by the Alcock Family Trust, which is deemed to be a person closely associated with Kevin Alcock.

DIRECTORS' INDEMNITY INSURANCE

The Group has maintained insurance throughout the year for its Directors and Officers against the consequences of actions brought against them in relation to their duties for the Group.

EMPLOYEE INVOLVEMENT POLICIES

The Group places considerable value on the awareness and involvement of its employees in the Group's activities. Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group, and that are of interest and concern to them as employees.

RELATED PARTY TRANSACTIONS

Details of related party transactions are detailed in note 35 of the Group financial statements.

EVENTS AFTER THE REPORTING DATE

Events after the reporting date are detailed in note 36 of the Group financial statements.

AUDITOR

The Company's Auditor is RSM UK Audit LLP.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

By order of the Board.

K Bredin
Company Secretary
28 June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations.

Guernsey company law requires the Directors to prepare Group financial statements for each financial year in accordance with generally-accepted accounting principles. The Directors are required by the AIM Rules of the London Stock Exchange and have elected under Guernsey company law to prepare Group financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements of the Group are required by law to give a true and fair view of the state of the Group's affairs at the end of the financial period and of the profit or loss of the Group for that period and are required by UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group.

In preparing the Group financial statements, the Directors should:
(i) Select suitable accounting policies and apply them consistently;
(ii) Make judgements and accounting estimates that are reasonable and prudent;
(iii) State whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
(iv) Prepare the Group financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions, and disclose with reasonable accuracy, at any time, the financial position of the Group and enable them to ensure that the Group financial statements comply with the requirements of the Companies (Guernsey) Law 2008. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm they have discharged their responsibilities as noted above.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSHVELD MINERALS LIMITED

OPINION

We have audited the financial statements of Bushveld Minerals Limited and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise the Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Loss, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Accounting Standards.

In our opinion, the financial statements:
- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- are in accordance with UK-adopted International Accounting Standards; and
- comply with the requirements of The Companies (Guernsey) Law, 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3 on page 69 in the financial statements, which indicates that the Group's ability to continue as a going concern is dependent on its ability to complete the sale of Vanchem and the Mokopane mining rights, complete the refinance of the Orion senior term loan, the timings of the receipts of these transactions, the continuing support of Orion, and achieving the planned production levels at the estimated average sales prices.

As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:
- Reviewing the cash flow forecasts of the Group and challenging the assumptions made by management;
- Consideration of the impact of delays and/or non-receipt of cash flows due to the group in respect of asset disposals and planned financing;
- Obtaining management's sensitivity analysis and assessing the impact of changes in sales price and production levels; and
- Reviewing the accuracy and completeness of disclosures in the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

SUMMARY OF OUR AUDIT APPROACH

Key audit matters	Group
	Investment by Southern Point Resources
Materiality	**Group** • Overall materiality: US$2,790,000 (2022; US$1,850,000) • Performance materiality: US$2,090,000 (2022: US$1,390,000)
Scope	Our audit procedures covered 100% of revenue, 96% of total assets and 95% of loss before tax

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Group Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INVESTMENT BY SOUTHERN POINT RESOURCES

Key audit matter description

In September 2023 the Group entered into an agreement with Southern Point Resources ("SPR") which included the proposed sale of 50% of a subsidiary undertaking, Bushveld Vanchem (Pty) Limited ("Vanchem") for a consideration of US$20 million to US$21.3 million, the proposed sale of the mining rights to Mokopane for US$3.7 million and an equity investment into the parent entity of US$12.5 million.

This is a key audit matter because the disposals are significant assets of the Group. The main impacts on our audit were:

THE ASSESSMENT OF CONTROL OVER VANCHEM POST DISPOSAL

As disclosed in the uses of estimates and judgements note on page 78, the Directors have determined that the Group will continue to control Vanchem subsequent to the 50% disposal (which had not occurred at the reporting date).

Therefore, the assets and liabilities of Vanchem are fully consolidated into the financial statements at the reporting date and have not been presented as held for sale. Furthermore, the Directors have determined that the decision to sell 100% of Vanchem, subsequent to the reporting date (as disclosed in note 36), doesn't alter this assessment.

IMPAIRMENT OF THE VANCHEM CASH GENERATING UNIT ("VANCHEM CGU")

The agreed sale price of US$20 million to US$21.3 million for 50% of Vanchem gave rise to an implied fair value of the Vanchem CGU of between US$40 million and US$42.6 million, less estimated costs of disposal.

As disclosed in the uses of estimates and judgements note on page 77, the Directors have determined that the impairment charge should be based on the minimum sales price of US$20 million, as the additional payment of US$1.3 million is dependent on completion of the Mokopane mining rights sale. Accordingly, an impairment charge of US$8.2 million has been recognised in respect of Vanchem as disclosed in note 14.

Additionally, the Directors have determined that the agreement to dispose of the remaining 50% of Vanchem, subsequent to the reporting date, for an undiscounted sales price of between US$15 million and US$20 million, does not alter this valuation.

Furthermore, the Directors determined that the agreed sales price reflected fair value as:

a) the equity subscription by SPR, at a price of 3p per share, was at an equivalent price to that payable by other investors at a similar date (therefore the premium payable over the prevailing share price at the time of the share issue did not represent additional consideration for the disposals of Vanchem or Mokopane); and
b) the completion of the sales of Vanchem and Mokopane are not dependent upon each other.

IMPAIRMENT OF THE MOKOPANE EXPLORATION ASSET AND ITS PRESENTATION AS A HELD FOR SALE ASSET

As disclosed in note 13, the Group has recognised an impairment loss of US$49.6 million in respect of its Vanadium and Iron Ore Intangible Asset ("Mokopane").

It has been reclassified as an "Asset held for sale" in the balance sheet, at its fair value less costs to sell of US$3.7 million. The Directors were required to determine whether the criteria for recognition of the asset as held for sale were met at the reporting date and whether the impairment value charge was appropriately recognised.

How the matter was addressed in the audit	Our audit work included the following procedures: **THE ASSESSMENT OF CONTROL OVER VANCHEM POST DISPOSAL** • We obtained management's accounting memorandum and challenged them on key terms of the agreement, in particular the significance of the Chairman's casting vote and how the Chairman is appointed. • We considered whether the decision to sell 100% of Vanchem, subsequent to the reporting date, was a non-adjusting post balance sheet, thereby not impacting the assessment. • We reviewed the disclosures made in the estimates and judgements note and challenged Management on whether they were accurate and complete and provided sufficient information in order to understand the significance of the judgements made. **IMPAIRMENT THE OF VANCHEM CGU** • We obtained management's accounting paper and reviewed their impairment calculation to check it had been calculated correctly. • We challenged Management on the appropriate sales price upon which to base the implied fair value of Vanchem. In particular, we considered whether: – the additional consideration of US$1.3 million, to be paid on completion of the Mokopane sale, should be included as consideration for this purpose; – the subsequent sale of the remaining 50% of Vanchem, for a lower range of consideration (being an undiscounted amount of US$15 million to US$20 million), was indicative of a lower fair value (and hence higher impairment charge); – the subscription price of 3p payable by SPR, representing a premium over the prevailing share price, should be considered additional consideration for the Vanchem or Mokopane assets; and – the completion of the sales of Vanchem and Mokopane are independent of each other. • We reviewed the disclosures in the financial statements to assess whether they were accurate and complete. **IMPAIRMENT OF THE MOKOPANE EXPLORATION ASSET AND ITS PRESENTATION AS A HELD FOR SALE ASSET** • We obtained management's accounting paper and reviewed their impairment calculation to check it had been calculated correctly. • We challenged management on whether the criteria to reclassify the asset as held for sale were met at the reporting date. • We considered whether US$3.7 million was an appropriate carrying value of the asset and therefore that it was appropriate to recognise the impairment charge of US$49.6 million calculated by management. • In particular, we considered whether: – the subscription price of 3p payable by SPR, representing a premium over the prevailing share price, should be considered additional consideration for the Vanchem or Mokopane assets; and – the completion of the sales of Vanchem and Mokopane are independent of each other. • We reviewed the disclosures made in the financial statements to assess whether they were accurate and complete.

OUR APPLICATION OF MATERIALITY

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group
Overall materiality	US$2,790,000 (2022; US$1,850,000)
Basis for determining overall materiality	5% of results before tax averaged over the past three years
Rationale for benchmark applied	As a listed entity, result before tax is considered to be the most appropriate benchmark for users of the financial statements. A three-year average is appropriate given the volatility caused by the vanadium price.
Performance materiality	US$2,090,000 (2022: US$1,390,000)
Basis for determining performance materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of US$139,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The Group consists of 17 components, primarily located in Guernsey and South Africa. There are also operations of insignificant components in Mauritius, Madagascar, United States of America and the United Kingdom.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Loss before tax
Full scope audit	4	100%	86%	95%
Specific audit procedures	1	0%	10%	0%
Total	**5**	**100%**	**96%**	**95%**

Analytical procedures at Group level were performed for the remaining 12 components.

Of the above, full scope audits for two components and specific audit procedures for one component were undertaken by component auditors.

The specific audit procedures were undertaken in respect of property, plant and equipment, due to their significance to the total assets of the Group.

OTHER INFORMATION

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 53, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks, that the Group operates in and how the Group is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our Group audit approach.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors included:
UK-adopted International Accounting Standards; The Companies (Guernsey) Law, 2008; AIM listing rules.	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from internal and external tax advisors where applicable.
Mining Charter of South Africa and associated laws	Enquiry of management as to whether any breaches had been identified; Review of supporting documentation where relevant.
UK Bribery Act	Inspection of policies and procedures, internal reports and minutes of meetings of the Board, Committees and management.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the Group audit engagement team and component auditors:
Revenue recognition	• Substantive analytical procedures and the matching of sales to third party cash receipts, to evidence occurrence; • Tests of control in respect of occurrence; and • Testing of transactions before and after the year-end date, to determine whether revenue is recognised in the correct period.
Management override of controls	• Testing the appropriateness of journal entries and other adjustments; • Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and • Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is included in appendix 1 of this Auditor's Report. This description, which is located at page 62, forms part of our Auditor's Report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with section 262 of The Companies (Guernsey) Law 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK AUDIT LLP, Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
28 June 2024

APPENDIX 1: AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in the Auditor's Report of the extent to which the audit was capable of detecting irregularities, including fraud.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that the use of the going concern basis of accounting is appropriate and no material uncertainties have been identified, we report these conclusions in the Auditor's Report. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, including the FRC's Ethical Standard as applied to listed entities, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We are required to include in the Auditor's Report an explanation of how we evaluated management's assessment of the Group's ability to continue as a going concern and, where relevant, key observations arising with respect to that evaluation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Figures in thousands of US$	Notes	2023	2022
Revenue	5	**137,471**	148,448
Cost of sales		**(122,068)**	(108,304)
Gross profit		**15,403**	40,144
Other operating income		**2,059**	2,733
Impairment losses	13, 14	**(58,637)**	(23,965)
Selling and distribution costs		**(8,825)**	(9,270)
Other mine operating costs		**(2,838)**	(2,723)
Idle plant costs		**(8,963)**	(6,725)
Administration expenses	7	**(20,786)**	(20,328)
Operating loss		**(82,587)**	(20,134)
Finance income	8	**523**	494
Finance costs	9	**(15,387)**	(14,148)
Other losses	10	**(3,378)**	(818)
Fair value gain on derivative liability	28	**32**	2,934
Share of loss from investments in associate and joint venture	18	**(4,242)**	(5,112)
Loss before taxation		**(105,039)**	(36,784)
Taxation	11	**(1,730)**	1,345
Loss for the year		**(106,769)**	(35,439)
Loss attributable to			
Owners of the parent		**(103,927)**	(38,968)
Non-controlling interest		**(2,842)**	3,529
		(106,769)	(35,439)
Loss per ordinary share			
Basic loss per share (cents)	12	**(7.43)**	(3.07)
Diluted loss per share (cents)	12	**(7.43)**	(3.07)

The accounting policies on pages 68 to 79 and the notes on pages 68 to 101 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

Figures in thousands of US$	Notes	2023	2022
Loss for the year		**(106,769)**	(35,439)
Consolidated other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Other fair value movements		**15**	140
Items that may be reclassified to profit or loss			
Currency translation differences		**(12,673)**	(15,712)
Other comprehensive loss for the year net of taxation		**(12,658)**	(15,572)
Total comprehensive loss		**(119,427)**	(51,011)
Total comprehensive loss attributable to			
Equity holders		**(115,732)**	(53,323)
Non-controlling interest		**(3,695)**	2,312
		(119,427)	(51,011)

The accounting policies on pages 68 to 79 and the notes on pages 68 to 101 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figures in thousands of US$	Notes	2023	2022
Assets			
Non-current assets			
Intangible assets	13	–	53,469
Property, plant and equipment	14	**99,744**	127,409
Investment property	15	**2,173**	2,412
Deferred tax asset	16	**464**	–
Investments in associate and joint venture	18	**2,360**	3,151
Restricted investment	21	**2,881**	2,710
Total non-current assets		**107,622**	189,151
Current assets			
Inventories	19	**42,273**	54,990
Trade and other receivables	20	**25,018**	9,498
Other financial assets	17	**24**	3,075
Cash and cash equivalents	22	**1,281**	10,874
		68,596	78,437
Asset held for sale	13	**3,700**	–
Total current assets		**72,296**	78,437
Total assets		**179,918**	267,588
Equity and liabilities			
Share capital	23	**26,944**	17,122
Share premium	23	**140,272**	127,702
Accumulated loss	23	**(118,006)**	(39,147)
Share-based payment reserve	24	**261**	515
Foreign currency translation reserve	23	**(47,166)**	(35,346)
Fair value reserve	23	**(1,783)**	(1,798)
Attributable to equity holders		**522**	69,048
Non-controlling interest		**288**	36,583
Total equity		**810**	105,631
Liabilities			
Non-current liabilities			
Post-retirement medical liability	25	**1,577**	1,675
Environmental rehabilitation liabilities	26	**16,633**	16,610
Deferred consideration	27	**306**	1,527
Borrowings	28	**38,008**	35,272
Lease liabilities	29	**7,746**	6,721
Deferred tax liability	16	–	1,191
Total non-current liabilities		**64,270**	62,996
Current liabilities			
Trade and other payables	30	**46,295**	45,896
Provisions	31	**1,944**	1,714
Borrowings	28	**60,567**	47,858
Lease liabilities	29	**682**	561
Deferred consideration	27	**2,304**	901
Current tax payable		**3,046**	2,031
Total current liabilities		**114,838**	98,961
Total liabilities		**179,108**	161,957
Total equity and liabilities		**179,918**	267,588

The consolidated financial statements and the notes on pages 63 to 101 were approved by the Board of Directors on the 28 June 2024 and were signed on its behalf by:

Craig Coltman
Chief Executive Officer
28 June 2024

The accounting policies on pages 68 to 79 and the notes on pages 68 to 101 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Figures in thousands of US$	Share capital	Share premium	Foreign currency translation reserve	Share-based payment reserve	Fair value reserve	Accumulated loss	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
Balance at 1 January 2022	16,797	125,551	(20,851)	–	(1,938)	(179)	119,380	32,482	151,862
Loss for the year	–	–	–	–	–	(38,968)	(38,968)	3,529	(35,439)
Other comprehensive income, net of tax:									
Currency translation differences	–	–	(14,495)	–	–	–	(14,495)	(1,217)	(15,712)
Other fair value movements	–	–	–	–	140	–	140	–	140
Total comprehensive loss for the year	–	–	(14,495)	–	140	(38,968)	(53,323)	2,312	(51,011)
Transaction with owners:									
Issue of shares	325	2,151	–	–	–	–	2,476	–	2,476
Share-based payment	–	–	–	515	–	–	515	–	515
Contribution from non-controlling interest (note 28)	–	–	–	–	–	–	–	1,789	1,789
Balance at 1 January 2023	**17,122**	**127,702**	**(35,346)**	**515**	**(1,798)**	**(39,147)**	**69,048**	**36,583**	**105,631**
Loss for the year	–	–	–	–	–	**(103,927)**	**(103,927)**	**(2,842)**	**(106,769)**
Other comprehensive income, net of tax:									
Currency translation differences	–	–	**(11,820)**	–	–	–	**(11,820)**	**(853)**	**(12,673)**
Other fair value movements	–	–	–	–	**15**	–	**15**	–	**15**
Total comprehensive loss for the year	–	–	**(11,820)**	–	**15**	**(103,927)**	**(115,732)**	**(3,695)**	**(119,427)**
Transaction with owners:									
Issue of shares	**6,874**	**9,977**	–	–	–	–	**16,851**	–	**16,851**
Share issue costs		**(945)**					**(945)**		**(945)**
Share-based payment	–	–	–	**(254)**	–	–	**(254)**	–	**(254)**
Acquisition of non-controlling interest	**2,948**	**3,538**	–	–	–	**25,068**	**31,554**	**(33,036)**	**(1,482)**
Contribution from non-controlling interest (note 28)	–	–	–	–	–	–	–	**436**	**436**
Balance at 31 December 2023	**26,944**	**140,272**	**(47,166)**	**261**	**(1,783)**	**(118,006)**	**522**	**288**	**810**

CONSOLIDATED STATEMENT OF CASH FLOWS

Figures in thousands of US$	Notes	2023	2022
Cash flows from operating activities			
Loss before taxation		**(105,039)**	(36,784)
Adjustments for:			
Depreciation property, plant and equipment (including right-of-use assets)	14	**16,491**	18,475
Share of loss from investments in associate and joint venture	18	**4,242**	5,112
Fair value gain on derivative liability	28	**(32)**	(2,934)
Finance income	8	**(523)**	(494)
Finance costs	9	**15,387**	14,148
Impairment losses	13, 14	**58,637**	23,965
Loss on financial instruments and conversion of loan		**2,052**	–
Other non-cash movements		**2,415**	1,138
Foreign exchange differences		**(4,302)**	(6,949)
Changes in working capital		**7,151**	6,154
Income taxes paid		**(2,705)**	(648)
Net cash generated from/(used in) operating activities		**(6,226)**	21,183
Cash flows from investing activities			
Finance income		**367**	336
Purchase of property, plant and equipment		**(5,725)**	(18,197)
Purchase of investments	18	**–**	(1,211)
Purchase of exploration and evaluation assets	13	**(322)**	(517)
Net cash used in investing activities		**(5,680)**	(19,589)
Cash flows from financing activities			
Repayment of borrowings	28	**(2,232)**	(5,623)
Proceeds from borrowings	28	**8,990**	4,222
Finance costs	28	**(3,265)**	(3,217)
Lease payments	29	**(703)**	(728)
Purchase of non-controlling interest	23	**(643)**	–
Equity proceeds (net)	23	**794**	–
Net cash generated from/(used in) financing activities		**2,941**	(5,346)
Total cash and cash equivalents movement for the year		**(8,965)**	(3,752)
Cash and cash equivalents at the beginning of the year		**10,874**	15,433
Effect of translation of foreign exchange rates		**(628)**	(807)
Total cash and cash equivalents at end of the year	22	**1,281**	10,874

The accounting policies on pages 68 to 79 and the notes on pages 68 to 101 form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

Bushveld Minerals Limited ("Bushveld" or the "Company") and its subsidiaries and interest in equity accounted investments (together the "Group") is an integrated primary vanadium producer and energy storage solutions provider. The Company was incorporated and domiciled in Guernsey on 5 January 2012 and admitted to the AIM market in London on 26 March 2012. The address of the Company's registered office is Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 3RH.

As at 31 December 2023, the Bushveld Group comprised of:

Company	Note	Equity holding and voting rights	Country of incorporation	Nature of activities
Bushveld Minerals Limited		n/a	Guernsey	Ultimate holding company
Bushveld Resources Limited	1	100%	Guernsey	Holding company
Ivanti Resources (Pty) Limited	2	100%	South Africa	Processing company
Pamish Investments No 39 (Pty) Limited	2	64%	South Africa	Mining right holder
Bushveld Minerals SA (Pty) Limited	2	100%	South Africa	Group support services
Bushveld Vanchem (Pty) Limited	13	100%	South Africa	Processing company
Great 1 Line Invest (Pty) Limited	2	62.5%	South Africa	Vanadium and iron ore exploration
Gemsbok Magnetite (Pty) Limited	2	74%	South Africa	Vanadium and iron ore exploration
Caber Trade and Invest 1 (Pty) Limited	2	51%	South Africa	Vanadium and iron ore exploration
Bushveld Vanadium 2 (Pty) Limited	2	100%	South Africa	Holding company
Bushveld Energy Limited	1	84%	Mauritius	Holding company
Bushveld Energy Company (Pty) Limited	4	100%	South Africa	Energy development
Bushveld Vametco Hybrid Mini-Grid Company (RF) (Pty) Limited	12	40%	South Africa	Energy development
Bushveld Electrolyte Company (Pty) Ltd	12	55%	South Africa	Energy development
VRFB Holdings Limited	4	72.6%	Guernsey	Holding company
Vanadium Electrolyte Rental Limited	1, 4	40% & 30%	UK	Energy development
Enerox Holdings Limited	14	30.58%	Guernsey	Holding company
Bushveld Vametco Limited	2	100%	Guernsey	Sales of vanadium
Strategic Minerals Connecticut LLC	7	100%	United States	Holding company
Bushveld Vanadium 1 (Pty) Limited	8	100%	South Africa	Holding company
Bushveld Vametco Holdings (Pty) Limited	11	100%[1]	South Africa	Mining right holder
Bushveld Vametco Alloys (Pty) Limited	9	100%	South Africa	Mining and manufacturing company
Bushveld Vametco Properties (Pty) Limited	10	100%	South Africa	Property owning company
Lemur Holdings Limited	1	100%	Mauritius	Holding company
Coal Mining Madagascar SARL	5	99%	Madagascar	Coal exploration
Imaloto Power Project Limited	3	100%	Mauritius	Holding company
Imaloto Power Project Company SARL	6	99%	Madagascar	Power generation company
Lemur Investments Limited	3	100%	Mauritius	Holding company
Lemur SA (Pty) Ltd	3	100%	South Africa	Coal exploration

1. Held directly by Bushveld Minerals Limited
2. Held by Bushveld Resources Limited
3. Held by Lemur Holdings Limited
4. Held by Bushveld Energy Limited
5. Held by Lemur Investments Limited
6. Held by Imaloto Power Limited
7. Held by Bushveld Vametco Limited
8. Held by Strategic Minerals Connecticut LLC
9. Held by Bushveld Vametco Holdings (Pty) Limited
10. Held by Vametco Alloys (Pty) Limited
11. Held by Bushveld Vanadium 1 (Pty) Limited
12. Held by Bushveld Energy Company (Pty) Limited
13. Held by Bushveld Vanadium 2 (Pty) Limited
14. Held by VRFB Holdings Limited

1 The company acquired the 26% minority interest in Bushveld Vametco Holdings on 20 December 2023 (see note 23).

2. ADOPTION OF NEW ACCOUNTING STANDARDS

The following new accounting pronouncements are effective for annual periods beginning on or after 1 January 2023 and have been incorporated into the consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies.
Amendments to IAS 8: Definition of Accounting Estimates.
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
International Tax Reform – Pillar Two Model Rules. Amendments to IAS 12 were issued to give entities temporary mandatory relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's international tax reform. The amendments became effective upon issuance, except for certain disclosure requirements which become effective for annual reporting periods beginning on or after 1 January 2023.

The adoption of these pronouncements did not have a significant impact on the consolidated financial statements of the Group.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

Certain pronouncements have been issued by the International Accounting Standards Board ("IASB") that are mandatory for accounting periods after 31 December 2023:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current effective for annual periods beginning on or after 1 January 2024.
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback effective for annual periods beginning on or after 1 January 2024.
Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements effective for periods on or after 1 January 2024.
Amendments to IAS 21: Lack of Exchangeability effective for annual periods on or after 1 January 2025.

Pronouncements related to IFRS 16, IAS 7 and IFRS 7 are not expected to have a significant impact on the Group's consolidated financial statements upon adoption. Pronouncements related to IAS 1 which the Group is still reviewing could have a material impact on the Group's consolidated financial statements upon adoption. The Group does not intend to early adopt these standards.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

The consolidated financial statements of the Company and its subsidiaries and interest in equity accounted investments as at the year ended 31 December 2023 have been prepared in accordance with the UK-adopted International Accounting Standards.

The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments and investment properties measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

GOING CONCERN

The consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group recorded a net loss after tax of US$106.77 million for the year ended 31 December 2023 of which US$58.64 million related to impairment losses (31 December 2022: US$23.97 million). As at 31 December 2023 the Group had cash and cash equivalents of US$1.28 million (31 December 2022: US$10.87 million) and total borrowings of US$98.58 million (31 December 2021: US$83.13 million).

The Directors closely monitor and manage the liquidity risk of the Group by ensuring that the Group has sufficient funds for all ongoing operations. As part of the annual budgeting and long-term planning process, the Directors reviewed the approved Group budget and cashflow forecast through to 30 June 2025. The current cashflow forecast has been amended in line with any material changes identified during the year. Equally, where funding requirements are identified from the cashflow forecast, appropriate measures are taken to ensure these requirements can be met.

The Group has entered into a revised sales agreement with SPR, which was approved by the shareholders, whereby the Group will sell 100% of Vanchem. The closing of the Vanchem sale remains conditional upon approval by the Competition Tribunal. The Group also entered into revised agreements with Orion whereby the Group will receive additional funding of up to US$10 million under the senior term loan facility and the repayment of interest and capital are extended to 31 December 2025. The drawdown of the additional facility is subject to SARB approval.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

The Directors have performed an assessment of whether the Group would be able to continue as a going concern for at least twelve months from the date of this report. In their assessment, the Group has taken into account its financial position, expected future performance of its operations, its debt facilities and debt service requirements, its working capital requirements, capital expenditure commitments and forecasts, expected proceeds from the sale of Vanchem and Mokopane and outstanding equity proceeds. Additionally the Directors factored in the favourable relationship with Orion, demonstrated by the restructuring of agreements to accommodate market conditions and constructive engagement in relevant matters.

The cashflow forecast for Vametco takes into consideration production levels achieved to date, annual planned maintenance shutdowns are undertaken, and these shutdowns proceed in line with the planned timetable and no unplanned shutdowns are experienced during the going concern period.

With regards to pricing, the short to medium term assumptions, which are based on external forecasts, are that the average price achieved by the Group will be US$27.73/kgV through to 31 December 2024 and an average of US$34.40/kgV throughout 2025. The year-to-date average price achieved by the Group was circa US$26/kgV.

The Group's ability to continue as a going concern is dependent on its ability to complete the sale of Vanchem and Mokopane and the timing of those sales proceeds, complete the refinance of the Orion senior term loan and the timing of receiving the additional funding, the continued support of Orion, and achieving the planned production levels at the estimated average sales prices.

These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements for the year ended 31 December 2023 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its operating and capital costs requirements and pay its debts as and when they fall due for at least twelve months from the date of this report.

Accordingly, these consolidated financial statements do not include adjustments to the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Group be unable to continue as a going concern.

BASIS OF CONSOLIDATION

The consolidated financial statements present the consolidated statement of financial position and changes therein, consolidated statement of profit or loss, consolidated statement of comprehensive loss and consolidated statement of cash flows for the Group. Where necessary, adjustments are made to the results of subsidiaries and equity accounted investments to ensure the consistency of their accounting policies with those used by the Group. Intercompany transactions, balances and unrealised profits and losses between Group companies are eliminated on consolidation.

SUBSIDIARIES

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Where the Group's interest in a subsidiary is less than 100%, the Group recognises a non-controlling interest.

DISPOSAL OF SUBSIDIARIES

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence but neither control nor joint control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate and joint venture is recognised in profit or loss and the share of the movements in other comprehensive income is recognised in other comprehensive income. Investments in associates and joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate and joint venture. Goodwill relating to the associate and joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from associate or joint venture entities reduces the carrying amount of the investment.

NON-CONTROLLING INTERESTS

Non-controlling interests in subsidiaries are identified separately from the Group's shareholders therein. Those interests of non-controlling shareholders that present ownership interests entitling their holders to a proportionate share of the net assets upon liquidation are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Black Economic Empowerment ("BEE") interests are accounted for as non-controlling interests on the basis that the Group does not control these entities. The Company acquired the 26% interest in Bushveld Vametco Holdings on 20 December 2023 (see note 23).

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

BUSINESS COMBINATIONS

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Subsequent transactions that do not result in the obtaining of control are accounted for as equity transactions as follows:
- The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.
- Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid is recognised directly in equity and attributed to the owners of the parent.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Executive Committee. Operating segments whose revenues, net earnings or losses or assets exceed 10% of the total consolidated revenues, net earnings or losses or assets, are reportable segments.

In order to determine the reportable operating segments, various factors are considered, including geographical location and managerial structure.

FUNCTIONAL AND PRESENTATIONAL CURRENCY

The functional currency of each entity in the Group is determined as the currency of the primary economic environment in which it operates. For the purpose of the consolidated financial statements, the results and financial position of each entity within the Group are expressed in US Dollars, which is the presentation currency for the consolidated financial statements.
Transactions denominated in foreign currencies are translated into the entity's functional currency as follows:
- Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date;
- Non-monetary assets and liabilities are translated at historical exchange rates prevailing at each transaction date;
- Deferred tax assets and liabilities are translated at the exchange rate in effect at the balance sheet date with translation gains and losses recorded in income tax expense; and
- Revenues and expenses are translated at the average exchange rates throughout the reporting period, except depreciation, which is translated at the rates of exchange applicable to the related assets, and share-based compensation expense, which is translated at the rates of exchange applicable at the date of grant of the share-based compensation.

Exchange gains or losses on translation of transactions are included in the consolidated statement of profit or loss.

The results and financial position of all entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- Assets and liabilities for each statement of financial position presented are translated at the closing rate;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign currency translation reserve relating to that entity up to the date of disposal are transferred to the consolidated statement of profit or loss as part of the profit or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

REVENUE RECOGNITION – SALE OF GOODS

IFRS 15 requires revenue from contracts with customers to be recognised when the separate performance obligations are satisfied, which is when control of promised goods or services are transferred to the customer.

The Group satisfies a performance obligation by transferring control of the promised goods or services to the customer on delivery of the goods. The Group recognises revenue at the amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. Revenue with contract customers is generated from sale of goods and is recognised upon transferring control of the goods to the customer, at a point in time, and comprises the invoiced amount of goods to customers, net of value added tax.

COST OF SALES

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

SHARE-BASED PAYMENTS

The fair value of bonus shares granted to employees for nil consideration under the short-term incentive (“STI”) scheme is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions.

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

The fair value of the performance shares issued under the long-term incentive scheme (“LTI”) is recognised as an expense over the vesting period. Non-vesting conditions and market vesting conditions are factored into the fair value of the performance shares granted. An option pricing model is used to measure the fair value of the performance shares.

FINANCE INCOME

Interest income is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

CURRENT AND DEFERRED INCOME TAX

The tax expense represents the sum of the tax currently payable and deferred income tax.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the reporting date in the countries in which the Group’s subsidiaries operate and generate taxable income.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the “balance sheet liability” method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based upon rates enacted and substantively enacted at the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items credited or charged to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying value will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset or disposal group and the sale expected to be completed within one year from the date of the classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal (“FVLCD”). If the FVLCD is lower than the carrying amount, an impairment loss is recognised in the consolidated statement of profit or loss. Non-current assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

INTANGIBLE EXPLORATION AND EVALUATION ASSETS

All costs associated with mineral exploration and evaluation including the costs of acquiring prospecting licences; mineral production licences and annual licences fees; rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource, are capitalised as intangible exploration and evaluation assets and subsequently measured at cost.

If an exploration project is successful, the related expenditures will be transferred at cost to property, plant and equipment and amortised over the estimated life of the commercial ore reserves on a unit of production basis (with this charge being taken through profit or loss). Where a project does not lead to the discovery of commercially viable quantities of mineral resources and is relinquished, abandoned, or is considered to be of no further commercial value to the Group, the related costs are recognised as an impairment loss in the consolidated statement of profit or loss.

The recoverability of capitalised exploration costs is dependent upon the discovery of economically viable ore reserves, the ability of the Group to obtain necessary financing to complete the development of ore reserves and future profitable production or proceeds from the extraction or disposal thereof.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, the asset is reviewed for impairment. Assets are also reviewed for impairment at each reporting date in accordance with IFRS 6. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs of disposal and value in use) if that is less than the asset's carrying value. Impairment losses are recognised in the consolidated statement of profit or loss.

An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:
- Unexpected geological occurrences that render the resources uneconomic; or
- Title to the asset is compromised; or
- Variations in mineral prices that render the project uneconomic; or
- Variations in the foreign currency rates; or
- The Group determines that it no longer wishes to continue to evaluate or develop the field.

PROPERTY, PLANT AND EQUIPMENT (EXCLUDING RIGHT-OF-USE ASSETS)

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, except for investment properties which are carried at fair value. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation on assets commences when they are available for use by the Group. Depreciation for property, plant and equipment is charged on a systematic basis over the estimated useful lives of the assets after deducting the estimated residual value of the assets, using the straight-line method. The depreciation method applied, the estimated useful lives of assets and their residual values are reviewed at least at each financial year end, with any changes accounted for as a change in accounting estimate to be applied prospectively. The depreciation charge for each period is recognised in the consolidated statement of profit or loss.

The useful life of an asset is the period of time over which the asset is expected to be used. The estimated useful lives of items of property, plant and equipment are as follows:

• Buildings and other improvements	20-25 years
• Plant and machinery	5-20 years
• Motor vehicles, furniture and equipment	3-10 years
• Decommissioning asset	Life-of-mine
• Waste stripping asset	21 months

Assets under construction are not depreciated.

Repairs and maintenance expenditure is generally charged in profit and loss during the financial period in which it is incurred. However renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the year the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

IMPAIRMENT LOSSES

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs.

In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU’s fair value less costs of disposal (“FVLCD”) and value in use (“VIU”). In the absence of market-related information or similar transactions, the FVLCD is estimated based on discounted future estimated cash flows (expressed in real terms) expected to be generated from the continued use of the CGU using market-based commodity price and exchange assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, including any expansion projects, and its eventual disposal, based on the latest life-of-mine (“LOM”) plans. These cash flows were discounted using a real post-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the CGU.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the planning process, including the LOM plans, two-year budgets and CGU-specific studies.

INVESTMENT PROPERTY

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in the consolidated statement of profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

INVENTORIES

Inventories are valued at the lower of cost or estimated net realisable value. Cost is determined on the following basis:

- Raw materials — weighted average cost
- Consumable stores — weighted average cost
- Work in progress — weighted average cost
- Finished product — weighted average cost

Work in progress and finished goods are measured at the lower of weighted average production cost and net realisable value. Raw materials and consumables are measured at the lower of average purchase cost and net realisable value.

Production costs include cost of raw materials, direct labour, other direct costs and related production overheads, but exclude borrowing costs. Production overheads are allocated to inventory based on the normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated selling expenses.

Any write-down to net realisable value is recognised as an expense in the period in which the write-down occurs. Any reversal is recognised in the consolidated statement of profit or loss in the period in which the reversal occurs.

Provision is made, if necessary, for slow-moving, obsolete or defective inventory.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are recognised in the Group’s consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are classified into specified categories dependent upon the nature and purpose of the instruments at the time of initial recognition

FINANCIAL ASSETS

MEASUREMENT

At initial recognition, the Group measures all financial assets at fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss.

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value though other comprehensive income (“FVOCI”) or FVTPL.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

DEBT INSTRUMENTS

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and presented net within other income/(expenses) in the period in which it arises.

EQUITY INSTRUMENTS

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income ("OCI") (however, the cumulative gain/loss on disposal is represented within equity), there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other income/(expenses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

DERECOGNITION

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, then they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less any allowance for expected credit losses.

To determine the expected credit loss allowance for trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 33.6 for further details.

Other receivables consist of prepayments and deposits, which are initially recognised as non-financial assets and realised over time.

RESTRICTED INVESTMENT

Restricted investment comprises of an investment in an insurance fund. These funds are dedicated towards future rehabilitation expenditure on the mine property. This is classified as a financial asset and measured at amortised costs.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

FINANCIAL LIABILITIES

Accounts payable, accrued liabilities and borrowings are accounted for at amortised cost, using the effective interest rate method.

CONVERTIBLE LOAN

Interest-bearing loans are recorded initially at their fair value, net of direct transaction costs. Such instruments are subsequently carried at their amortised cost and finance charges, including premiums payable on settlement, redemption or conversion, are recognised in profit or loss over the term of the instrument using the effective rate of interest.

Instruments where the holder has the option to redeem for cash or convert into a pre-determined quantity of equity shares are classified as compound instruments and presented partly as a liability and partly as equity.

Instruments where the holder has the option to redeem for cash or convert into a variable quantity of equity shares are classified separately as a loan and a derivative liability.

Where conversion results in a fixed number of equity shares, the fair value of the liability component at the date of issue is estimated using the prevailing market interest rate for a similar non-convertible instrument. The difference between the proceeds of issue and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity. Where conversion is likely to result in a variable quantity of equity shares the related derivative liability is valued and included in liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible loan note.

Derivative liabilities are revalued at fair value at the reporting date, and changes in the valuation amounts are credited or charged to the profit or loss.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs are capitalised and allocated specifically to qualifying assets when funds have been borrowed, either to specifically finance a project or for general borrowings during the period of construction. Qualifying assets are defined as assets that require more than a year to be brought to the location and condition intended by management. Capitalisation of borrowing costs ceases when such assets are ready for their intended use.

LEASES

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The discount rate used ranges between 10% to 11% depending on the nature of the underlying asset.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:
- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used the increase in the provision due to the passage of time is recognised as a finance cost.

I. ENVIRONMENTAL REHABILITATION LIABILITIES

The Group is exposed to environmental liabilities relating to its operations. Full provision for the cost of environmental and other remedial work such as reclamation costs, close down and restoration costs, and pollution control is made based on the estimated cost as per the Environmental Management Programme Report. Annual increases in the provisions relating to change in the net present value of the provision are shown in the consolidated statement of profit or loss as a finance cost. Changes in estimates of the provision are accounted for in the year the change in estimate occurs, and is charged to either the consolidated statement of profit or loss or the decommissioning asset in property, plant and equipment, depending on the nature of the liability.

II. POST-RETIREMENT MEDICAL LIABILITY

The liability in respect of the defined benefit medical plan is the present value of the defined benefit obligation at the reporting date together with adjustments for actuarial gains/losses. Any actuarial gains or losses are accounted for in other comprehensive income. The defined benefit obligation is calculated annually by independent actuaries using the projected unit of credit method.

III. PROVIDENT FUND CONTRIBUTIONS

The Group's contributions to the defined contribution plan are charged to profit and loss in the year to which they relate.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with the UK-adopted International Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amount of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Assumptions about the future and other major sources of estimation uncertainty at the end of the reporting period have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities, within the next financial year. The most significant judgements and sources of estimation uncertainty that the Group believes could have a significant impact on the amounts recognised in its consolidated financial statements are described below.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

I. IMPAIRMENT OF NON-CURRENT ASSETS

JUDGEMENTS MADE IN RELATION TO ACCOUNTING POLICIES

Both internal and external sources of information are required to be considered when determining the presence of an impairment indicator or an indicator of reversal of a previous impairment. Judgement is required around significant adverse changes in the business climate which may be indicators of impairment such as a significant decline in the asset's market value, decline in resources and/or reserves including as a result of geological reassessment or change in timing of extraction of resources and/or reserves which would result in a change in the discounted cash flow, and lower commodity prices or higher input cost prices than would have been expected since the most recent valuation. Judgement is also required when considering whether significant positive changes in any of these items indicate a previous impairment may have reversed.

KEY SOURCES OF ESTIMATION UNCERTAINTY

If an indication of impairment or reversal of a previous impairment charge exists an estimate of a CGU's recoverable amount is calculated. The recoverable amount is based on the higher of FVLCD and VIU using a discounted cash flow methodology taking into account assumptions that would be made by market participants, unless there is a market price available based on a recent purchase or sale.

If the recoverable amount is based using a discounted cash flow methodology, expected future cash flows used are inherently uncertain and could materially change over time and impact the recoverable amounts. The cash flows and recoverable amount are significantly affected by a number of factors including published reserves, resources, exploration potential and production estimates, together with economic factors such as spot and future commodity prices, discount rates, foreign currency exchange rates, estimates of costs to produce products, and future capital expenditure.

The Group entered into sales agreements with Southern Point Resources ("SPR") to sell 50% of Bushveld Vanchem ("Vanchem") for a consideration of between US$20.0 million and US$21.3 million and to sell its interest in the Mokopane Project for a consideration of US$3.7 million. The sales price for Vanchem is dependent on if the Mokopane sale close within one year following the closing of the Vanchem sale. As the completion of either sale is not dependent upon the other, the directors are satisfied that the consideration for each reflects the fair value. The directors determined that the premium paid on the equity subscription price did not represent additional consideration for the disposal of Vanchem or Mokopane as the price payable was equivalent to other investors.

The recoverable amount of Vanchem CGU was based on the minimum sales price offered of US$20.0 million as the increase in the sales price to US$21.3 million is dependent on the closing of Mokopane which does not form part of the Vanchem CGU. An impairment loss of US$8.22 million was recognised in the consolidated statement of profit and loss to align the carrying value of the CGU with the recoverable amount of US$39.75 million, which is US$40.0 million less cost of disposal of US$0.25 million (see note 14). The directors have determined that the agreement to dispose of the remaining 50% of Vanchem (see note 36) for an undiscounted sales price of between US$15-20 million does not alter this valuation as it is considered a non-adjusting subsequent event.

The recoverable amount of the Mokopane Project was based on the sales price offered of US$3.7 million (see note 13). An impairment loss of US$49.62 million was recognised in the consolidated statement of profit or loss to align the carrying value with the recoverable amount.

II. ASSESSMENT OF CONTROL

JUDGEMENT MADE IN RELATION TO ACCOUNTING POLICIES

The Group needs to determine if it will continue to control its investment in Vanchem following the closing of the transaction. The Group will initially have the right to appoint half of the board of Vanchem (the "Board"), including the Chairman, who will have a casting vote. The Chairman of the Board will rotate between the shareholders every three years, unless SPR has the right to appoint a director on the Board of the Group which would remove the requirement for the Chairman rotate. The Board has the authority to manage and direct the business and affairs of Vanchem and there are no limitations on the Board's authority. All matters required to be approved by the Board, including capital investment, operating, and financing decisions and annual budgets will be made by a simple majority vote. In case there is a deadlock on these decisions, the Chairman will have a casting vote in addition to his/her deliberation vote. There is no limitations on the Chairman's casting vote.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Based on the ability to appoint the initial Chairman of the board and the expectation that the Chairman will continue to be a Group appointee because SPR would have representation on the Group's Board, the directors have made a significant judgement that the Group will continue to control its investment in Vanchem. As the reduction in the level of ownership of Vanchem will not result in a loss of control the assets and liabilities have not been classified as held for sale.

Subsequent to year-end (see note 36), the Group amended the agreement with SPR whereby it will acquire the entire Vanchem asset. This is considered a non-adjusting subsequent event and does not impact the above assessment.

3. SIGNIFICANT ACCOUNTING POLICIES *CONTINUED*

OTHER JUDGEMENT AND ESTIMATES

I. ENVIRONMENTAL REHABILITATION LIABILITIES

KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimating the future costs of environmental and rehabilitation obligations is complex and requires management to make estimates and judgements as most of the obligations will be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions are further influenced by changing technologies, political, environmental, safety, business and statutory considerations (see note 26).

4. SEGMENTAL REPORTING

Bushveld Minerals Limited's operating segments are identified by the Chief Executive Officer and the Executive Committee, collectively named as the CODM. The operating segments are identified by the way the Group's operations are organised. As at 31 December 2023, the Group operated within three operating segments, vanadium mining and production, which consists of the Vametco and Vanchem operations; energy and mineral exploration activities for vanadium; and coal exploration (together "Exploration"). Activities take place in South Africa (vanadium and energy), Madagascar (coal), other African countries (energy project development), and global (battery investment, vanadium sales). Corporate includes the remaining balances within the Group.

SEGMENT REVENUE AND RESULTS

The following is an analysis of the Group's revenue and results by reportable segment.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

2023 (Figures in thousands of US$)	Revenues	Cost of sales[1]	Other costs[2]	Administrative expenses[3]	Impairment losses	Operating loss
Vanadium mining and production	137,471	(122,068)	(18,815)	(6,139)	(9,017)	(18,568)
Exploration	–	–	–	(4)	(49,620)	(49,624)
Energy	–	–	25	(924)	–	(899)
Corporate	–	–	223	(13,719)	–	(13,496)
Total	137,471	(122,068)	(18,567)	(20,786)	(58,637)	(82,587)

1 Includes depreciation of US$15.97 million.
2 Other costs include other operating income, other mine operating costs, selling and distribution costs and idle plant costs.
3 Includes depreciation of US$0.11 million for Vanadium mining and production, US$0.28 million for Energy and US$0.13 million for Corporate.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

2022 (Figures in thousands of US$)	Revenues	Cost of sales[1]	Other costs[2]	Administrative expenses[3]	Impairment losses	Operating loss
Vanadium mining and production	148,446	(108,304)	(16,525)	(8,435)	(18,454)	(3,272)
Exploration	–	–	–	(21)	(5,137)	(5,158)
Energy	2	–	171	(952)	(374)	(1,153)
Corporate	–	–	369	(10,920)	–	(10,551)
Total	148,448	(108,304)	(15,985)	(20,328)	(23,965)	(20,134)

1 Includes depreciation of US$18.04 million.
2 Other costs include other operating income, other mine operating costs, selling and distribution costs and idle plant costs.
3 Includes depreciation of US$0.15 million for Vanadium mining and production, US$0.10 million for Energy and US$0.18 million for Corporate.

OTHER SEGMENTAL INFORMATION

	2023		2022	
Figures in thousands of US$	Total assets	Total liabilities	Total assets	Total liabilities
Vanadium mining and production	139,018	107,662	186,460	104,351
Exploration	4,114	141	53,679	38
Energy	19,094	13,189	17,432	10,836
Corporate	17,692	58,116	10,017	46,732
Total	179,918	179,108	267,588	161,957

5. REVENUE

Figures in thousands of US$	2023	2022
Revenue from contracts with customers		
Sale of goods	**137,471**	148,446
Other	**–**	2
	137,471	148,448
Disaggregation of revenue from contracts with customers		
The Group disaggregates revenue from customers as follows:		
Sale of goods		
Local sales of vanadium – NV12	**4,514**	5,503
Local sales of vanadium – NV16	**1,973**	2,650
Local sales of vanadium – MVO	**128**	4
Total local sales	**6,615**	8,157
Export sales of vanadium – NV12	**34,861**	34,939
Export sales of vanadium – NV16	**83,439**	99,672
Export sales of vanadium – AMV	**12,556**	5,678
Total export sales	**130,856**	140,289
Other	**–**	2
Total revenue from contract with customers	**137,471**	148,448

Revenue with contract customers is generated from sale of goods and is recognised upon delivery of the goods to the customer, at a point in time and comprises the invoiced amount of goods to customers, net of value added tax.

6. STAFF COSTS

Figures in thousands of US$	2023	2022
Production staff	**24,055**	25,799
Administrative staff	**7,212**	7,259
Key management personnel	**1,836**	2,068
	33,103	35,126

Details of directors' remuneration are included in note 35 (related-party transactions) and the Remuneration Report on page 44.

7. ADMINISTRATIVE EXPENSES BY NATURE

Figures in thousands of US$	2023	2022
Key management personnel	**1,836**	2,068
Staff costs	**7,212**	7,259
Depreciation of property, plant and equipment	**520**	439
Professional fees	**7,051**	6,007
Share-based payments	**(254)**	315
Other	**4,421**	4,240
	20,786	20,328

8. FINANCE INCOME

Figures in thousands of US$	2023	2022
Bank interest	**149**	206
Interest on restricted investment	**218**	127
Other finance income	**156**	161
	523	494

9. FINANCE COSTS

Figures in thousands of US$	Notes	2023	2022
Interest on borrowings	28	**12,151**	11,189
Unwinding of discount on environmental rehabilitation liabilities	26	**1,873**	1,726
Interest on lease liabilities	29	**724**	974
Other finance costs		**639**	259
		15,387	14,148

10. OTHER LOSSES

Figures in thousands of US$	Notes	2023	2022
Movement in earnout estimate	27	**6**	693
Loss on financial instrument	17	**1,700**	125
Loss on conversion of loan	17	**352**	–
Write-off loan		**1,320**	–
		3,378	818

The Group provided a working capital loan to Mustang Energy Plc ("Mustang") of US$0.42 million which was repaid by issuing equity in the capital of Mustang. The difference between the loan amount and the fair value of the equity received was recognised as a loss in the consolidated statement of profit or loss.

The Group provided additional funding to Enerox GmbH of US$1.32 million which were written-off as the loan is not repayable.

11. TAXATION

Figures in thousands of US$	2023	2022
Current		
Current income tax on profits for the year	**3,196**	3,294
Deferred		
Deferred income tax movement for current year	**(1,456)**	(4,659)
Prior year adjustment	**(10)**	20
	(1,466)	(4,639)
Income tax expense/(recovery)	**1,730**	(1,345)

The income tax expense/(recovery) represents the sum of the tax currently payable and the deferred tax adjustment for the year.

	2023	2022
Loss before tax	**(105,039)**	(36,784)
Tax at the applicable tax rate of 27% (2022: 28%)[1]	**(28,361)**	(10,300)
Tax effect on non-deductible items	**13,697**	1,423
Origination and reversal of temporary differences	**3,979**	(2,045)
Deferred tax asset (recognised)/not recognised	**7,376**	7,916
Recognised deferred tax assets – initial recognition	–	(17)
Tax rate change	–	(210)
Foreign jurisdictions subject to a different tax rate	**5,039**	1,888
Taxation recovery for the year	**1,730**	(1,345)

1 Based on South African tax rate as it is the primary economic environment in which the Group operates.

12. LOSS PER SHARE

BASIC LOSS PER SHARE

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

Figures in thousands of US$	2023	2022
Numerator		
Net loss attributable to equity holders	**(103,927)**	(38,968)
Denominator (in thousands)		
Weighted average number of common shares	**1,399,650**	1,270,637
Basic loss per share attributable to equity holders (cents)	**(7.43)**	(3.07)

DILUTED LOSS PER SHARE

Due to the Group being loss making for the year, instruments are not considered dilutive and therefore the diluted loss per share is the same as basic loss per share for both financial years.

13. INTANGIBLE ASSETS

Figures in thousands of US$	Vanadium and Iron Ore	Coal	Total
Balance, 1 January 2022	53,856	5,398	59,254
Capitalised expenditures	174	343	517
Impairment loss	–	(5,137)	(5,137)
Exchange differences	(561)	(604)	(1,165)
Balance, 31 December 2022	53,469	–	53,469
Capitalised expenditures	322	–	322
Impairment loss	(49,620)	–	(49,620)
Exchange differences	(471)	–	(471)
Transfer to asset held for sale	(3,700)	–	(3,700)
Balance, 31 December 2023	–	–	–

MOKOPANE VANADIUM AND IRON ORE PROJECT

The Group has an interest in Prospecting right 95. The Department of Mineral Resources and Energy ("DMRE") executed a 30-year mining right on 29 January 2020 in favour of Pamish, over five farms: Vogelstruisfontein 765 LR; Vriesland 781 LR; Vliegekraal 783 LR; Schoonoord 786 LR; and Bellevue 808 LR (the "Mining Right") situated in the District of Mogalakwena, Limpopo, which make up the Mokopane Project.

The Mining Right required Pamish to commence mining activities, including in-situ activities associated with the Definitive Feasibility Study ("DFS") by end of January 2021. The Covid-19 pandemic resulted in a significant delay in the commencement of the DFS and the necessary engagement with local communities required to finalise land use arrangements and, consequently, this deadline was not met. Application to the DMRE for an extension to commence mining activities has been submitted and Pamish is awaiting a response.

The Group entered into a sale of shares agreement with SPR on 14 December 2023 to sell its interest in the Mokopane Project for US$3.7 million. The transaction is subject to certain regulatory approvals as well as other customary closing conditions. The Competition Commission approved the sale subsequent to year end.

At 31 December 2023, the Mokopane intangible asset met the criteria to be classified as held for sale and has been classified as a current asset held for sale on the consolidated statement of financial position. During the year ended 31 December 2023, an impairment charge of US$49.62 million was recognised in the consolidated statements of profit or loss to align the carrying value of the asset with the sales price. The intangible asset forms part of the exploration segment.

BRITS VANADIUM PROJECT

The Group re-evaluated the Brits Vanadium Project and after careful consideration it was concluded that the Project should be discontinued. There was no loss recognised as the costs were not previously capitalised.

COAL PROJECT

Coal exploration licences have been issued to Coal Mining Madagascar SARL, a 99% subsidiary of Lemur Investments Limited. The exploration is in south west Madagascar covering 11 concession blocks in the Imaloto Coal basin known as the Imaloto Coal Project and Extension. The Imaloto Coal Project was impaired in 2023 as no further expenditures were budgeted. All further expenditures on the Imaloto Coal Project was expensed as incurred. Subsequent to year-end, the Group entered into an agreement to sell its interest in the Imaloto Coal Project.

14. PROPERTY, PLANT AND EQUIPMENT

Figures in thousands of US$	Buildings and other improvements	Plant and machinery*	Motor vehicles, furniture and equipment	Right of use asset	Waste stripping asset	Assets under construction	Total
Cost							
At 1 January 2022	6,957	169,484	1,374	5,066	–	19,147	202,028
Additions	–	691	138	2,989	1,850	15,988	21,656
Transfers within PPE	63	19,376	34	–	–	(19,473)	–
Changes in environmental rehabilitation liabilities	–	(1,705)	–	–	–	–	(1,705)
Exchange differences	(445)	(9,298)	(92)	(435)	(68)	(1,098)	(11,436)
At 31 December 2022	**6,575**	**178,548**	**1,454**	**7,620**	**1,782**	**14,564**	**210,543**
Additions	–	–	245	1,729	616	5,454	8,044
Changes in environmental rehabilitation liabilities	–	(336)	–	–	–	–	(336)
Scrapping of obsolete assets	(34)	(4,443)	(192)	(424)	–	–	(5,093)
Transfers within PPE	264	2,106	–	–	–	(2,370)	–
Exchange differences	(556)	(12,055)	(119)	(664)	(157)	(1,301)	(14,852)
At 31 December 2023	**6,249**	**163,820**	**1,388**	**8,261**	**2,241**	**16,347**	**198,306**
Accumulated depreciation							
At 1 January 2022	(1,280)	(45,318)	(759)	(1,560)	–	–	(48,917)
Depreciation charge for the year	(330)	(17,233)	(219)	(297)	(396)	–	(18,475)
Impairment	(898)	(17,920)	(10)	–	–	–	(18,828)
Exchange differences	122	2,776	56	117	14	–	3,085
At 31 December 2022	**(2,386)**	**(77,695)**	**(932)**	**(1,741)**	**(382)**	**–**	**(83,134)**
Depreciation charge for the year	(331)	(14,120)	(185)	(433)	(1,422)	–	(16,491)
Scrapping of obsolete assets	32	3,651	191	424	–	–	4,298
Impairment	(421)	(7,750)	(14)	–	–	(37)	(8,222)
Exchange differences	198	4,530	73	144	42	–	4,987
At 31 December 2023	**(2,908)**	**(91,384)**	**(867)**	**(1,605)**	**(1,761)**	**(37)**	**(98,562)**
Net Book Value							
At 31 December 2022	**4,189**	**100,853**	**522**	**5,880**	**1,401**	**14,564**	**127,409**
At 31 December 2023	**3,341**	**72,436**	**521**	**6,656**	**480**	**16,310**	**99,744**

* Include decommissioning assets.

The right of use asset of US$6.65 million relates to land and buildings of US$6.62 million and plant and machinery of US$0.03 million.

IMPAIRMENT DISCLOSURE

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

VANCHEM CASH GENERATING UNIT (CGU)

An impairment loss of US$8.22 million was recognised in the consolidated statement of profit and loss within impairment losses and in the consolidated statement of financial position as a reduction to property, plant, and equipment to align the carrying value of the Vanchem CGU with the recoverable amount of US$39.75 million (see note 3).

OTHER

The Group also recognised an impairment charge of US$0.79 million in the consolidated statement of profit or loss related to items of property, plant and equipment that were identified as being no longer in use.

15. INVESTMENT PROPERTY

Figures in thousands of US$	2023	2022
Balance, beginning of the year	**2,412**	2,595
Fair value movement	**(32)**	(17)
Exchange differences	**(207)**	(166)
Balance, end of the year	**2,173**	2,412

Investment properties comprise residential housing in Brits and Elandsrand, North West Province.

Investment properties are stated at fair value (level 3 of the fair value hierarchy), which has been determined based on valuations performed by Domus Estate Management, an accredited independent valuer, as at 31 December 2023. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following valuation techniques and key inputs were used in the valuation of the investment properties:

i. Physical inspection of each property;
ii. Consultation with estate agencies to discuss current sales market trends; and
iii. Comparative sales reports were obtained for locations where properties are situated in South Africa.

16. DEFERRED TAX ASSET/(LIABILITY)

Figures in thousands of US$	2023	2022
Deferred tax liability		
Investment properties	**(371)**	(517)
Property, plant and equipment	**(15,167)**	(17,925)
Prepayments	**(16)**	(15)
Expected credit losses	**(64)**	(18)
Total deferred tax liability	**(15,618)**	(18,475)
Deferred tax asset		
Provisions	**895**	(642)
Environmental rehabilitation liabilities	**4,491**	4,549
Lease liabilities	**1,373**	1,521
Non-deductible expenses	**1,360**	1,029
Post-retirement medical liability	**426**	460
Deferred tax balance from temporary differences other than unused tax losses	**8,545**	6,917
Unused tax losses	**7,537**	10,367
Total deferred tax asset	**16,082**	17,284
Deferred tax liability	**(15,618)**	(18,475)
Deferred tax assets	**16,082**	17,284
Total net deferred tax asset/(liability)	**464**	(1,191)

The evidence supporting recognition of a deferred tax asset is forecast for Vametco to which the losses relate which indicate with reasonable certainty the availability of sufficient future taxable profits and the existence of corresponding deferred tax liabilities against which the losses can be utilised.

2023 (Figures in thousands of US$)	Beginning balance	Statement of profit or loss	Other comprehensive income	Exchange differences	Ending balance
Deferred tax liability					
Investment properties	(517)	7	–	139	**(371)**
Property, plant and equipment	(17,925)	1,223	–	1,535	**(15,167)**
Prepayments	(15)	(3)	–	2	**(16)**
Expected credit losses	(18)	(48)	–	2	**(64)**
Deferred tax asset					
Provisions	(642)	1,491	–	46	**895**
Non-deductible expenses	1,029	422	–	(91)	**1,360**
Environmental rehabilitation liabilities	4,550	336	–	(395)	**4,491**
Lease liabilities	1,521	(17)	–	(131)	**1,373**
Post-retirement medical liability	459	5	2	(40)	**426**
Unused tax losses	10,367	(1,950)	–	(880)	**7,537**
	(1,191)	1,466	2	187	**464**

16. DEFERRED TAX ASSET/(LIABILITY) *CONTINUED*

2022 (Figures in thousands of US$)	Beginning balance	Statement of profit or loss	Other comprehensive income	Exchange differences	Ending balance
Deferred tax liability					
Investment properties	(577)	24	–	36	(517)
Property, plant and equipment	(25,722)	6,374	–	1,423	(17,925)
Prepayments	(24)	8	–	1	(15)
Expected credit losses	–	(19)	–	1	(18)
Deferred tax asset					
Provisions	711	(1,358)	–	5	(642)
Non-deductible expenses	–	1,068	–	(39)	1,029
Environmental rehabilitation liabilities	5,049	(181)	–	(318)	4,550
Lease liabilities	195	1,389	–	(63)	1,521
Post-retirement medical liability	534	–	(34)	(41)	459
Unused tax losses	13,820	(2,666)	–	(787)	10,367
	(6,014)	4,639	(34)	218	(1,191)

17. FINANCIAL ASSETS

Figures in thousands of US$	Notes	**2023**	2022
Balance, beginning of the year		**3,075**	–
Additions		**24**	2,923
Loss on financial instrument		**(1,700)**	–
Finance income		**138**	159
Transfer to investments in joint ventures	18	**(987)**	–
Exchange differences		**(526)**	(7)
Balance, end of the year		**24**	3,075

The Group subscribed in 2022 for two convertible loan notes issued by Mustang Energy Plc ("Mustang") with a principle amount of US$2.93 million bearing 10% interest per annum in exchange for a convertible loan note issued to Primorius and share capital issued to Lind Partners (see note 23 and 28).

The convertible loan notes were cancelled upon the exercise of the Mustang backstop agreement and the Group received Mustang's interest in VRFB (see note 18 and 23). The difference between the fair value of the convertible loan notes and the fair value of Mustang's interest in VRFB was recognised as a loss on financial instrument in the consolidated statement of profit or loss.

18. INVESTMENTS IN ASSOCIATE AND JOINT VENTURES

Figures in thousands of US$	VRFB	Mini-Grid	Total
Balance, 1 January 2022	7,855	–	7,855
Transfer from financial assets	–	1,211	1,211
Share of loss	(5,112)	–	(5,112)
Exchange differences	(751)	(52)	(803)
Balance, 31 December 2022	1,992	1,159	3,151
Additional investment on issue of shares	1,886	–	1,886
Transfer from financial assets	987	–	987
Share of loss	(4,242)	–	(4,242)
Exchange differences	678	(100)	578
Balance, 31 December 2023	**1,301**	**1,059**	**2,360**

18. INVESTMENTS IN ASSOCIATE AND JOINT VENTURES *CONTINUED*

VRFB HOLDINGS LIMITED ("VRFB") – ASSOCIATE

The Group acquired a 50.5% interest in VRFB in April 2021, which is the holding company for the Group's 50% investment in Enerox GmbH ("CellCube"). Upon the exercise of the Mustang backstop agreement (see note 23), Mustang transferred its 22.1% interest in VRFB to the Group. The Group did not participate in the fund raisings of CellCube and its investment in CellCube was diluted from 50% to 30.58%.

The Group accounts for its effective shareholding in CellCube through VRFB as an investment in associate.

Figures in thousands of US$	**2023**	2022
Summarised financial information in respect of VRFB is set out below:		
Revenue	**2,923**	11,183
Net loss	**(11,744)**	(20,389)
Other comprehensive income	**–**	275
Comprehensive loss	**(11,744)**	(20,114)

HYBRID MINI-GRID COMPANY PROPRIETARY LIMITED ('MINI-GRID") – JOINT VENTURE

The Group entered into a shareholders' agreement with NESA Investment Holdings, whereby it holds a 40% interest in Mini-Grid. The Group accounts for its 40% shareholding as an investment in joint venture as the relevant decisions require unanimous consent.

19. INVENTORIES

Figures in thousands of US$	**2023**	2022
Finished goods	**12,702**	23,511
Work in progress	**15,566**	14,740
Raw materials	**2,510**	4,435
Consumable stores	**11,495**	12,304
Total inventories	**42,273**	54,990

The cost of inventories recognised as an expense during the year was US$104.97 million (2022: US$88.60 million).

The Group recognised a net realisable value write-down of finished goods amounting to US$0.84 million (31 December 2022: US$0.33 million) and work in progress amounting to US$0.94 million (31 December 2022: US$0.19 million). The Group recognised a write-down of raw materials and work in progress for US$1.19 million (31 December 2022: US$ nil).

20. TRADE AND OTHER RECEIVABLES

Figures in thousands of US$	Notes	**2023**	2022
Financial assets:			
Trade receivables		**7,590**	3,134
Other receivables		**525**	2,856
Expected credit losses		**(116)**	(78)
Subscription receivables	23	**13,917**	–
Non-financial assets:			
Value-added taxes		**2,510**	3,163
Deposits		**133**	19
Prepaid expenses		**459**	404
Total trade and other receivables		**25,018**	9,498

CATEGORISATION OF TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

Figures in thousands of US$	**2023**	2022
At amortised cost	**21,916**	5,912
Non-financial instruments	**3,102**	3,586
	25,018	9,498

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 15-90 days and therefore are all classified as current.

The fair value of trade and other receivables approximate the carrying value due to the short maturity.

20. TRADE AND OTHER RECEIVABLES *CONTINUED*

IMPAIRMENT AND RISK EXPOSURE

Information about the impairment of trade receivables and the Group's exposure to credit risk, interest rate risk and foreign currency risk can be found in note 33.

21. RESTRICTED INVESTMENT

Figures in thousands of US$	2023	2022
Rehabilitation insurance fund	**2,881**	2,710
Split between non-current and current portions		
Non-current assets	**2,881**	2,710

The Group is required by statutory law in South Africa to hold this restricted investment in order to meet environmental rehabilitation liabilities on the statement of financial position (see note 26 and 34 for further details).

22. CASH AND CASH EQUIVALENTS

Figures in thousands of US$	2023	2022
Cash and cash equivalents consist of:		
Bank balances	**1,280**	8,348
Short-term deposits	**1**	2,526
	1,281	10,874

Cash and cash equivalents (which are presented as a single class of assets on the face of the statement of financial position) comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less.

The total cash and cash equivalents denominated in South African Rand amount to US$0.78 million (2022: US$6.72 million).

The fair value of cash and cash equivalents approximates the carrying value due to the short maturity.

23. SHARE CAPITAL, SHARE PREMIUM AND RESERVES

Figures in thousands of US$	Number of shares	Share capital	Share premium	Total share capital and premium
Balance, 1 January 2022	1,260,458,857	16,797	125,551	142,348
Shares issued – Directors and staff	2,324,842	29	494	523
Shares issued – Primorus Convertible	4,157,645	54	476	530
Shares issued – Lind	20,876,937	242	1,181	1,423
Balance, 31 December 2022	**1,287,818,281**	**17,122**	**127,702**	**144,824**
Shares issued – Mustang backstop agreement	**270,393,578**	**1,886**	–	**1,886**
Shares issued – Acquisition of minority interest	**232,836,255**	**2,948**	**3,538**	**6,486**
Shares issued – Equity raise (net of cost)	**395,897,277**	**4,988**	**9,032**	**14,020**
Balance, 31 December 2023	**2,186,945,391**	**26,944**	**140,272**	**167,216**

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.

As at the 31 December 2023, the Company owns 670,000 (31 December 2022: 670,000) treasury shares with a nominal value of 1 pence.

SHARES ISSUED

DIRECTORS AND STAFF

The Company issued in 2022 2,324,842 new ordinary shares of 1 pence each in the Company in respect of the short-term incentive plans.

PRIMORUS INVESTMENTS PLC ("PRIMORUS")

The Company issued a convertible loan note to Primorus. The Company issued a total of 4,157,645 new ordinary shares of 1 pence each in accordance with the conversion provisions.

23. SHARE CAPITAL, SHARE PREMIUM AND RESERVES *CONTINUED*

LIND GLOBAL MACRO FUND, LP ("LIND")

The Company issued 20,876,937 new ordinary shares of one pence each to Lind in accordance with the Investment Agreement between the Company and Mustang.

MUSTANG BACKSTOP AGREEMENT

The Company entered into an investment agreement with Mustang whereby the holders of the Mustang convertible loan notes ("CLN") would be able to request the issuance of new shares if Mustang's shares had not been readmitted to trading on the LSE by 31 July 2023.

In August 2023, each of the CLN holders had elected to redeem their CLNs and were issued 270,393,578 new ordinary shares of one pence each in Bushveld.

ACQUISITION OF MINORITY INTEREST

The Company acquired on 20 December 2023, the 26% minority interest in Bushveld Vametco Holdings owned by a Black Economic Empowerment ("BEE") consortium in return for the issue of 232,836,255 shares in the Company, cash payment of ZAR18 million and the cancellation of a US$0.51 million loan.

EQUITY RAISE

The Company completed an equity raised on 27 December 2023 whereby it issued 395,897,277 new ordinary shares at a price of three pence per share for gross proceeds of US$14.97 million. The Company incurred transaction costs of US$0.95 million of which US$0.25 million was paid. The Company received US$0.79 million in net proceeds and recorded a receivable of US$13.92 million for the proceeds received subsequent to year end.

NATURE AND PURPOSE OF OTHER RESERVES

SHARE PREMIUM

The share premium reserve represents the amount subscribed for share capital in excess of nominal value.

SHARE-BASED PAYMENT RESERVE

The share-based payment reserve represents the cumulative fair value of share options granted to employees.

FOREIGN EXCHANGE TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of financial statements of foreign operations.

FAIR VALUE RESERVE

The fair value reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income until the assets are derecognised or impaired and actuarial changes recognised on the post retirement medical aid liability.

RETAINED INCOME RESERVE

The retained income reserve represents other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

24. SHARE-BASED PAYMENTS

SHORT-TERM INCENTIVE ("STI")

	Number of shares	
Deferred share awards	**2023**	2022
Balance, beginning of the year	–	1,212,360
Vested	–	(1,099,404)
Forfeited	–	(112,956)
Balance, end of the year	–	–

The Group awarded 2,424,720 deferred share awards to certain employees on 5 August 2021 under its short-term incentive plan. The deferred share awards vested in equal tranches after 12 months (31 December 2021) and 18 months (30 June 2022). The vesting of the deferred share awards is dependent on the employees still being employed on the respective vesting dates. The deferred share awards are settled directly by the Company, in its own shares. The fair value of the deferred share awards was US$0.42 million which is the market price of the Company's share at grant date (£0.13) and the exchange rate on that date.

The Group awarded 2,801,300 deferred share awards to certain employees on 5 August 2021 in lieu of a cash bonus. These deferred share awards vested on 31 December 2021. The vesting of the deferred share awards is dependent on the employees still being employed on the vesting date. The deferred share awards are settled directly by the Company, in its own shares. The fair value of the deferred share awards was US$0.50 million which is the market price of the Company's share at grant date (£0.13) and the exchange rate on that date.

The Company issued in 2022 2,324,842 new ordinary shares of one pence each in respect to the STI (see note 23) and 2,788,222 shares are still to be issued to certain employees being in a closed period.

24. SHARE-BASED PAYMENTS *CONTINUED*

LONG-TERM INCENTIVE ("LTI")

	Number of shares	
Performance awards	**2023**	2022
Balance, beginning of the year	–	2,458,443
Granted	**16,750,860**	–
Vested	–	–
Forfeited	**(6,599,110)**	–
Lapsed	–	(2,458,443)
Balance, end of the year	**10,151,750**	–

The Remuneration Committee approved performance awards in 2022, which were awarded in 2023. The performance awards vest over a period of three years (1 January 2022 – 31 December 2024) and is subject to both employment and performance conditions. The performance conditions states that 60% of the number of performance awards will vest based on the performance of the Company's total shareholder return ("TSR") and 40% of the performance awards will vest based on the performance of the Group's normalised cash return on equity ("nCROE"). Based on the Group's performance on both TSR and nCROE being below the threshold, it is expected that the performance awards will not vest.

The Group awarded performance awards to certain employees in 2019 and at vesting date it was determined that zero percent of the performance awards vested as the performance conditions were not met.

25. POST-RETIREMENT MEDICAL LIABILITY

The benefit comprises medical aid subsidies provided to qualifying retired employees. Actuarial valuations are made annually with the most recent valuation on 31 December 2023. The present value of the post-retirement medical liability were measured using the projected unit credit method.

The following table summarises the components of the net benefit expense recognised in the consolidated statement of profit or loss and the consolidated statement of comprehensive income or loss and the amounts recognised in the consolidated statement of financial position.

Figures in thousands of US$	**2023**	2022
Balance, beginning of the year	**1,675**	1,906
Net expense recognised in profit or loss	**3**	13
Actuarial changes recognised in other comprehensive income or loss	**44**	(126)
Exchange differences	**(145)**	(118)
Balance, end of the year	**1,577**	1,675

The principal assumptions used for the purposes of the actuarial valuation was as follows:

	2023	2022
Actual age	**77.8 years**	77.3 years
Discount rates	**11.70%**	11.60%
Health care cost inflation	**7.70%**	7.80%
Duration of liability	**8.62 years**	8.8 years

A one percent change in the assumed rate of healthcare costs inflation would have the following effect on the present value of the unfunded obligation: Plus one percent – US$0.12 million (2022: US$0.13 million); Less one percent – US$0.11 million (2022:US$0.12 million).

A one percent change in the assumed interest rate would have the following effect on the current service cost and interest cost: Plus one percent – US$0.18 million (2022: US$0.20 million); Less one percent – US$0.16 million (2022: US$0.17 million).

26. ENVIRONMENTAL REHABILITATION LIABILITIES

Figures in thousands of US$	Notes	**2023**	2022
Balance, beginning of the year		**16,610**	18,031
Unwinding of discount	9	**1,873**	1,726
Change in estimates charged to profit or loss		**(75)**	(291)
Change in estimates capitalised to property, plant and equipment	14	**(336)**	(1,705)
Exchange differences		**(1,439)**	(1,151)
Balance, end of the year		**16,633**	16,610

26. ENVIRONMENTAL REHABILITATION LIABILITIES *CONTINUED*

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mine and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2052, which is when the producing mine properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future vanadium prices, which are inherently uncertain.

The provision is calculated using the following key assumptions:

	2023	2022
Inflation rate	**11.26%**	10.41%
Discount rate	**12.26%**	11.41%

A one percent change in the assumed discount rate would have the following effect on the present value of the provision: Plus one percent – decrease of US$3.77 million; Less one percent – increase of US$4.93 million.

A one percent change in the assumed inflation rate would have the following effect on the present value of the provision: Plus one percent – increase of US$4.93 million; Less one percent – decrease of US$3.83 million.

27. DEFERRED CONSIDERATION

Figures in thousands of US$	Notes	**2023**	2022
Balance, beginning of the year		**2,428**	1,684
Finance costs		**176**	51
Movement in earnout estimate	10	**6**	693
Balance, end of the year		**2,610**	2,428
Split between non-current and current portions			
Current deferred consideration		**2,304**	901
Non-current deferred consideration		**306**	1,527
		2,610	2,428

The Group is required to pay an earnout amount to EVRAZ on the acquisition of the Vametco Group which is based on the annual percentage of additional revenue ascribed to Bushveld Vametco Alloys as a result of the prevailing price being above the trigger price in respect of each financial year commencing on 1 January 2018 and ending on 31 December 2025, up to a maximum amount of US$5.55 million.

Management updated their estimated earnout payment to reflect actual production and price for the year ended 31 December 2023 and estimated production and price for future years which resulted in an increase of US$0.06 million in the estimated earnout payment.

28. BORROWINGS

Figures in thousands of US$	**2023**	2022
Orion production financing agreement ("PFA")	**35,635**	35,146
Orion convertible loan notes ("CLN")	**46,766**	39,742
Southern Point Resources ("SPR") interim working capital facility	**7,812**	–
Industrial Development Corporation ("IDC") shareholder loan	**2,664**	1,999
IDC property, plant and equipment loan	**3,574**	3,481
Other	**2,124**	2,762
	98,575	83,130
Split between non-current and current portions		
Non-current	**38,008**	35,272
Current	**60,567**	47,858
	98,575	83,130

28. BORROWINGS *CONTINUED*

Figures in thousands of US$	Orion PFA	Orion CLN	SPR interim working capital facility	IDC loans	Other	Total
Balance, 1 January 2022	33,512	36,282	–	3,282	6,821	79,897
Cash changes:						
Proceeds from borrowings	–	–	–	3,416	806	4,222
Repayment of principle and interest	(2,906)	–	–	–	(5,934)	(8,840)
Non-cash changes:						
Convertible loan note in exchange for financial assets	–	–	–	–	1,636	1,636
Conversion of convertible loan notes	–	–	–	–	(530)	(530)
Finance costs	4,420	6,394	–	470	375	11,659
Fair value gain on derivative liability	–	(2,934)	–	–	–	(2,934)
Adjustment to reflect market value of loan	–	–	–	(1,789)	–	(1,789)
Exchange differences	120	–	–	101	(412)	(191)
Balance, 1 January 2023	**35,146**	**39,742**	–	**5,480**	**2,762**	**83,130**
Cash changes:						
Proceeds from borrowings	–	–	**7,505**	**942**	**543**	**8,990**
Repayment of principle and interest	**(3,859)**	–	**(263)**	–	**(1,375)**	**(5,497)**
Non-cash changes:						
Finance costs[1]	**4,450**	**7,056**	**420**	**590**	**225**	**12,741**
Fair value gain on derivative liability	–	**(32)**	–	–	–	**(32)**
Remeasurement of financial liabilities	–	–	–	**(436)**	–	**(436)**
Exchange differences	**(102)**	–	**150**	**(338)**	**(31)**	**(321)**
	35,635	**46,766**	**7,812**	**6,238**	**2,124**	**98,575**

1 Finance costs include capitalised borrowing cost of US$0.59 million (31 December 2022: US$0.47 million) to property, plant and equipment.

ORION MINE FINANCE PRODUCTION FINANCING AGREEMENT

The Group signed a long-term production financing agreement ("PFA") of US$30 million with Orion Mine Finance ("Orion") in December 2020, primarily to finance its expansion plans at Bushveld Vametco Alloys Proprietary Limited and debt repayment. Exchange control authorisation from the South Africa Reserve Bank Financial Surveillance Department was granted in October 2020.

PFA DETAILS

The Group will repay the principal amount and pay interest via quarterly payments determined initially as the sum of:

- a gross revenue rate (set at 1.175% for 2020 and 2021 and 1.45% from 2022 onwards, subject to adjustment based on applicable quarterly vanadium prices) multiplied by the gross revenue for the quarter; and
- a unit rate of US$0.443/kgV multiplied by the aggregate amount of vanadium sold for the quarter.

Once the Group reaches vanadium sales of approximately 132,020 mtV during the term of the facility, the gross revenue rate and unit rate will reduce by 75% (i.e. to 25% of the applicable rates).

On each of the first three loan anniversaries, the Group had the option to repay up to 50% of both constituent loan parts (each may only be repaid once). If the Group utilises the loan repayment option, the gross revenue rate and/or the unit rate will reduce accordingly.

The PFA capital will provide funding to continue to grow production at Vametco to more than 4,300 mtV per annual production level and debt repayment. Part of the proceeds were used by the Group to prepay in full the Nedbank ZAR250 million term loan.

FIRST AMENDMENT

The Group entered into a first amendment to the agreement on 6 August 2021. In terms of the amendment, US$17.8 million of the funds ringfenced for the Vametco Phase 3 Expansion was reallocated to Vanchem mainly for capital expenditure on Kiln-3.

The original PFA had a cap of 1,075 mtV per quarter. This amounted to 4,300 mtV per annum expected from 2024 onwards following the completion of the Vametco Phase 3 expansion project. The amended agreement, with the addition of the Vanchem production volumes from 1 July 2021 resulted in the initial cap of 4,300 mtV being brought forward, from 1 July 2022 instead of from 2024.

ORION MINE FINANCE CONVERTIBLE LOAN NOTES INSTRUMENT

The Company subscribed to a US$35 million convertible loan notes instrument in December 2020 (the "Instrument") with Orion Mine Finance ("Orion"). The Instrument's proceeds were used towards the first phase of Vanchem's critical refurbishment programme and debt repayment.

28. BORROWINGS *CONTINUED*

The terms of the Instrument are:

- A fixed 10% per annum coupon with a three-year maturity date from the drawdown date.
- All interest will accrue and be capitalised on a quarterly basis in arrears but compounded annually.
- Accumulated capitalised and accrued interest is convertible into Bushveld ordinary shares. All interest and principal, to the extent not converted into ordinary shares, is due and payable at maturity date.
- Conversion price set at 17 pence.

The conversion features are:
Between drawdown and the Instrument's maturity date Orion may, at their option, convert an amount of the outstanding debt, including capitalised and accrued interest, into Bushveld's ordinary shares as follows:

- First six months: Up to one third of the outstanding amount;
- Second six months: Up to two thirds of the outstanding amount (less any amount previously converted);
- From the anniversary of drawdown until the maturity date: The outstanding amount under the Instrument may be converted;
- The Company also has the option to convert all, but not some, of the amount outstanding under the Instrument, if its volume weighted average share price is more than 200% of the conversion price over a continuous 15 trading day period, a trading day being a day on which the AIM market is open for the trading of securities.

At any time until the convertible maturity date, Orion may convert the debt as above mentioned into an amount of ordinary shares equal to the total amount available for conversion under the Instrument divided by the conversion price of 17 pence.

The Company entered into an agreement on 27 November 2023 with Orion to extend the maturity date of the Instrument to 31 January 2024 and subsequently refinanced the Instrument (see note 36).

Figures in thousands of US$	Loan	Derivative liability	Total
Balance, 01 January 2022	33,316	2,966	36,282
Finance costs and fair value gain	6,394	(2,934)	3,460
Balance, 31 December 2022	39,710	32	39,742
Finance costs and fair value gain	7,056	(32)	7,024
Balance, 31 December 2023	**46,766**	–	**46,766**

The Orion borrowings are secured against certain group companies and associated assets.

SPR INTERIM WORKING CAPITAL FACILITY

Bushveld Vanchem ("Vanchem") entered into a loan agreement with SPR on 19 September 2023 whereby SPR borrowed ZAR150.0 million to Vanchem.

The loan bears interest, which is payable in cash every two weeks, in the following amount:

- If the Vanadium Price is less than US$35/kgV, an amount equal to 0.54% of ZAR150,000,000;
- If the Vanadium Price is equal to or more than US$35/kgV but less than US$40/kgV, an amount equal to 0.58% of ZAR150,000,000; and
- If the Vanadium Price is equal to or more than US$40/kgV, an amount equal to 0.62% of ZAR150,000,000.

The loan is repayable in full on the maturity date, which is the first of:

- The date on which the lender gives a step-in notice (this is when an event of default continues for more than 30 days); or
- The date on when the Vanchem and Mokopane Acquisition have been fully implemented; or
- First anniversary of the advance date (22 September 2024).

The loan is secured by a Mortgage Bond of ZAR750 million over the movable property of Vanchem and Notarial Bond of ZAR750 million over the immovable property of Vanchem.

The Group incurred transaction costs of US$0.41 million which have been capitalised and offset against the carrying amount of the loan and are being amortised using the effective interest rate method.

INDUSTRIAL DEVELOPMENT CORPORATION SHAREHOLDER LOAN

Bushveld Electrolyte Company ("BELCO") is 55% owned by Bushveld Energy Company ("BEC") and 45% by the Industrial Development Corporation ("IDC"). The loan represents the IDC's contribution to BELCO and consists of the initial capitalised cost of ZAR4.38 million (US$0.24 million; 31 December 2022: ZAR4.38 million (US$0.26 million)) and the subsequent subscription amount of ZAR72.71 million (US$3.91 million; 31 December 2022: ZAR55.31 million (US$3.26 million)).

The loan is interest free, unsecured, subordinated in favour of BELCO's creditors and has no fixed term of repayment and shall only be repaid from free cash flow when available. BELCO has the unconditional right to defer settlement until it has sufficient free cash flow to settle the outstanding amount, which is estimated at the end of 2028. The loan has been classified as non-current.

28. BORROWINGS *CONTINUED*

The shareholder loan is measured at the present value of the future cash payments discounted using an interest rate of 8.5%, which is the estimated prevailing market rate. The difference between the fair value and the nominal amount of US$0.43 million (31 December 2022: US$1.79 million) was recognised as a capital contribution from the non-controlling interest.

A general notarial bond for a minimum amount of ZAR140 million plus an additional sum of 30% for ancillary costs and expenses was registered over all the movable assets owned by BELCO.

INDUSTRIAL DEVELOPMENT CORPORATION PROPERTY, PLANT AND EQUIPMENT LOAN

The IDC provided a property, plant and equipment loan to BELCO as part of the funding for the construction of the electrolyte plant. The loan bears interest at the South African prime rate plus 2.5% margin and is repayable in 84 equal monthly installments starting in July 2024.

DEVELOPMENT BANK OF SOUTHERN AFRICA – FACILITY AGREEMENT

Lemur Holdings Limited entered into a US$1.0 million facility agreement with the Development Bank of Southern Africa Limited in March 2019. The purpose of the facility is to assist with the costs associated with delivering the key milestones to the power project. The repayment is subject to the successful bankable feasibility study of the project at which point the repayment would be the facility value plus an amount equal to an Internal Rate of Return ("IRR") of 40% capped at 2.5 times, which ever is lower. As at 31 December 2023, US$1.0 million (31 December 2022: US$1.0 million) was drawn down.

PRIMORIUS

The Company issued a convertible loan note to Primorus for the nominal amount of £1.20 million bearing interest at 10% per annum. The convertible loan note may be converted into Bushveld ordinary shares at any time within the conversion period (the six conversion periods being: 28 February 2022 to 14 April 2022; 15 April 2022 to 14 July 2022; 15 July 2022 to 14 October 2022; 15 October 2022 to 16 January 2023; 17 January 2023 to 14 April 2023; 15 April 2023 to 14 July 2023) at a conversion price of £0.098987. Primorus converted £0.41 million of the principal amount and was issued a total of 4,157,645 Bushveld ordinary shares.

The Company and Primorus agreed on 14 July 2023 to amend the terms of repayment whereby the Company will make the following payments:

- An initial payment of US$150,000, followed by bi-weekly payments of US$125,000 with the final payment to be made prior to the 30 November 2023.

The Company settled the outstanding amount.

NESA INVESTMENT HOLDINGS ("NESA")

The Group entered into a loan agreement with Nesa to fund US$0.81 million (ZAR12.08 million) bearing interest at South African prime rate plus 3.5% margin. The maturity date of the loan was extended from 30 August 2023 to 30 August 2024 and the repayments will consist of the following:

- Accrued interest up to 31 August 2023 repaid on 31 August 2023;
- ZAR2.00 million capital repayment on 21 September 2023; and
- Thereafter 10 consecutive monthly payments starting from 30 November 2023.

The Group entered into a second loan agreement with Nesa to fund US$0.54 million (ZAR10.0 million) bearing interest at South African prime rate plus 4% margin. The maturity date of the loan was extended to 31 August 2026 and the repayments will consist of the following:

- Accrued interest up to 31 October 2023 repaid on 31 October 2023;
- ZAR0.53 million capital and interest repayment on 30 November 2023; and
- Thereafter 11 consecutive quarterly payments starting from 29 February 2024.

29. LEASE LIABILITIES

Figures in thousands of US$	Notes	2023	2022
Balance, beginning of the year		**7,282**	4,485
Additions		**1,762**	2,989
Finance cost	9	**724**	974
Payments		**(703)**	(728)
Exchange differences		**(637)**	(438)
Balance, end of the year		**8,428**	7,282
Non-current lease liabilities		**7,746**	6,721
Current lease liabilities		**682**	561
		8,428	7,282

Leases are entered into and exist to meet specific business requirements, considering the appropriate term and nature of the leases asset. The Group leases relate to land leases, office leases and equipment lease.

29. LEASE LIABILITIES *CONTINUED*

EXTENSION OPTIONS

Some property leases contain extension options exercisable by the Group. The Group assesses at the lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise its options if there is a significant event or significant changes within its control.

30. TRADE AND OTHER PAYABLES

Figures in thousands of US$	2023	2022
Financial liabilities:		
Trade payables	**41,784**	40,573
Trade payables – related parties	**10**	61
Accruals and other payables	**4,461**	5,257
Non-financial liabilities:		
Value-added taxes	**40**	5
	46,295	45,896
Financial liabilities and non-financial liabilities components of trade and other payables		
At amortised cost	**46,255**	45,891
Non-financial instruments	**40**	5
	46,295	45,896

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The average credit period taken for trade purchases is 120 days.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-arranged credit terms. No interest has been charged by any suppliers as a result of late payment of invoices during the year.

The directors consider that the carrying amount of trade and other payables is approximate to their fair value.

The total trade and other payables denominated in South African Rand amount to US$33.73 million (2022: US$29.78 million).

31. PROVISIONS

RECONCILIATION OF PROVISIONS – 2023

Figures in thousands of US$	**Opening balance**	**Additions**	**Utilised during the year**	**Exchange differences**	**Total**
Leave pay	**1,588**	**10**	**(98)**	**(136)**	**1,364**
Other	**126**	**467**	**–**	**(13)**	**580**
	1,714	**477**	**(98)**	**(149)**	**1,944**

RECONCILIATION OF PROVISIONS – 2022

Figures in thousands of US$	Opening balance	Additions	Utilised during the year	Exchange differences	Total
Leave pay	1,629	80	(40)	(81)	1,588
Performance bonus	1,923	–	(1,923)	–	–
Other	170	–	(13)	(31)	126
	3,722	80	(1,976)	(112)	1,714

LEAVE PAY

Leave pay represents employee leave days due multiplied by their cost to the company employment package.

OTHER

The other provisions represents estimates for retrenchment costs.

32. NON-CONTROLLING INTEREST

Selected summarised financial information of subsidiaries that have material non-controlling interest are provided below:

Figures in thousands of US$	2023	2022
Bushveld Vametco Holdings		
Percentage of voting rights held by non-controlling interest	–	26%
Current assets	–	85,598
Non-current assets	–	80,228
Current liabilities	–	(25,517)
Non-current liabilities	–	(45,311)
Net assets	–	94,998
Revenues	**83,727**	117,226
Net earnings/(loss) for the year	**2,396**	21,401
Net earnings/(loss) attributable to non-controlling interest	**623**	5,564
Net cash generated from/(used in) operating activities	**(5,027)**	14,270
Net cash used in investing activities	**(3,111)**	(10,649)
Net cash used in financing activities	–	(6,020)
Net increase/(decrease) in cash and cash equivalents	**(8,138)**	(2,398)

The Company acquired the 26% interest in Bushveld Vametco Holdings on 20 December 2023 (see note 23).

33. FINANCIAL INSTRUMENTS

The Group is exposed to the risks that arise from its use of financial instruments. This note describes the objectives, policies and processes of the Group for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

33.1. CATEGORIES OF FINANCIAL INSTRUMENTS

PRINCIPAL FINANCIAL INSTRUMENTS

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Restricted investments
- Trade and other payables
- Borrowings
- Other financial assets
- Lease liabilities
- Deferred consideration

The Group holds the following financial assets and financial liabilities:

Figures in thousands of US$	2023	2022
Financial assets at amortised cost		
Trade and other receivables	**21,916**	5,912
Restricted investment	**2,881**	2,710
Cash and cash equivalents	**1,281**	10,874
	26,078	19,496
Financial assets at fair value		
Other financial assets at fair value through profit or loss	**24**	3,075
Total financial assets	**26,102**	22,571
Financial liabilities at amortised cost		
Trade and other payables	**46,255**	45,891
Borrowings	**98,575**	83,098
Lease liabilities	**8,428**	7,282
	153,258	136,271
Financial liabilities at fair value		
Borrowings – derivative liability	–	32
Deferred consideration	**2,610**	2,428
	2,610	2,460
Total financial liabilities	**155,868**	138,731

33. FINANCIAL INSTRUMENTS *CONTINUED*

33.2. GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Board receives reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

33.3. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising returns to shareholders. In order to maintain or adjust the capital structure, the Group may issue new shares or arrange debt financing. At 31 December 2023, the Group had borrowings of US$98.58 million (2022: US$83.13 million).

The capital structure of the Group consists of cash and cash equivalents, equity and borrowings. Equity comprises of issued capital and retained income.

Figures in thousands of US$	**2023**	2022
Cash and cash equivalents	**1,281**	10,874
Borrowings	**98,575**	83,130
Equity	**810**	105,631
	100,666	199,635

The Group is not subject to any externally imposed capital requirements.

33.4 PRICE RISK

The Group's exposure to commodity price risk is dependent on the fluctuating price of the various commodities that it mines, processes and sells.

The average market price of each of the following commodities was:

Vametco	**2023 US$/kgV**	2022 US$/kgV
Ferro Vanadium (FEV)	–	50.17
Nitrovan (NV)	**36.39**	44.45
Ammonium Metavanadate (AMV)	–	30.05
Modified Vanadium Oxide (MVO)	**28.69**	–

Vanchem	**2023 US$/kgV**	2022 US$/kgV
Vanadium Pentoxide Flake (FVP)	**29.15**	31.82
Vanadium Pentoxide Chemical (VCM)	**31.15**	35.85
Sodium Ammonium Vanadate (SAV)	**42.91**	55.07
Ammonium Metavanadate (AMV)	**23.11**	52.80
Ferro Vanadium (FEV)	**31.69**	35.73
Vanadyl Oxalate Solution (VOX)	**188.30**	197.79
Potassium Metavanadate	**29.45**	42.41

If the average price of each of these commodities increased/decreased by 10%, assuming the same levels of production, the total sales related to each of these commodities would have increased/decreased as follows:

Vametco (Figures in thousands of US$)	**Effect on 2023 revenue**	**Effect on 2023 net loss Figures in thousands of US$**	Effect on 2022 revenue	Effect on 2022 net loss
Ferro Vanadium (FEV)	–	–	358	258
Nitrovan (NV)	**8,505**	**6,123**	11,568	8,329
Ammonium Metavanadate (AMV)	–	–	81	58
Modified Vanadium Oxide (MVO)	**13**	**10**	–	–
	8,518	**6,133**	12,007	8,645

33. FINANCIAL INSTRUMENTS *CONTINUED*

Vanchem (Figures in thousands of US$)	Effect on 2023 revenue	Effect on 2023 net loss	Effect on 2022 revenue	Effect on 2022 net loss
Vanadium Pentoxide Flake (FVP)	1,175	858	494	356
Vanadium Pentoxide Chemical (VCM)	514	375	329	237
Sodium Ammonium Vanadate (SAV)	116	85	182	131
Ammonium Metavanadate (AMV)	73	53	34	25
Ferro Vanadium (FEV)	2,524	1,842	2,391	1,721
Vanadyl Oxalate Solution (VOX)	48	35	63	45
Potassium Metavanadate	116	85	157	113
	4,566	3,333	3,650	2,628

33.5. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board. The Board manages liquidity risk by regularly reviewing the Group's gearing levels, cash-flow projections and associated headroom and ensuring that excess banking facilities are available for future use. The Group maintains good relationships with its banks and lenders, which have high credit ratings and its cash requirements are anticipated via the budgetary process.

At 31 December 2023, the Group had US$1.28 million (2022: US$10.87 million) of cash and cash equivalents. At 31 December 2023, the Group had borrowings of US$98.58 million (2022: US$83.13 million), lease liabilities of US$8.43 million (2022: US$7.28 million) and trade and other payables of US$46,30 million (2022: US$45.90 million).

2023 (Figures in thousands of US$)	Carrying amount	Contractual cash flows	<1 year	1-2 years	3-4 years	>4 years
*Orion PFA	35,635	135,482	4,130	8,748	8,951	113,653
Orion CLN	46,766	47,154	47,154	–	–	–
SPR interim working capital facility	7,812	8,944	8,944	–	–	–
IDC shareholder loan	2,664	4,148	–	–	–	4,148
IDC property, plant and equipment loan	3,574	5,981	427	1,709	1,709	2,136
Development Bank of South Africa	1,000	1,000	1,000	_–	–	–
Other	1,124	1,270	889	381	–	–
Lease liabilities	8,428	22,752	750	1,048	1,596	19,358
Trade and other payables	46,255	46,255	46,255	–	–	–

2022 (Figures in thousands of US$)	Carrying amount	Contractual cash flows	<1 year	1-2 years	3-4 years	>4 years
*Orion PFA	35,146	139,795	4,181	8,626	8,833	118,155
Orion CLN	39,742	46,585	46,585	–	–	–
IDC shareholder loan	1,999	3,515	–	–	–	3,515
IDC property, plant and equipment loan	3,481	5,725	477	1,636	1,636	1,976
Development Bank of South Africa	1,000	1,000	–	1,000	–	–
Other	1,762	1,794	1,794	–	–	–
Lease liabilities	7,282	22,577	704	901	1,348	19,624
Trade and other payables	45,891	45,891	45,891	–	–	–

* The contractual cash flows are based on estimated principal and interest payments calculated as the sum of the gross revenue rate multiplied by the gross revenue for the quarter and the unit rate multiplied by the aggregate amount of vanadium sold for the quarter.

33.6. CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The maximum amount of credit risk is equal to the balance of cash and cash equivalents, restricted investments, trade and other receivables and other financial assets.

Credit risk is managed on a Group basis. Credit verification procedures are undertaken for all customers with whom we trade on credit. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The compliance with credit limits by customers is regularly monitored by line management.

Trade account receivables comprise a limited customer base. Ongoing credit evaluation of the financial position of customers is performed and granting of credit is approved by directors.

33. FINANCIAL INSTRUMENTS *CONTINUED*

The Group holds cash and cash equivalents and restricted investments in creditworthy financial institutions that comply with the Company's credit risk parameters. The Group has a significant concentration of cash held on deposit with large banks in South Africa, Mauritius, United States of America and the United Kingdom with A ratings and above (Standards and Poors).

The concentration of credit risk by currency was as follows:

Figures in thousands of US$	2023	2022
Pound Sterling	**436**	20
Euro	**4**	–
South African Rand	**785**	6,702
United States Dollar	**56**	4,152
	1,281	10,874

IMPAIRMENT OF FINANCIAL ASSETS

The Group's only financial assets that are subject to the expected credit loss model are third-party trade receivables.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for trade receivables:

Subsidiary – 2023 (Figures in thousands of US$)	**Expected credit loss rate**	**Gross carrying amount**	**Loss allowance**
Bushveld Vametco Alloys (Pty) Ltd	**0.22%**	**1,183**	**3**
Bushveld Vametco Limited	–%	**1,760**	–
Bushveld Vanchem (Pty) Ltd	**0.99%**	**4,409**	**45**
Ivanti Resources (Pty) Ltd	**1.07%**	**156**	**2**
Other Group Companies	**81.08%**	**82**	**66**
		7,590	**116**

Subsidiary – 2022 (Figures in thousands of US$)	Expected credit loss rate	Gross carrying amount	Loss allowance
Bushveld Vametco Alloys (Pty) Ltd	0.15%	1,135	2
Bushveld Vanchem (Pty) Ltd	0.27%	1,487	4
Ivanti Resources (Pty) Ltd	7.74%	121	9
Bushveld Energy Company (Pty) Ltd	100.00%	63	63
		2,806	78

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. There were no impairment losses on trade receivables for the 2023 and 2022 financial year.

33. FINANCIAL INSTRUMENTS *CONTINUED*

33.7. INTEREST RATE RISK

Interest rate risk is the risk that the fair values and future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group has interest bearing financial assets and borrowings. As part of the process of managing the Group's interest rate risk, interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

As at 31 December 2023, the majority of the Groups' borrowings was at fixed rates. A one percent increase or decrease in the interest rates would result in a nominal increase or decrease in the Group's earnings in respect of borrowings held at variable rates. There was no significant change in the Group's exposure to interest rate risk during the year ended 31 December 2023.

33.8. FOREIGN EXCHANGE RISK

The presentation currency of the Group is United States Dollar and the functional currency of its major subsidiaries are South African Rand. The Group has foreign currency denominated assets and liabilities. Exposure to exchange rate fluctuations therefore arise. The Group has transactional foreign exchange exposures, which arise from sales or purchases by the subsidiaries in currencies other than their functional currency. The vanadium market is predominately priced in US$ which exposes the Group to the risk of fluctuations in the ZAR:USD exchange rate. The carrying amount of the Groups foreign currency denominated monetary assets and liabilities, all in US$, are shown below:

Figures in thousands of US$	2023	2022
Cash and cash equivalents	**1,224**	6,723
Trade and other receivables	**23,214**	11,226
Trade and other payables	**(36,888)**	(32,652)
	(12,450)	(14,703)

The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

33.9. FAIR VALUE

The fair value hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities which the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly or indirectly such as those derived from prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

There have been no changes in the classification of the financial instruments in the fair value hierarchy.

(A) FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

2023 (Figures in thousands of US$)	Carrying amount	Level 1	Level 2	Level 3	Total fair value
Assets					
Other financial assets	**24**	–	–	**24**	**24**
Liabilities					
Derivative liability – conversion option on Orion CLN	–	–	–	–	–
Deferred consideration	**2,610**	–	–	**2,610**	**2,610**

2022 (Figures in thousands of US$)	Carrying amount	Level 1	Level 2	Level 3	Total fair value
Assets					
Other financial assets	3,075	–	–	3,075	3,075
Liabilities					
Derivative liability – conversion option on Orion CLN	32	–	32	–	32
Deferred consideration	2,428	–	–	2,428	2,428

33. FINANCIAL INSTRUMENTS *CONTINUED*

(B) FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COSTS

	2023		2022	
Financial assets (Figures in thousands of US$)	**Book value**	**Fair value**	Book value	Fair value
Trade and other receivables	**21,916**	**21,916**	5,912	5,912
Restricted investments	**2,881**	**2,881**	2,710	2,710
Cash and cash equivalents	**1,281**	**1,281**	10,874	10,874

	2023		2022	
Financial assets (Figures in thousands of US$)	**Book value**	**Fair value**	Book value	Fair value
Trade and other payables	**46,255**	**46,255**	45,891	45,891

The Directors are of the opinion that the book value of financial instruments measured at amortised costs approximates fair value due to the short-term maturities of these instruments. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

The Directors consider that sufficient information to understand the borrowings of the Group is disclosed in note 28.

34. CONTINGENT LIABILITIES

BANK GUARANTEE

As required by the Minerals and Petroleum Resources Development Act (South Africa), a guarantee amounting to US$10.91 million (2022: US$11.94 million) before tax and US$7.97 million (2022: US$8.60 million) after tax was issued in favour of the DMRE for the unscheduled closure of the Bushveld Vametco Alloys mine. This guarantee was issued on condition that a portion be deposited in cash with Centriq Insurance Company Ltd with restricted use by the Group. The restricted cash consists of US$2.88 million (2022: US$2.71 million) held by Centriq Insurance Company.

35. RELATED PARTIES

RELATIONSHIPS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

VM Investment Company (Pty) Ltd ("VM Investments") is a related party due to the former Director, Fortune Mojapelo, being majority shareholder of VM Investments. VM Investments owns the offices rented by Bushveld Minerals Limited. The rent paid in 2023 financial period was US$144,237 (2022: US$206,209). The outstanding balance owned to VM Investments was US$nil as at 31 December 2023.

The Company paid on behalf of Mr Fortune Mojapelo, tax on historic shares to the value of US$351,649. The tax arises from historic shares issued to Mr Mojapelo. The Company had an obligation to settle the tax on behalf of Mr Fortune Mojapelo. The amount was previously reflected as a debtor but was written-off during the year as the Company agreed the amount is not repayable.

The remuneration of key management personnel, being the Directors and other Executive Committee members, is set out below. Further information about the remuneration of individual directors is provided in the Directors' Remuneration Report.

Figures in thousands of US$	**2023**	2022
Salaries and fees	**1,911**	1,866
Short-term incentives	**32**	95
Long-term incentives	**(107)**	107
	1,836	2,068

36. EVENTS AFTER THE REPORTING PERIOD

ORION MINE FINANCE CONVERTIBLE LOAN NOTE REFINANCING

The Company completed the refinancing of its convertible loan notes issued to Orion Mine Finance on 31 January 2024. The convertible debt obligations were refinanced as follows:

- US$4.7 million of the convertible debt obligations were capitalised into a subscription for 124,747,016 new ordinary shares;
- A new convertible loan note of US$14.1 million maturing on 30 June 2028;
- A term senior loan of US$28.3 million maturing on 30 June 2026; and
- Supplemental royalty at not more than 0.264% of the Group's gross revenues and reducing by 80% at the term loan maturity.

In June 2024, the Company entered into revised agreements with Orion Mine Finance whereby the Company will receive additional funding of up to US$10 million under the term senior loan facility. The repayment of interest and capital on the term senior loan was also amended whereby the repayment of both interest and capital will only start on 31 December 2025 and will consist of equal quarterly instalments with the final payment on 31 December 2029. The drawdown of the additional facility is subject to SARB approval.

In addition to the changes in the term senior loan, the supplemental royalty agreement was also amended to increase the royalty rate from 0.264% up to 0.5% depending on the amount of the additional drawdown on terms senior loan facility and reducing by 50% at the term loan maturity.

SALE OF VANCHEM

The Group has entered into a binding term sheet with SPR to conditionally sell the entire Vanchem asset for a total consideration of up to US$41.3 million, comprising an initial consideration of up to US$21.3 million and a deferred consideration of between US$15 million and US$20 million (the "Disposal"). The proposed terms of the Disposal replace those announced on 20 November 2023 for the sale of a 50% interest in Vanchem. The Disposal is conditional upon consent of Orion and Competition Commission approval. The shareholders approved the Disposal on 31 May 2024. The Disposal is expected to close in the second half of 2024.

The Vanchem CGU was written-down to its recoverable amount during the year (see note 14). As at 31 December 2023, the Vanchem asset did not meet the criteria for held for sale accounting in line with IFRS 5. Following the closing of the Disposal, the assets and liabilities of Vanchem will be derecognised and no longer form part of the consolidated results of the Group.

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MINERAL RESOURCES AND RESERVES

DEFINITION

Mineral Resources are the estimated quantities of material with potential for eventual economic extraction from the Group's properties.

Ore Reserves are a subset of Measured and/or Indicated Mineral Resources that can be demonstrably extracted, economically and legally.

Measured/Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing of information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Ore Reserves are declared for open pits inside the life-of-mine pit design (the optimised pit shell in this instance), which include the dilution of materials and allowances for losses which may occur when the material is mined or extracted. They are defined by studies at pre-feasibility or feasibility level, as appropriate, and include the application of modifying factors. Those studies demonstrate that, at the time of reporting, extraction could reasonably be justified (JORC, 2012). Ore Reserves are declared for in-whole rock tonnes in the pits and exclude any stockpiles. Economic assumptions used to estimate reserves change from one period to another as additional technical and operational data is generated.

BUSHVELD MINERALS: VANADIUM RESOURCE AND RESERVES

VAMETCO MINE

The Vametco Mine is situated about 6.5km north east of the town of Madibeng (formerly known as Brits). It is an operational opencast vanadium mine, located in the Bojanala Platinum District within the North West Province of the Republic of South Africa.

The operation comprises an open pit mine which supplies ore directly to the vanadium processing plant located on the same property. The open pit is approximately 3.5km long, in an east-west direction. The vanadium is extracted from magnetite occurring near the basal contact of the Upper Zone of the Bushveld Igneous Complex. The mine has been in operation since 1967.

MINERAL RESOURCES & ORE RESERVES

The Mineral Resources and Ore Reserves estimates for Vametco Mine reported herein are based on the Competent Person's depletion statement prepared by an independent consultancy company, MSA Group, as at 31 December 2023.

KEY HIGHLIGHTS

- The total Ore Reserves have increased by approximately 10% from the previous Ore Reserve estimate as at 31 December 2022. The Ore Reserves are reported as at 31 December 2023 at 293,400 tonnes V_2O_5 in magnetite at a grade of 2.00% V_2O_5 (in magnetite).
- The combined Inferred and Indicated Mineral Resource comprises three seams (the Lower, Intermediate and Upper Seams) and is reported as at 31 December 2023 at 180.4 million tonnes (Mt) at an average grade of 1.98% V_2O_5 (in magnetite), with an average magnetite content of 35.0% (in whole rock) for 694.6 thousand tonnes of contained vanadium. The previously reported combined Inferred and Indicated Mineral Resource, as at 31 December 2022, was 181.5 Mt at an average grade of 1.98% V_2O_5 (in magnetite), with an average magnetite content of 35.0% (in whole rock) for 699.0 thousand tonnes of contained vanadium.
- Within this, the Ore Reserve in the Probable Category comprise three seams (the Lower, Intermediate and Upper Seams) and is reported as 51.0 Mt at an average grade of 2.00% V_2O_5 (in magnetite), with an average magnetite content of 28.9% (in whole rock) for 164,300 tonnes of vanadium.
- The Lower Seam is the main ore seam and the thickest, ranging from 13.8 to 52.0 metres in thickness, comprising a Probable Reserve of 41.2 Mt at an average grade of 2.03% V_2O_5 (in magnetite), with an average magnetite content of 28.2% (in whole rock) for 132,200 tonnes of vanadium.
- The decrease in the total 2023 Mineral Resource, by 0.61% less tonnes than the 31 December 2022 estimate, is attributed to mining of the seams over the last 12 months. No Mineral Resource exploration was carried out over the period.
- The year-on-year depletion which was calculated to be 1.1 Mt, was offset by an increase in tonnage through improved definition of the existing pit design (1.7 Mt) and an adjustment to the modifying factors (4.1 Mt), resulting in an increase in the total Ore Reserves from 46.4 Mt to 51.0 Mt as at 31 December 2023. The Ore Reserve modifying factors (mining loss and dilution) were adjusted based on pit to plant reconciliation production data supplied by Bushveld Vametco Alloys (Pty). Ltd. This resulted in a significant increase in the Upper Seam ore tonnes from 36.2 Mt to 41.2 Mt.

TABLE 1: VAMETCO MINERAL RESOURCE AT A CUT-OFF GRADE OF 20% MAGNETITE, AS AT 31 DECEMBER 2023

Class	Seam Name	Tonnes (Millions)	V_2O_5 grade of whole rock %	Magnetite grade of whole rock %	V_2O_5 grade in magnetite %	Tonnes V_2O_5 in magnetite (Thousands)	Tonnes V in magnetite (Thousands)
Indicated	Upper	5.3	1.44	65.9	1.78	61.7	34.6
	Intermediate	27.3	0.67	32.9	1.91	171.3	95.9
	Lower	105.3	0.72	32.4	2.03	692.7	387.9
	Total	**137.9**	**0.74**	**33.7**	**2.00**	**925.7**	**518.4**
Inferred	Upper	10.1	1.46	63.6	1.75	112.9	63.2
	Intermediate	7.0	0.67	32.1	1.92	43.4	24.3
	Lower	25.4	0.74	31.3	2.00	158.4	88.7
	Total	**42.5**	**0.90**	**39.1**	**1.93**	**314.7**	**176.2**
Indicated and Inferred	Upper	**15.4**	**1.45**	**64.4**	**1.76**	**174.6**	**97.8**
	Intermediate	34.4	0.67	32.7	1.91	214.7	120.2
	Lower	130.6	0.72	32.1	2.03	851.1	476.6
	Total	**180.4**	**0.77**	**35.0**	**1.98**	**1,240.4**	**694.6**

Notes:
1 All tabulated data have been rounded and as a result minor computational errors may occur.
2 Mineral Resources which are not Ore Reserves have no demonstrated economic viability.
3 Mineral Resources are inclusive of Ore Reserves (not indicated in the table).
4 Magnetite content (grade) is determined as the proportion of magnetite concentrate recovered using Davis Tube methodology.
5 Due to the magnetite grade being a recovered grade, differences will occur between whole rock V_2O_5 grades back-calculated from concentrate, versus those derived from whole rock assays.
6 Depleted using the 31 December 2023 pit survey.
7 Reported on a Gross Basis. Bushveld Minerals shareholding in Bushveld Vametco Alloys is 100%.

TABLE 2: VAMETCO MINERAL RESOURCE AT A CUT-OFF GRADE OF 20% MAGNETITE, 31 DECEMBER 2023 VERSUS 31 DECEMBER 2022

Class	Seam Name	Tonnes (Millions)	V_2O_5 grade of whole rock %	Magnetite grade of whole rock %	V_2O_5 grade in magnetite %	Tonnes V_2O_5 in magnetite (Thousands)	Tonnes V in magnetite (Thousands)	Tonnes (Millions)	V_2O_5 grade of whole rock %	Magnetite grade of whole rock %	V_2O_5 grade in magnetite %	Tonnes V_2O_5 in magnetite (Thousands)	Tonnes V in magnetite (Thousands)
		31 December 2023						31 December 2022					
Indicated	Upper	5.3	1.44	65.9	1.78	61.7	34.6	5.4	1.44	65.9	1.78	62.7	35.1
	Intermediate	27.3	0.67	32.9	1.91	171.3	95.9	27.6	0.67	32.9	1.91	173.1	97.0
	Lower	105.3	0.72	32.4	2.03	692.7	387.9	105.9	0.72	32.4	2.03	697.2	390.4
	Total	**137.9**	**0.74**	**33.7**	**2.00**	**925.7**	**518.4**	**139.0**	**0.74**	**33.8**	**2.00**	**933.0**	**522.5**
Inferred	Upper	10.1	1.46	63.6	1.75	112.9	63.2	10.2	1.46	63.6	1.75	113.3	63.5
	Intermediate	7.0	0.67	32.1	1.92	43.4	24.3	7.0	0.67	32.1	1.92	43.4	24.3
	Lower	25.4	0.74	31.3	2.00	158.4	88.7	25.4	0.74	31.3	2.00	158.4	88.7
	Total	**42.5**	**0.90**	**39.1**	**1.93**	**314.7**	**176.2**	**42.6**	**0.90**	**39.1**	**1.93**	**315.2**	**176.5**
Indicated and Inferred	Upper	15.4	1.45	64.4	1.76	174.6	97.8	15.5	1.45	64.4	1.76	176.0	98.6
	Intermediate	34.4	0.67	32.7	1.91	214.7	120.2	34.7	0.67	32.7	1.91	216.5	121.3
	Lower	130.6	0.72	32.1	2.03	851.1	476.6	131.3	0.72	32.1	2.03	855.6	479.2
	Total	**180.4**	**0.77**	**35.0**	**1.98**	**1,240.4**	**694.6**	**181.5**	**0.77**	**35.0**	**1.98**	**1,248.2**	**699.0**

Notes:
1 All tabulated data have been rounded and as a result minor computational errors may occur.
2 Mineral Resources which are not Ore Reserves have no demonstrated economic viability.
3 Mineral Resources are inclusive of Ore Reserves (not indicated in the table).
4 Magnetite content (grade) is determined as the proportion of magnetite concentrate recovered using Davis Tube methodology.
5 Due to the magnetite grade being a recovered grade, differences will occur between whole rock V_2O_5 grades back-calculated from concentrate, versus those derived from whole rock assays.
6 2022 depletion as at 31 December 2022.
7 2023 depletion as at 31 December 2023.
8 Reported on a Gross Basis. Bushveld Minerals shareholding in Bushveld Vametco Alloys is 100%.

TABLE 3: VAMETCO ORE RESERVES, 31 DECEMBER 2023 – GROSS BASIS

Class	Seam Name	Tonnes (Millions)	V_2O_5 grade of whole rock %	Magnetite grade of whole rock %	V_2O_5 grade in magnetite %	Tonnes V_2O_5 in magnetite (Thousands)	Tonnes V in magnetite (Thousands)
Probable	Upper	1.8	1.15	53.5	1.77	17.3	9.7
	Intermediate	8.0	0.57	26.8	1.87	39.9	22.4
	Lower	41.2	0.62	28.2	2.03	236.2	132.2
	Total	**51.0**	**0.63**	**28.9**	**2.00**	**293.4**	**164.3**

Notes:
1 All tabulated data have been rounded and as a result minor computational errors may occur.
2 Ore Reserve tonnes and grades reported on dry run of mine ("RoM") (plant feed) basis after mining modifying factors have been applied but before beneficiation down-stream recoveries/losses have been applied.
3 Reporting was prepared on a Mineral Resource model developed by MSA.
4 Ore Reserves depleted as at 31 December 2023 using 31 December 2023 pit survey.
5 Ore Reserve estimate was based on a revised pit design completed in September 2022.
6 Ore Reserve modifying factors adjusted by seam based on analysis of pit to plant production information.
7 Ore Reserve estimate depleted using Datamine Studio 5DP Open Pit software and latest topography supplied by Vametco as of 31 December 2023.
8 Reported on a Gross Basis. Bushveld Minerals shareholding in Bushveld Vametco Alloys is 100%.

TABLE 4: VAMETCO ORE RESERVE AT A CUT-OFF GRADE OF 20% MAGNETITE, 31 DECEMBER 2023 VERSUS 31 DECEMBER 2022 – GROSS BASIS

Class	Seam Name	Tonnes (Millions)	V_2O_5 grade of whole rock %	Magnetite grade of whole rock %	V_2O_5 grade in magnetite %	Tonnes V_2O_5 in magnetite (Thousands)	Tonnes V in magnetite (Thousands)	Tonnes (Millions)	V_2O_5 grade of whole rock %	Magnetite grade of whole rock %	V_2O_5 grade in magnetite %	Tonnes V_2O_5 in magnetite (Thousands)	Tonnes V in magnetite (Thousands)
		31 December 2023						31 December 2022					
Probable	Upper	1.8	1.15	53.5	1.77	17.3	9.7	1.9	1.07	50.2	1.77	16.7	9.3
	Intermediate	8.0	0.57	26.8	1.87	39.9	22.4	8.3	0.57	26.7	1.87	41.3	23.1
	Lower	41.2	0.62	28.2	2.03	236.2	132.2	36.2	0.62	28.1	2.03	206.7	115.7
	Total	**51.0**	**0.63**	**28.9**	**2.00**	**293.4**	**164.3**	**46.4**	**0.63**	**28.7**	**1.99**	**264.6**	**148.2**

Notes:
1 All tabulated data have been rounded and as a result minor computational errors may occur.
2 Ore Reserve tonnes and grades reported on dry RoM (plant feed) basis after mining modifying factors have been applied but before beneficiation down-stream recoveries/losses have been applied.
3 Reporting was prepared on a Mineral Resource model developed by MSA.
4 2022 depletion as at 31 December 2022.
5 2023 depletion as at 31 December 2023.
6 Ore Reserve estimate was based on a revised pit design completed in September 2022.
7 Ore Reserve modifying factors adjusted by seam based on analysis of historical pit to plant production information.
8 Ore Reserve estimate depleted using Datamine Studio 5DP Open Pit software and latest topography supplied by Vametco as of 31 December 2023.
9 Ore Reserve estimate compared to previous depleted Ore Reserves estimate compiled in December 2022.
10 Reported on a Gross Basis. Bushveld Minerals shareholding in Bushveld Vametco Alloys is 100%.

TABLE 5: MML AND MML-HW MINERAL RESOURCES AT A 0.30% V_2O_5 CUT-OFF, ≤120 M DEPTH, AS AT 15 OCTOBER 2017

Layer name	Mineral resource category	Width (m)	Tonnes (Mt^1)	Density (t/m^3)	V_2O_5 (%)	Fe (%)	Fe_2O_3 (%)	TiO_2 (%)	SiO_2* (%)	Al_2O_3* (%)	P_2O_5* (%)	S* (%)	V_2O_5 (Kt)	Fe (Mt)
UG-C	Inferred	4.04	31.8	3.48	0.64	25.7	36.7	5.9	30.2	15.4	0.01	0.12	202.8	8.2
UG-A	Inferred	1.64	12.7	3.31	0.59	23.2	33.1	5.3	32.5	17.5	0.01	0.01	75.6	3.0
UMG1	Inferred	3.24	25.5	3.30	0.59	22.9	32.7	5.4	32.6	17.6	0.01	0.01	150.4	5.8
UMG2	Inferred	2.03	15.7	3.40	0.69	25.9	37.0	6.2	29.4	16.7	0.01	0.01	107.7	4.1
MAG1-HW GAB**	Inferred	17.53	72.3	3.02	0.31	13.1	18.8	2.9	42.0	21.9	0.01	0.12	223.3	9.5
MAG1	Inferred	1.31	12.0	3.96	1.07	40.0	57.1	9.7	15.6	10.8	0.01	0.06	128.7	4.8
MAG2	Inferred	1.10	9.2	3.57	0.83	30.2	43.1	7.2	25.1	15.1	0.01	0.06	76.3	2.8
MML-HW	Inferred	5.89	42.3	3.01	0.32	13.4	19.2	2.5	42.2	21.6	0.02	0.11	136.0	5.7
Total	**Inferred**	**36.77**	**221.5**	**3.21**	**0.50**	**19.8**	**28.3**	**4.4**	**35.7**	**18.9**	**0.01**	**0.08**	**1,100.8**	**43.8**
MAG3	Indicated	4.09	27.5	4.08	1.50	45.5	65.1	10.0	10.6	7.8	0.01	0.12	412.5	12.5
PART	Indicated	2.16	11.4	3.16	0.58	20.9	29.9	3.5	34.5	19.0	0.01	0.17	66.3	2.4
MAG4	Indicated	3.59	24.3	4.00	1.46	43.9	62.7	9.3	11.8	8.9	0.01	0.24	354.9	10.7
Total	**Indicated**	9.84	63.2	3.85	1.32	40.4	57.8	8.6	15.4	10.2	0.01	0.18	833.7	25.6
Total Mineral Resources[1]		**46.61**	**284.8**	**3.33**	**0.68**	**24.4**	**34.8**	**5.4**	**31.2**	**17.0**	**0.01**	**0.10**	**1,934.5**	**69.4**

Notes:
1 Rounding may cause computational errors; no geological losses applied.
* Included for information purposes only, no value will be derived from these materials.
** A 0.30% V_2O_5 cut-off has been applied laterally across this layer, so only material greater than 0.30% V_2O_5 is included in the tonnage listed in this table.

TABLE 6: PROBABLE ORE RESERVES FOR MOKOPANE PROJECT

Orebody	True thickness (m)	Specific gravity (t/m^3)	Tonnes (millions)	V_2O_5 (%)
MML Upper (MAG3)	4.09	4.08	15,342	1.43
MML Lower (MAG4)	3.59	4.00	13,154	1.39
Total/Average*	**7.68**	**4.04***	**28,496**	**1.41***

Notes:
Mineral Resource is reported at a 40% Fe2O3 cut-off; no geological losses applied.
* Included for informative purposes only, no value will be derived from these materials.

TABLE 7: AB ZONE MINERAL RESOURCE AT 0.3% V_2O_5 CUT-OFF, ≤120 M VERTICAL DEPTH, AS AT 15 OCTOBER 2017

Layer name	Mineral Resource category	Tonnes (Mt[1])	Thickness (m)	Density (t/m^3)	V_2O_5 (%)	Fe_2O_3 (%)	TiO_2 (%)	P_2O_5* (%)	SiO_2* (%)	Al_2O_3* (%)	S* (%)	V_2O_5 (%)
AB Upper	Inferred	2.7	1.93	3.29	0.89	34.7	5.4	0.01	30.3	17.1	0.06	24.3
AB Parting	Inferred	3.7	2.86	3.07	0.48	20.9	3.0	0.01	40.0	19.7	0.01	17.9
AB Lower	Inferred	6.0	4.51	3.21	0.75	29.1	4.3	0.01	34.6	18.6	0.01	45.1
Total[1]	**Inferred**	**12.5**	**9.30**	**3.18**	**0.70**	**27.9**	**4.2**	**0.01**	**35.3**	**18.6**	**0.02**	**87.3**

Notes:
1 Rounding may cause computational errors; no geological losses applied.
* Included for informative purposes only, no value will be derived from these materials.

The Mineral Resources and Ore Reserves estimates are based on the Competent Person's Report prepared by MSA Group as at 15 October 2017.

TABLE 8: N-Q ZONE (WEATHERED + UNWEATHERED) INDICATED MINERAL RESOURCE LESS THAN 200 M DEPTH, AS AT 8 MARCH 2013

Layer name	Tonnes (millions)	Specific gravity (g/cm^3)	Fe (%)	Fe_2O_3 (%)	Fe metal (Mt)	TiO_2 (%)	V_2O_5 (%)	SiO_2 (%)	Al_2O_3 (%)	P_2O_5 (%)	S (%)
Q3	138.63	3.61	31.7	45.4	43.99	10.2	0.13	25.2	9.9	0.06	0.40
Q2	81.17	4.01	41.9	59.9	34.00	15.2	0.28	12.6	6.5	0.02	0.27
Q1	26.36	3.59	32.5	46.6	8.58	10.5	0.28	22.3	9.9	0.02	0.27
PMAG	34.44	3.62	32.4	46.3	11.15	10.1	0.29	21.3	10.5	0.03	0.80
PFWDISS*	67.28	3.38	26.9	38.5	18.13	7.1	0.22	30.1	12.8	0.03	0.33
OMAG*	2.63	4.00	37.2	53.2	0.98	11.1	0.49	18.5	7.9	0.01	0.12
NMAG	4.58	4.41	48.7	69.6	2.23	16.0	0.56	6.9	5.3	0.03	0.11
Total	**355.09**	**3.67**	**33.51**	**47.65**	**119.06**	**10.85**	**0.22**	**22.37**	**9.66**	**0.05**	**0.38**

* Layer reported at a 35% Fe_2O_3 cut-off; no geological losses applied.

TABLE 9: N-Q ZONE (UNWEATHERED) INFERRED MINERAL RESOURCE, 200 M TO 400 M DEPTH, AS AT 8 MARCH 2013

Layer Name	Tonnes (millions)	Density (t/m^3)	Fe (%)	Fe_2O_3 (%)	Fe metal (Mt)	TiO_2 (%)	V_2O_5 (%)	SiO_2 (%)	Al_2O_3 (%)	P_2O_5 (%)	S (%)
Q3	139.03	3.59	30.2	43.3	42.05	8.8	0.09	28.3	10.3	0.13	0.61
Q2	92.64	3.99	40.2	57.5	37.27	14.1	0.23	15.3	7.6	0.02	0.55
Q1	23.42	3.64	32.7	46.8	7.66	10.8	0.27	22.2	10.6	0.02	0.36
PMAG	38.28	3.58	30.6	43.7	11.70	9.8	0.26	23.5	11.5	0.04	0.74
PFWDISS*	76.51	3.37	26.8	38.3	20.49	6.9	0.21	30.2	12.8	0.03	0.43
OMAG*	1.87	3.77	32.4	46.3	0.61	9.5	0.40	23.1	10.4	0.02	0.10
NMAG	7.22	4.32	46.3	66.2	3.34	15.6	0.49	8.3	5.8	0.02	0.14
Total	**378.97**	**3.66**	**32.47**	**46.47**	**123.12**	**10.07**	**0.19**	**24.24**	**10.20**	**0.06**	**0.55**

* Layer reported at a 35% Fe2O3 cut-off; no geological losses applied.

TABLE 10: P-Q ZONE INFERRED MINERAL RESOURCE, SURFACE TO 300 M VERTICAL DEPTH AT A 35% FE_2O_3 CUT-OFF FOR THE FARMS SCHOONOORD 786LR AND BELLEVUE 808LR, AS AT 15 OCTOBER 2017

Layer Name	Tonnes (millions)	Density (t/m^3)	Fe (%)	Fe_2O_3 (%)	Fe metal (Mt)	TiO_2 (%)	V_2O_5 (%)	SiO_2 (%)	Al_2O_3 (%)	P_2O_5 (%)	S (%)
Q3	75.3	3.77	34.3	49.1	25.82	10.5	0.10	23.0	9.4	0.28	0.55
Q2	85.5	4.14	42.6	60.9	36.40	14.9	0.26	13.1	6.9	0.03	0.50
Q1	13.1	3.82	36.4	52.1	4.76	12.2	0.30	19.1	9.8	0.03	0.46
PMAG	19.7	3.52	27.6	39.5	5.45	8.3	0.23	29.1	12.4	0.06	1.00
PFWDISS*	27.3	3.45	27.8	39.8	7.60	8.0	0.22	28.3	12.9	0.06	0.55
Total	**220.8**	**3.85**	**36.2**	**51.9**	**80.03**	**11.8**	**0.20**	**20.1**	**9.2**	**0.12**	**0.57**

* Layer reported at a 35% Fe2O3 cut-off; no geological losses applied.

THE PQ PHOSPHATE PROJECT MINERAL RESOURCES

The PQ Phosphate Project resource lies immediately above the iron ore and titanium resource of the PQ Project. The Company reported on 3 June 2014, a maiden phosphate resource statement for the PQ deposit of 442 Mt, with average phosphate grades of 3.6% P_2O_5 as shown in Table 13. Although the grades are low, the PQ Phosphate deposit is in the immediate hanging wall of the PQ Project and would be mined concurrently with the stripping of the latter. Of particular interest is that laboratory-scale test work has shown that 37% P_2O_5 concentrate grades are achievable from this deposit.

Figures are based on the Competent Person's Report prepared by MSA Group as at 15 October 2017.

TABLE 11: INFERRED MINERAL RESOURCE OF PHOSPHATE ZONE AT A THREE PERCENT P_2O_5 CUT-OFF, AS AT 15 OCTOBER 2017

Farm	Tonnes (millions)	P_2O_5 (%)	Fe_2O_3 (%)	S* (%)	SiO_2* (%)	*CaO* (%)	Density (t/m^3)
Vliegekraal	330.0	3.6	32.1	0.39	34.0	9.1	3.30
Malokong	1.8	3.2	35.5	0.37	35.4	8.6	3.27
Schoonoord	104.9	3.6	34.1	0.40	33.0	8.8	3.37
Bellevue	5.0	3.6	34.4	0.41	33.3	8.9	3.36
Total[1]	**441.6**	**3.6**	**32.6**	**0.39**	**33.7**	**9.0**	**3.32**

1 All tabulated data has been rounded and as a result minor computational errors may occur.

LEMUR HOLDINGS LIMITED

The Mineral Resource estimates are based on the Competent Person's Report prepared by Sumsare Consulting Group CC as at 26 April 2023.

TABLE 12: RESOURCE FOR THE IMALOTO COAL PROJECT

Category	Gross			Mineable (SAMREC 2016)			Net attributable (99%)			Operator
		Raw coal quality (ADB)			Raw coal quality (ADB)			Raw coal quality (ADB)		
Coal Resource per asset	Tonnes (millions)	Ash (%)	CV (MJ/Kg)	MTIS (Mt)	Ash (%)	CV (MJ/kg)	Tonnes (millions)	Ash (%)	CV (MJ/kg)	
Measured	90.448	33.5	19.26	76.500	33.5	19.26	75.735	33.5	19.26	Lemur Holdings Limited
Indicated	41.206	37.0	17.66	33.274	37.0	17.66	32.941	37.0	17.66	
Inferred	8.733	36.6	18.42	6.637	36.6	18.42	6.571	36.6	18.42	
Indicated and Inferred	49.939	36.9	17.79	39.911	36.9	17.79	39.512	36.9	17.79	
Total	**140.387**	**34.7**	**18.74**	**116.411**	**34.7**	**18.75**	**115.247**	**34.7**	**18.75**	

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial advisor who specialises in advising on shares or other securities and who is, in the case of UK shareholders, authorised under the Financial Services and Market Act 2000.

If you have sold or transferred your shares in Bushveld Minerals Limited, please forward this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part of your registered holding of shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

NOTICE OF ANNUAL GENERAL MEETING

BUSHVELD MINERALS LIMITED

(Incorporated in Guernsey under registered number 54506)

REGISTERED OFFICE:

Oak House, Hirzel Street, St Peter Port,
Guernsey, GY1 3RH.

28 June 2024

Notice is hereby given of an Annual General Meeting of Bushveld Minerals Limited to be held at 12:00 noon on 7 August 2024 at Oak House, Hirzel Street, St Peter Port, Guernsey, GY1 3RH.

PLEASE READ CAREFULLY – ARRANGEMENTS FOR THE ANNUAL GENERAL MEETING

The Board recognises that travel to Guernsey may not be feasible for the majority of shareholders and so would like to draw the attention of shareholders to the following:

1. The Company urges shareholders to vote by proxy and to appoint the chairman of the Meeting as their proxy for that purpose. If a shareholder appoints someone other than the chairman of the meeting as their proxy, that proxy, if not present in Guernsey, may not be able physically to attend the meeting or cast the shareholder's vote. All votes on the resolutions contained in this Notice will be held by poll, so that all voting rights exercised by shareholders who are entitled to do so at the Meeting will be counted.
2. The Board encourages all shareholders to exercise their votes by proxy, and to submit any questions in respect of the Meeting in advance. This should ensure that your votes are registered in the event that attendance at the Meeting is not possible. Shareholders are encouraged to use the online voting facilities detailed below where possible rather than submitting a paper proxy card.
3. The arrangements for the Meeting proposed by the Board are subject to constant review and, should they be subject to change, the Company will update shareholders through a market announcement and will provide further details on the Company's website. The Board reserves the right, should it become necessary, to restrict attendance at the Meeting as part of security arrangements pursuant to Article 73.2 of the Articles of Incorporation of the Company (the "**Articles**").

ORDINARY RESOLUTIONS

1. To receive and adopt the Annual Financial Statements of the Company, the Directors' Report, and the Report of the Auditors for the financial year ended 31 December 2023.
2. To approve the Directors Fees as reflected in Remuneration Report and in Note 35 of the Annual Financial Statements.
3. That Messrs RSM UK Audit LLP be reappointed as Auditors to the Company.
4. That the Directors be authorised to approve the remuneration of the Company's Auditors to the Company.
5. That Mirco Bardella shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
6. That Craig Coltman shall be re-elected as a Director, having retired by rotation and offered himself for re-election.
7. The Company be generally and unconditionally authorised for the purposes of Articles 50.3 of the Articles to make on market acquisitions (as defined in Article 50.5 of the Articles) of Ordinary Shares on such terms and in such manner as the Directors determine provided that:
   - (i) the maximum aggregate number of Ordinary shares which may be purchased is 231,102,240 Ordinary Shares;
   - (ii) the minimum price (excluding expenses) which may be paid for each Ordinary share is £0.01;
   - (iii) the maximum price (excluding expenses) which may be paid for any Ordinary Share does not exceed 105% of the average closing price of such shares for the five business days of AIM prior to the date of purchase; and
   - (iv) this authority shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to that time (except in relation the purchase of Ordinary Shares the contract for which was concluded before the expiry of such authority, in which case such purchase may be concluded wholly or partly after such expiry).

ORDINARY RESOLUTIONS *CONTINUED*

8. The Directors of the Company are hereby authorised to exercise all powers of the Company to issue, grant rights to subscribe for, or to convert any securities into, up to 770,340,802 shares (together "**Equity Securities**") in the capital of the Company being approximately one third of the issued share capital of the Company (excluding treasury shares) in accordance with Article 8.3 of the Articles of Incorporation of the Company such authority to expire, unless previously renewed, revoked or varied by the Company by ordinary resolution, at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, but in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require Equity Securities to be issued or granted after the authority given to the Directors of the Company pursuant to this Resolution ends and the Directors of the Company may issue or grant Equity Securities under any such offer or agreement as if the authority given to the Directors of the Company pursuant to this Resolution had not ended. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities; and

SPECIAL RESOLUTIONS

9. If Resolution 8 is passed, the Directors of the Company be and they are hereby authorised to exercise all powers of the Company to issue or grant Equity Securities in the capital of the Company pursuant to the issue or grant referred to in Resolution 8 as if the pre-emption rights contained in Article 9.9 of the Articles of Incorporation of the Company did not apply to such issue or grant provided that: (A) the maximum aggregate number of Equity Securities that may be issued or granted under this authority is 231,102,240 shares, being approximately 10.0% of the issued share capital of the Company (excluding treasury shares); and (B) the authority hereby conferred, unless previously renewed, revoked or varied by the Company by special resolution, shall expire at the end of the next Annual General Meeting of the Company or, if earlier, at the close of business on the date falling 15 months from the date of the passing of this Resolution, save that the Company may before such expiry make an offer or agreement which would or might require Equity Securities to be issued or granted after such expiry and the Directors may issue or grant Equity Securities in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired. This Resolution is in substitution for all unexercised authorities previously granted to the Directors of the Company to issue or grant Equity Securities in the capital of the Company as if the pre-emption rights contained in Article 9.9 of the Articles of Incorporation of the Company did not apply to such issue or grant.

By order of the Board

K BREDIN
Company Secretary
28 June 2024

NOTICE OF MEETING NOTES:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 5 August 2024. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
2. Shareholders are entitled to appoint another person as a proxy as set out below to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company, but please note that in accordance with the measures set out above, shareholders are encouraged to appoint the Chairman of the Meeting as their proxy for the purposes of ensuring that their proxy will be able to attend the Meeting.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. In the absence of any specific instructions from you, your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
5. You can vote either:
   - by using the Link Investor Centre app or by logging on to **https://investorcentre.linkgroup.co.uk/Login/Login** and following the instructions. This system allows you to appoint a proxy and to instruct your proxy how to vote. If you have note used the service before you will need to register online, for which you will need your investor code (IVC). In order for a proxy appointment to be made in this way, you will need to submit your instructions via the Link Investor Centre by 12:00 noon on 5 August 2024;
     Link Investor Centre is a free app for smartphone and tablet provided by Link Group (the company's registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Link Investor Centre via a web browser at: **https://investorcentre.linkgroup.co.uk/Login/Login**.

     Download on the App Store   GET IT ON Google Play

   - by requesting a hard copy form of proxy directly from the Registrars, Link Group by email at **shareholderenquiries@linkgroup.co.uk** or by phone – UK – 0371 664 0300. (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00-17:30, Monday to Friday excluding public holidays in England and Wales). In order for a proxy appointment by way of a hard copy form of proxy to be valid, the form of proxy must be received by Link Group at PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 12:00 noon on 5 August 2024.
   - in the case of shareholders holding their shares through CREST, by submitting a CREST Proxy Instruction utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
   - if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged by 12:00 noon on 5 August 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
6. If you return more than one proxy appointment, either by paper or electronic communication (including via the Link Investor Centre), the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
7. The return of a completed form of proxy or any CREST Proxy Instruction (as described in note 10 below), or the submission of instructions via the Link Investor Centre or via Proxymity, will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.
8. Shareholders holding their shares through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from **www.euroclear.com**). Shareholders holding their shares through a CREST sponsor or service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12:00 noon on 5 August 2024. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. Shareholders holding their shares through CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the shareholder concerned to take (or, if the shareholder is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, shareholders holding their shares through CREST and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 34(1) of the Uncertificated Securities (Guernsey) Regulations, 2009.
11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
12. As at 27 June 2024 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital (excluding treasury shares) consists of 2,311,022,407 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 27 June 2024 are 2,311,022,407.
13. You may not use any electronic address (within the meaning of Section 523(2) of the Companies (Guernsey) Law, 2008) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
14. A copy of this Notice can be found on the Company's website at **www.bushveldminerals.com/investors**.

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