



MEDIA RELEASE

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SA JUNIOR EXPLORER/DEVELOPER TARGETS GLOBAL VANADIUM MARKET

AIM-listed junior explorer/developer Bushveld Minerals (Bushveld) continues to make strides in realising its vanadium aspirations, leveraging its greenfields position in the South African vanadium exploration, mining and processing space.

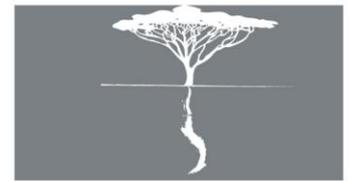
Fresh from the recent completion of its full take-over of ASX-listed Lemur Resources – bringing in about A\$12 million in cash and a coal asset in Madagascar – the company is moving swiftly realise its stated ambition to build a globally significant vanadium business.

The plan is to supply into the robust global steel market – and interestingly for a company with its footprint in a country facing serious power supply challenges – to access burgeoning interest worldwide in the energy storage potential of vanadium redox flow batteries (VRFBs).

At a media briefing on the sidelines of the Jo'burg Mining Indaba today, Bushveld CEO Fortune Mojapelo said the company is considering several restructuring options to give effect to its focus on vanadium going forward.

This could see the emergence of a dedicated Bushveld Vanadium Resources (BVR) as the flagship of Bushveld Minerals – currently a pan-African explorer/developer with multiple mineral assets, including tin and coal – the objective being to provide new investor opportunities in vanadium.

Mojapelo is a mining entrepreneur and co-founder – with Anthony Viljoen and brothers Professor Morris and Professor Richard Viljoen – of several



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junior mining companies, including Bushveld Minerals and New Horizon Minerals. The Viljoen brothers are both synonymous with African geology and minerals exploration where they have had a hand in several significant mineral discoveries.

Non-executive chairman Ian Watson is former CEO of Platmin Limited, International Ferro Metals Limited and Northam Platinum Limited. He was previously a consulting engineer at Gold Fields of South Africa Limited.

Anchor vanadium project

Mojapelo flags as BVR's anchor the Mokopane Vanadium Project (BVP). On the northern limb of South Africa's vanadium-rich Bushveld Complex, this is a 300Mt outcropping resource, along a 5km strike near Mokopane.

A successful scoping study on Mokopane was completed in 2014 and a pre-feasibility study (PFS), is in progress. The plan is then to proceed to a bankable feasibility study (BFS) with a strategic partner while exploring opportunities for brownfield installed processing infrastructure, both ideally with a strategic partner on board.

While the company awaits the award of a mining right, an environmental impact assessment has been completed, submitted to and accepted by the Department of Mineral Resources as required in terms of the Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002).

Consolidation

Critical elements in the BVR story, according to Mojapelo are:

- the establishment and consolidation of high-grade vanadium deposits on all three limbs of the Bushveld Complex, with close proximity to established logistics and processing infrastructure, using an extensive database already developed; and
- a “pragmatic, realisable path to production, with modest capital expenditure requirements”. Key to accelerating the time to production and reducing capital requirements are the acquisition of several brownfields processing infrastructure opportunities available to BVR in South Africa, and access to important power and logistics infrastructure.
- Supporting the vanadium demand outlook by actively developing market opportunities for energy storage applications through vanadium redox flow batteries



Mojapelo points to the Brits Vanadium Project on the western limb of the Bushveld Complex, recently acquired through Lemur Resources, as a potential for sensible exploitation of synergies: “With an orebody that is an extension of the Vametco mine orebody and historical data pointing to an in-concentrate V_2O_5 grade of more than 2%, the Brits project is adjacent to both Evraz’s Vametco operation and Glencore’s Rhovan operation, within 150km of processing infrastructure, and well serviced by rail”.

Vanadium market

Mojapelo says vanadium is a very attractive commodity. Its demand outlook is well supported by the global steel industry which accounts for approximately 90% of consumption, with significant emerging upside from the energy storage sector through (Vanadium Redox Flow Battery) VRFBs. Key to the vanadium demand in steel sector will be ongoing urbanisation and infrastructure build programmes in emerging markets as well as regulation-driven increased use of vanadium in steel production.

Meanwhile, a concentrated and limited supply growth profile in the vanadium production can be expected to provide price support in the medium to long term. That 67% of supply is linked to co-product steel producers processing relatively low grade vanadium-bearing magnetite deposits and operating under strained economics presents significant threats to vanadium supply - a threat that is heightened by the opportunity for these steel plants to switch to cheaper haematite iron ore (non-vanadium bearing) feedstock imports.”

Energy storage: opportunity

Utility scale energy storage presents a significant opportunity for vanadium upside globally, where flow batteries are forecasted to supply 10-25% of the market. Africa, in particular, with a substantial power deficit, large need for off-grid electrification and reliance on diesel generation, offers a significant and immediate market for distributed generation and storage offering a market opportunity of up to 80-90GWh or US\$25-30 billion, Mojapelo says.

Moreover, the growing adoption of renewable energy globally only increases the need and size of the opportunity for energy storage solutions.

For further information on Bushveld please visit www.bushveldminerals.com or see the various contacts on page 1 of this announcement.



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