

2013 INTEGRATED
ANNUAL REPORT
for the year ended 30 June

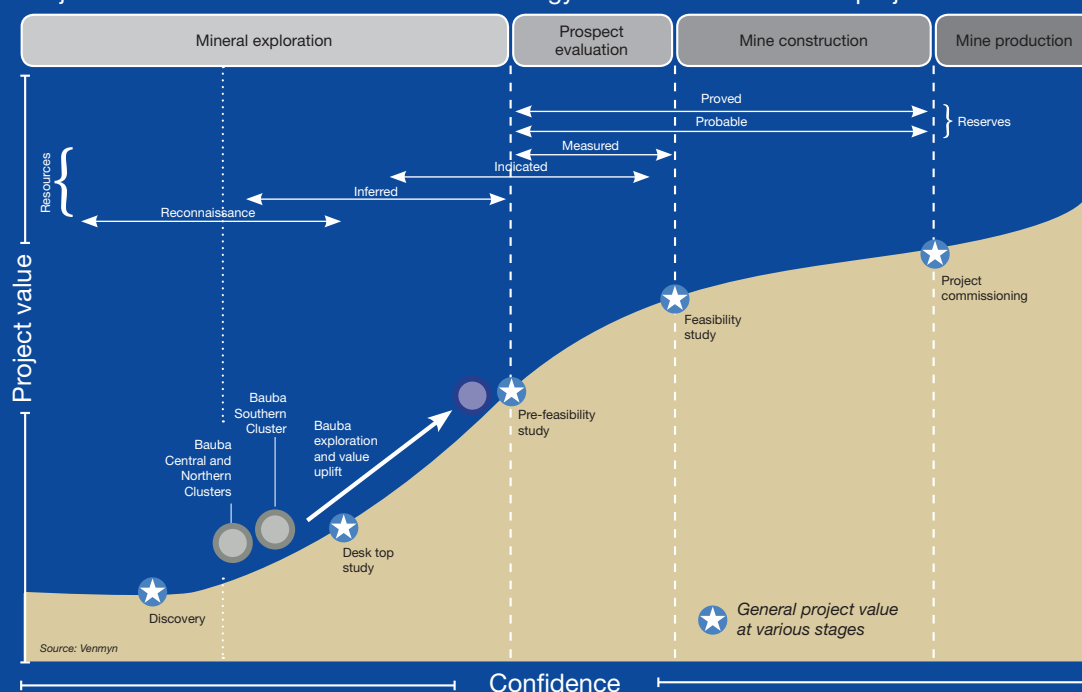


Building confidence in our resource base...

BAUBA
PLATINUM

PROJECT VALUE CURVE

Project lifetime value and valuation methodology curve for PGE resource projects



A function of the amount of knowledge on a mineral resource/property and the degree of probability of it being brought to account.

INTEGRATED REPORTING

This integrated annual report has been compiled in accordance with the integrated reporting principles contained in the Code of Corporate Practices and Conduct set out in the King Report on Corporate Governance for South Africa 2009 (King III).

We recognise, in line with the principles of King III, that companies should report

not only on financial performance, but also on their sustainability, by disclosing social, environmental and economic information material to the Group and its stakeholders. This report provides stakeholders with relevant financial and non-financial information to enable them to obtain a more balanced view of our business.

This is the third integrated report that we have produced and we acknowledge that guidelines on integrated reporting are still at an early stage of development. The board is committed to applying the reporting standards as required by King III and recognised best practice.

CONTENTS

1	Company profile
2	Board of directors
3	Chairman's statement
4	Chief executive officer's statement
6	Exploration report
8	Corporate governance, ethics and stakeholder engagement
17	Corporate citizenship
18	Directors' responsibility statement
18	Certification by company secretary
19	Directors' report

21	Audit and risk committee report
22	Independent auditor's report
23	Consolidated statements of comprehensive income
24	Consolidated statements of financial position
25	Consolidated statements of cash flow
26	Consolidated statements of changes in equity
27	Operational segment reporting
28	Notes to the annual financial statements

49	Shareholders' information
50	Notice of annual general meeting
55	Salient features of the Bauba Share Incentive Plan
61	Form of proxy
ibc	Company information

COMPANY PROFILE

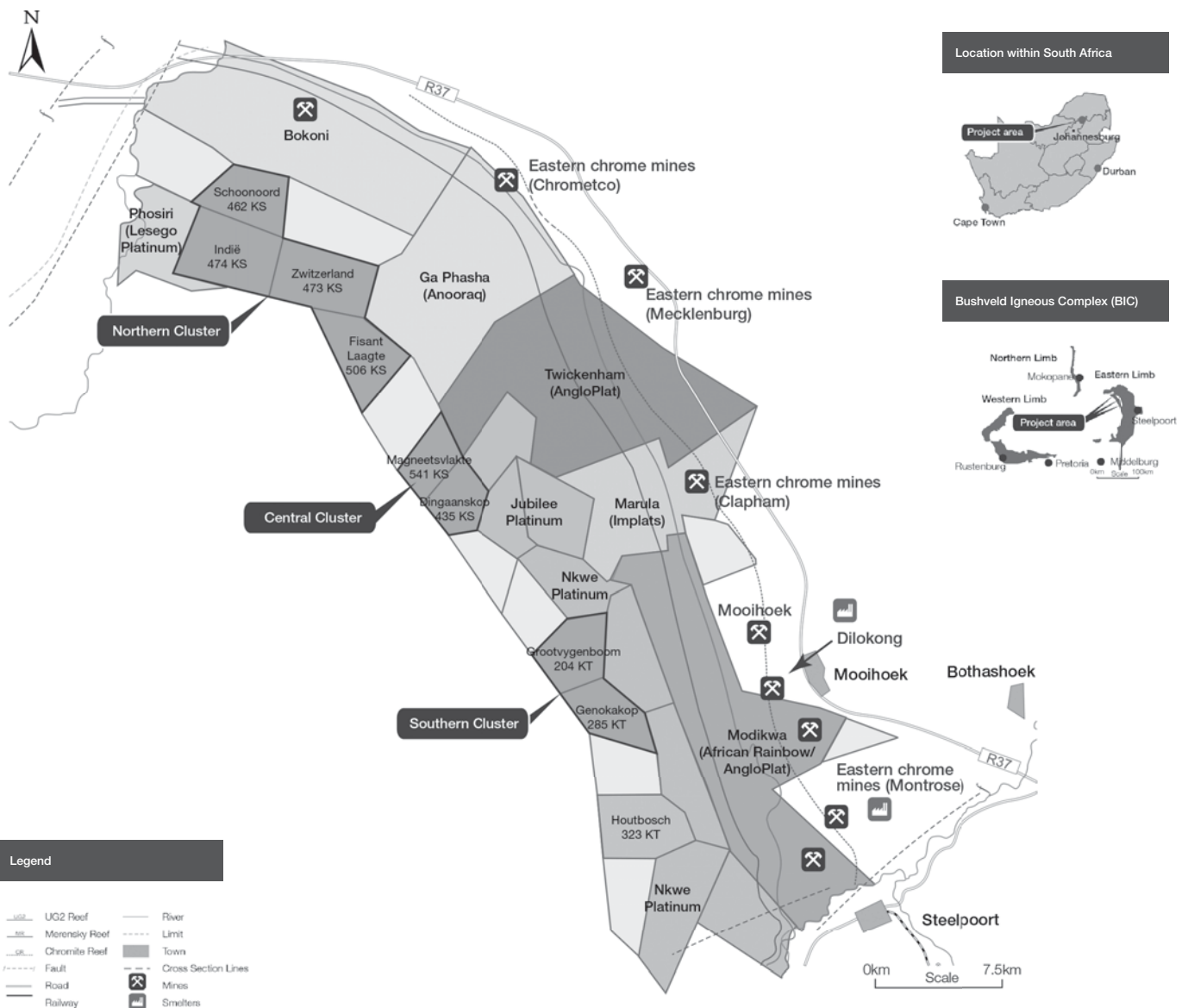
Bauba Platinum Limited's (Bauba Platinum) primary business objective is the exploration, evaluation and development of the Bauba Project, a high quality platinum group metals (PGM) prospect.

The Bauba Project is situated within a prime segment of the Eastern Limb of the Bushveld Igneous Complex, in the heart of the world's best-known platinum region, where a number of neighbouring companies are prospecting and successfully mining platinum group elements (PGEs) from the Merensky and UG2 reefs.

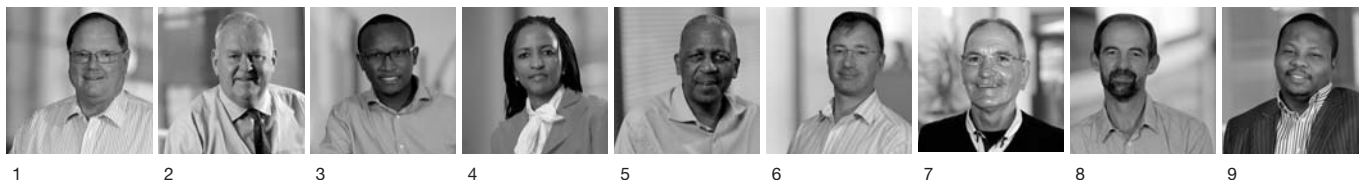
Bauba Platinum holds prospecting rights over eight properties extending across an area of approximately 14 290ha. All the Bauba Platinum properties lie within the Leolo mountain range in the Limpopo province, approximately 40km northwest of the town of Steelpoort and 250km northeast of Johannesburg. The properties have been grouped into three clusters, the Northern, Central and Southern Clusters.

In order to determine the nature and extent of the platinum mineralisation, Bauba Platinum Limited and its subsidiaries (the Group) has implemented a detailed investigative exploration programme, designed in conjunction with an independent competent person and comprising diamond drilling as well as geological and geophysical mapping and interpretation of the areas of interest.

The drilling programme will establish the extent of the resource with the intention of converting this into a fully compliant reserve statement to form the basis of a bankable feasibility study. Bauba Platinum is fully compliant with the requirements of the Mining Charter in terms of its equity component. The Bapedi Nation has a direct participation of 40% in the Bauba Project.



BOARD OF DIRECTORS



1. JONATHAN BEST

Independent non-executive chairman
Remuneration and nomination and technical committees

Jonathan has over 40 years' experience with companies associated with the mining industry. He brings strong financial expertise and experience from his previous role as chief financial officer and executive director of AngloGold Ashanti Limited. He currently holds the following additional board positions: non-executive director of the unlisted AngloGold Ashanti Holdings plc and a member of the audit committee, non-executive independent director, member of the remuneration committee and chairman of the audit committee of Polymetal International plc, a Russian-based mining company listed on the London Stock Exchange, chairman and member of the remuneration and nomination committee of Sentula Mining Limited and non-executive independent director and member of the audit committee of Metair Investments Limited. He is an Associate of the Chartered Institute of Management Accountants and of the Chartered Institute of Secretaries and Administrators and has an MBA degree from the University of the Witwatersrand.

2. KENNETH DICKS

Independent non-executive director
Audit and risk, remuneration and nomination and technical committees

Ken joined the Bauba Platinum board in September 2010. He has a mining engineering background with 39 years' experience in the formal mining industry. He spent 37 years working in the Anglo American Corporation's Gold and Uranium division where he held several senior positions. He presently serves as an independent non-executive director on the boards of Harmony Gold Mining Company Limited and Witwatersrand Consolidated Gold Resources Limited.

3. SHOLTO DOLAMO

Independent non-executive director
Audit and risk, remuneration and nomination and social and ethics committees

Sholto is currently the head of resources at Stanlib. He has had 10 years' experience within the mining and manufacturing industry. This includes six years as a research scientist/engineer for De Beers' research laboratory, where he was instrumental in developing a variety of new materials and technologies for applications both above and underground in rock drilling and cutting. Sholto was head of Lonmin Platinum's research and development for the Precious Metals Refinery for three years. Sholto has spent over seven years in mining investment research at Stanlib and Momentum asset management. He holds a BSc

(Chemistry), BTech (Ceramics Science), MSc (Materials Engineering) and an MBA from GIBS.

4. KHOLEKA MZONDEKI

Independent non-executive director
Audit and risk and social and ethics committees

Kholeka has over 20 years' experience in governance and financial management, having held the roles of financial director and chief financial officer in various organisations including a Fortune 500 company. She has a Bachelor of Commerce degree and a Diploma in Investment Management. She qualified as a chartered accountant in the United Kingdom. Her experience includes, amongst others, being a risk manager at Eskom, director and general manager of finance responsible for sub-Saharan Africa at 3M, CFO and general manager of corporate services at Mintek and holds directorships in other listed companies and non-profit organisations such as the United Nations World Food programme. In 2008 she had the privilege of being a finalist in the Nedbank/BWA Business Woman of the Year.

5. DR MATHEWS PHOSA

Non-executive director

Dr Mathews Phosa, an attorney by profession, is a leading figure in South Africa's business and political world. Mathews opened the first black empowerment law practice in Nelspruit in 1981. He was elected as the first Premier of Mpumalanga province in 1994. Following the elections in 1999, Mathews resigned his seat in parliament in favour of focusing his attention on a career in business. Mathews re-entered the political arena in 2007 when he was appointed Treasurer-General of the National Executive Committee of the ANC. He is chairperson of Special Olympics South Africa and holds numerous chairperson positions, among them non-executive chairman of EOH Limited, executive chairman of Vuka Forestry Holding Proprietary Limited and Even Investments & Consulting Proprietary Limited. He is also a director of Hans Merensky Holdings Proprietary Limited and executive director of Value Group.

6. DAMIAN SMITH

Non-executive director
Technical committee

Damian holds a BSc (Hons) Geology from the University of Liverpool; an MSc Exploration Geology from the Camborne School of Mines; and is a registered Professional Natural Scientist. He has 22 years' experience in mining and exploration for base metals, gold and PGMs but has had a particular focus on the Bushveld Complex geology for the last decade. Before becoming a geological

consultant to various companies, Damian was the Group Geologist for Northam Platinum Limited. He has conducted exploration programmes on projects in South Africa and internationally, and has undertaken due diligence, evaluation and feasibility studies on a number of PGM projects. Damian has published extensively on economic geology.

7. SYD CADDY

Chief executive officer
Technical and social and ethics committees

Syd has more than 40 years' experience in both shallow and ultra deep mining environments in the South African gold, uranium and base metal sectors. He has held the title of general manager for Black Mountain, Kloof and West Driefontein mines and has also been appointed to various positions within JCI, First Uranium and Gold One's operations, including as consulting engineer, chief operating officer and managing director. Syd is a registered Professional Engineer, and a Fellow of both the Southern African and Australian Institutes of Mining and Metallurgy. He is also a past president of The Association of Mine Managers.

8. WILLEM MOOLMAN

Financial director
Technical committee

Willem completed accounting articles with KPMG and has over 25 years' financial management experience in a number of industries including mining. In recent years he focused on assisting companies with financial restructuring and turn around strategies. Professionally he is a Fellow of the Institute of Professional Accountants (Australia). He holds a BCompt Honours and MBL from Unisa.

9. KING THULARE THULARE

Alternate non-executive director to Dr NM Phosa

His Majesty King Thulare III is King of the Bapedi Nation. He joined the mining industry in 2007 and has gained five years' valuable experience in the industry. He is currently the executive chairman of the KT3 group of companies and has also served as a director of Bauba A Hlabirwa Mining Investments Proprietary Limited since 2008.

CHAIRMAN'S STATEMENT

We have made steady progress with the planned drilling programme, albeit more slowly than planned due to operational difficulties.



Jonathan Best

Drilling was focused on the Northern Cluster following good drilling results in that area. This enabled the Company to declare an additional inferred resource of 9.8 million ounces bringing the total inferred resource to 17.2 million ounces.

Due to the limited available funds we have for some time been reducing costs where possible and in August 2013 suspended the drilling programme and are in active negotiation to raise the necessary capital to continue the business as planned.

In April 2013 a combination of significant selling of gold exchange traded funds (ETF) together with the announcement of an impending slowdown in the quantitative easing programme by the US Federal Reserve resulted in a significant decline in the gold price. This decline was mirrored by other precious metals including platinum group metals (PGM). There has consequently been a sustained negative sentiment against precious metals. Despite the positive outlook for PGMs, the PGM prices continue to be influenced by the gold price. Consequently investor demand in these sectors has reduced significantly impacting the value of these equities which have been further impacted by ongoing labour disruptions in the South African mining sector. The exploration sector has been further impacted in that available investment funds are going into producing mines which are cash generative and not into exploration where, because of their position in the life cycle, are cash consumers. New funds for exploration have become difficult to procure.

The Prospecting Rights renewed in July 2012 were finally registered in the Mineral and Petroleum Titles Registration Office on 27 February 2013.

PGM MARKET

Despite the weak demand for platinum, largely due to depressed automotive sector in Europe, labour related disruptions in the South African platinum sector resulted in a deficit in

the platinum market in 2013. The long-term fundamentals for the PGM market remain robust with platinum, palladium and rhodium expected to move into substantial deficits in the medium to long term. The newly launched South African platinum ETF is absorbing a significant amount of metal at a time of static mine production growth, jewellery demand remains strong and may be benefiting from the dip in prices and an increase in vehicle demand is likely to follow a return to normality in the European markets. Furthermore the steady growth in emerging markets is expected to sustain the demand for platinum in industrial applications.

Despite the recent weakening of the South African Rand the current Rand PGM basket prices are not sustainable and we are likely to see a rise in prices once market liquidity conditions return to normal.

We remain convinced that, for investors with a long-term view, there is value in the PGM market, and it is here that we are positioning Bauba Platinum. As an early stage exploration company, the market challenges of demand and price have little bearing on our performance. Maintaining a disciplined focus on cost control remains a board and management priority as we continue with our strategy of moving up the value curve and building confidence in our asset base.

SECTOR CONSOLIDATION

As has been the case for some time, the Eastern Limb of the Bushveld Igneous Complex is fragmented with smaller mining and prospecting areas unlikely to be viable on their own. The current challenges in the industry give reason to investigate opportunities for consolidation and collaboration which could strengthen the financial, human and mineral resources within the industry and is in line with our own growth strategy.

SUSTAINABILITY

Sustainable development is an integral part of our business strategy and is our social

licence to operate. We have continued to have strong relationships with key stakeholders and continued to manage the risks which may impact on business performance. We understand the impact of our activities on the natural environment and as such have managed these very sensitively. We liaise regularly with our local communities and look for opportunities to make a meaningful contribution to development in these areas.

BOARD AND MANAGEMENT

Over the last year, a great deal of effort has gone into maintaining a high standard of governance in board and management practices.

On 31 January 2013 Grant Pitt resigned as CEO to pursue other interests. We appreciate the contribution made by Grant, especially in the difficult formative years. Syd Caddy was appointed CEO on 13 February 2013, bringing with him some 40 years of experience in the fields of mining and exploration.

CONCLUSION

I am pleased with the progress we have made in the last year in difficult conditions. The coming year will continue to be a challenge with raising additional funds and the judicious application of these being a priority. I would like to express my appreciation to the executive directors Syd Caddy and Willem Moolman and their small team for their dedication and hard work during difficult times. My appreciation also goes to my board colleagues for their support.

Jonathan Best
Chairman

25 September 2013

CHIEF EXECUTIVE OFFICER'S STATEMENT

Bauba Platinum continues to maintain excellent relationships with the communities within which we operate whilst at the same time showing promising exploration results in the Northern Cluster of our Eastern Limb concessions over the period under review.



Syd Caddy

The Company continued to make pleasing progress in developing a more detailed understanding of the Bauba Project over the last year with current exploration results living up to expectations. Relationships with our shareholding communities and other affected parties were strengthened with regular interaction taking place. Our focus remains on safety with environmental protection being a non-negotiable.

FINANCIAL RESULTS

The Company, in furthering its stated objective to increase the value of the Group through a well planned and executed exploration programme, has expended R13.2 million on exploration related activities which has significantly increased our current resource base. In support of the exploration programme and in compliance with all corporate governance requirements the Group expended R9.6 million on general and administration costs during the year under review.

Further to the investigation and pursuance of a number of capital raising opportunities during the same period, the executive management has thought it prudent during the prevailing financial climate to reduce expenditure to a minimum and to ride out the storm. The Company is currently in an advanced stage of negotiations with shareholders to secure short- to medium-term funding that underpins the going concern status of the Group.

EXPLORATION

Bauba Platinum was granted the renewal of their two new order Prospecting Rights for a

period of three years, effective 18 July 2012. The Prospecting Rights cover all eight farms that make up the Bauba Project. The renewed rights have been notorially executed and were registered on 27 February 2013.

To date 10 boreholes with deflections have been completed, these being four in the Southern Cluster, three in the Central Cluster and three in the Northern Cluster.

Drilling on the Northern Cluster was initiated during April 2012, with ten boreholes initially planned. Three boreholes have been completed on the farm Schoonoord, and have intersected both the Merensky and UG2 Reefs, at depths between 1 800 metres below surface and 2 500 metres below surface. Intersection depths are in line with the regional dip estimate.

The 4E resource generated from the three boreholes drilled in the Northern Cluster has significantly increased the declared SAMREC compliant, discounted inferred resource from 8.6Moz (4E) to 17.2Moz (4E). The resources were compiled by Bauba Platinum's geologists and verified and signed off by an independent competent person, Mr AN Clay of Venmyn Deloitte.

The exploration planning for the next year includes continued drilling of planned holes in the Northern Cluster. The number of drill rigs in operation will depend on the economic climate and the ability of the Company to raise capital when required.

RISKS

In our previous report to shareholders we noted that Bauba Platinum has been cited as a respondent in a legal process initiated by Rustenburg Platinum Mines (RPM) against

the Department of Mineral Resources (DMR) in respect of the farms Genokakop and Groot Vygenboom being included in the Southern Cluster of Bauba Platinum's Prospecting Rights. The legal process has not yet been resolved; however, as the holder of the renewed Prospecting Rights, we are confident that these rights will not be set aside, a view which is confirmed by a legal opinion which we have obtained. We have been in constant contact with the DMR and now find it necessary to approach the courts to finally resolve this matter. We will however endeavour to interact with and keep the DMR fully apprised of all issues related to this matter.

Access to capital remains a key risk, not only for Bauba Platinum, but for many other junior exploration and mining companies who are competing for limited funds in difficult economic and political conditions which are facing the industry, and particularly in the platinum sector. Our approach is to manage the economic sustainability of the Company by managing our exposure rate. We will both monitor and manage the progress of our exploration programme in the context of the funds available and, if necessary, we will slow down the programme until the investment appetite has been revived in the sector. We will continue with all possible initiatives to find ways of adding value to ensure our sustainability. We are confident that as we continue with our exploration programme we will be able to demonstrate, to current and potential investors, the long-term value in Bauba Platinum.

SUSTAINABILITY

The Bapedi Nation is a shareholder in the Bauba Project holding a 40% stake which far



Drilling on the Central Cluster.



Derrick being deployed on the Southern Cluster.

exceeds the 26% required by South African mining legislation. Our BEE partners are also actively involved in the day-to-day activities on the ground so that there is an open and meaningful understanding of the business.

We have had a number of meetings with the community and its representatives in the past year to help them understand the scope of our activities and for us to gauge the impact of our business on our host communities.

This engagement takes place through the recognised community structures, such as the Royal council or the traditional councils, and we work on the basis that support is directed to the community as a whole and not to individuals within the broader community. This includes payment for access to land in a way that benefits the community.

The nature of drilling programmes is such that employment opportunities are mostly short-term but, as far as possible, we encourage our contractors to employ local labour in positions which do not require specialist skills and to provide basic training required by the job, which will enhance employment opportunities in the future.

Even from the earliest stages of exploration, our intention is to adopt the best practices in safety, health and environmental management and to ensure that any contractors we use do the same.

CONCLUSION

The coming year will not be without its challenges but I am confident that with the excellent ongoing committed leadership of the board of directors, the executive management team and the shareholders we will continue to drive this company up the value curve to

achieve our short-term goal of growing this resource base into something significant.

I would also like to thank all of the abovementioned persons and staff and leadership of the various departments of the DMR for their support during the last year and we look forward to this good relationship continuing into the future.



Syd Caddy
Chief executive officer

25 September 2013

EXPLORATION REPORT

LOCATION, GEOGRAPHY AND ACCESS

The Bauba Platinum farms lie within the Leolo mountain range in Limpopo province, approximately 40km north-northwest of the town Steelpoort and 250km northeast of Johannesburg. The area has a well-developed network of national (N4), regional (R555) and district tarred roads and railways. Bauba Platinum holds Prospecting Rights over eight farms extending over an area of 14 290ha of the northeastern limb of the Bushveld Igneous Complex. The farms have been grouped into three areas, namely the Northern, Central and Southern Clusters. The farms are adjacent to operating platinum mines and development projects on the Eastern Limb.

REGIONAL AND LOCAL GEOLOGY

The Bauba Platinum prospects are located on the Eastern Limb of the Bushveld Complex (see page 1). The prospect areas are largely underlain by the Main Zone and to a lesser extent the Upper Zone mafic layers. The Main Zone is underlain by the Critical Zone which hosts the majority of the world's PGE resources in the Merensky and UG2 Reefs.

The Merensky Reef, which comprises the mineralised upper portion of the medium-grained, poikilitic Merensky pyroxenite, is present at depths between 1 600 metres and 2 500 metres within the Bauba Platinum prospects. The UG2 Reef, which consists of the mineralised, medium-grained UG2 chromitite seam, is located between 300 metres and 400 metres below the Merensky Reef.

LEGAL TENURE AND AGREEMENTS

Bauba Platinum was granted the renewal of their two new order Prospecting Rights, 248/2006PR and 256/2006PR, for a period of three years, effective 18 July 2012. These Rights are held by Bauba A Hlabirwa Mining Investments Proprietary Limited (Bauba A Hlabirwa). Bauba A Hlabirwa is 60% held by Bauba Platinum and 40% by the Bapedi Nation. The Prospecting Rights cover all eight farms that make up the Bauba Project. The renewed Rights have been notarially executed and were registered in the Mineral and Petroleum Titles Office on 27 February 2013.

Bauba Platinum's two Prospecting Rights, are held in the Limpopo province of South Africa:

- 248/2006PR: over the farm: Magneetsvlakte 541 KS; and

- 256/2006PR: over the farms: Dingaanskop 543KS, Fisant Laagte 506KS, Zwitserland 473KS, Indië 474KS, Schoonoord 462KS, Genokakop 285KT, Groot Vygenboom 284KT.

EXPLORATION ACTIVITIES

Since Bauba Platinum commenced with the management of the Bauba Project, the Company has developed and initiated a comprehensive exploration programme for PGMs and associated metals within the prospect areas.

The exploration programme comprises:

- The development of structural plans for the project areas from acquired geophysical, satellite and aerial photo data and imagery as well as information pertaining to neighbouring mines and projects available in the public domain. These plans have been developed and are upgraded as new data becomes available; and
- Preliminary (Phase 1) drilling programmes for each cluster, scoped to enable the estimation of inferred resources, as well as decision-making on subsequent, focused drilling for feasibility studies.

Phase 1 drilling on the Southern Cluster intersected robust Merensky and UG2 Reef intersections at depths between 1 600 metres and 1 930 metres below surface (1 400 metres and 1 800 metres below datum). Geological modelling of the data returned from this drilling has been completed and has allowed the declaration of a SAMREC compliant, discounted inferred resource of 8.6Moz (4E) (5.1Moz attributable to Bauba Platinum) over a portion of the Southern Cluster properties. Phase 2 drilling is currently in abeyance.

A reassessment of the applicable UG2 inferred resource was undertaken during the 2013 resource update. This has led to a reduction in the discounted combined inferred resource for the Southern Cluster of 1.1Moz, taking it to 7.5Moz (4E) (4.5Moz attributable to Bauba Platinum).

The table below summarises the status of the preliminary drilling programmes.

Cluster	Drilling commenced	Boreholes planned	Planned drilling (m)	Boreholes completed	Boreholes in progress	Drilling metres completed
Southern	April 2010	4	7 900	4	–	7 736
Central	July 2011	6	15 600	3	–	12 027
Northern	April 2012	10	19 200	3	–	8 166
Total		20	42 700	10	–	27 929

Phase 1 drilling on the Central Cluster commenced during 2011. Six boreholes were planned. Thus far, three boreholes have been completed. Drilling is currently suspended to focus efforts on the Northern Cluster.

Drilling on the Central Cluster was focused to assess the potential impact on Bushveld layering of the neighbouring Paradys Dome structure. The first borehole intersected both the Merensky and UG2 Reefs at depths some 300 metres shallower than extrapolated from regional dips, indicating up-warping related to the dome. Both reefs, however, displayed disruption; the Merensky Pyroxenite and the middling to the UG2 Reef was thinned, and the UG2 Reef was found to overlie marginal zone Bushveld rocks interspersed with Transvaal metasediment inliers. The second and third boreholes intersected regionally typical Bushveld sequence, limiting the extent of influence of the Paradys Dome to the far western portion of the cluster.

Drilling on the Northern Cluster was initiated during April 2012, with ten boreholes initially planned. Three boreholes have been completed on the farm Schoonoord, and have intersected both the Merensky and UG2 Reefs, at depths of 1 800 metres below surface and 2 500 metres below surface respectively. Intersection depths are in line with regional dip estimates. Potholed UG2 was intersected in one borehole. The other two holes display robust internal reef structure and base metal sulphide mineralisation.

Geological modelling of the data returned from this drilling was completed in 2013 and allowed the declaration of a SAMREC compliant, discounted inferred resource of 9.8Moz (4E) (5.9Moz attributable to Bauba Platinum) over a portion of the Northern Cluster properties.

The exploration planning for the next year includes continued drilling of planned holes in the Northern Cluster. The number of drill rigs in operation will depend on the economic climate and the ability of the Company to raise capital when required. Currently all drilling activities have been placed on hold.



Drill rig on the Central Cluster.



Platinum being tested at the laboratory.

RESOURCE ESTIMATES

The current 4E PGM resource estimate for the Bauba Platinum prospects, discounted for geological losses, is tabulated below with 60% of the total resource being attributable to Bauba Platinum. The resources were compiled by Bauba Platinum's geologists and verified and signed off by an independent competent person, Mr AN Clay of Venmyn Deloitte.

Cluster	Resource category	Merensky			UG2			Gross total		Bauba Platinum attributable	
		Geo-logical loss %	Tonnes Mt	4E Moz	Geo-logical loss %	Tonnes Mt	4E Moz	Tonnes Mt	4E Moz	Tonnes Mt	4E Moz
North	Inferred	19.00	29.18	3.91	23.00	40.74	5.85	69.92	9.76	41.95	5.85
North	Target	19.00	239.08	32.96	23.00	214.63	38.28	453.71	71.24	272.23	42.74
South	Inferred	17.00	27.41	3.46	24.00	28.08	4.00	55.53	7.46	33.32	4.47
South	Target	17.00	57.09	8.42	24.00	57.32	10.52	114.42	18.94	68.65	11.36
Central	Target	25.00	57.83	8.40	30.00	59.78	11.31	117.61	19.71	70.57	11.83
Total	Inferred	18.03	56.59	7.36	23.41	68.85	9.85	125.45	17.22	75.27	10.33
Total	Target	19.66	354.01	49.78	24.43	331.73	60.11	685.73	109.89	411.44	65.93
Total		19.43	410.60	57.14	24.26	400.58	69.97	811.18	127.11	486.71	76.26

This resource estimate reflects an increase in the Inferred resource of 8.7Moz (4.5Moz attributable) from the resource estimates reported in the 30 June 2012 integrated annual report.

CORPORATE GOVERNANCE, ETHICS AND STAKEHOLDER ENGAGEMENT

INTRODUCTION

Good corporate governance is more than merely applying governance rules; it extends to a qualitative consideration of the non-financial aspects of business performance that have the potential to influence sustainable economic growth and relationships with stakeholders. King III facilitates the move towards integrated reporting and places far greater importance on leadership, sustainability and effective stakeholder engagement.

The Bauba Platinum board is responsible for corporate governance and oversees the Group's ongoing alignment with the governance and reporting principles set out in King III. See page 14 for a summary of the Group's compliance with King III.

BOARD OF DIRECTORS

The Bauba Platinum board has a unitary structure and has developed a formal framework for delegation of authority to ensure a proper balance of power amongst the directors.

The board is responsible for the appointment of the chief executive officer and there is a clear division of roles between the chairman and chief executive officer. The chairman oversees the effective functioning of the board. In his leadership role, he is involved in setting the strategic direction of the Group and has been tasked with ensuring effective corporate governance practices. The chief executive officer is answerable for the day-to-day affairs of the Group, which include implementing and monitoring the strategy of the Group in a responsible manner.

Executive directors are appointed by the board to oversee the daily functioning of the Group and are held accountable through regular reporting to the board. The non-executive directors, the majority of whom are independent, provide the board with advice and experience that is independent of the executive. They play a critical role as board representatives on the various sub-committees.

The board operates in accordance with a board charter and is accountable for ensuring financial and legislative compliance. It is required to make decisions on matters of a material nature, including the Group's financial and operating results, major acquisitions and disposals, and large capital expenditure. It is also incumbent upon the directors to ensure that sustainable development is an integral part of the business strategy. The appropriate risk management and governance systems are in

place and the Group operates as a responsible corporate citizen and in an ethical manner.

The board meets at least four times a year, with additional meetings if required. The meetings follow a formal agenda to ensure that all substantive matters are addressed and information relevant to the meetings is supplied to board members in advance so that they can make informed and reasoned decisions. The directors have unrestricted access to information about Bauba Platinum and may seek independent professional advice on matters concerning the affairs of the Group if required.

The executive directors have contracts of employment with the Company which can be terminated with a notice period of not more than two calendar months.

Board composition

The board consists of two executive directors and six non-executive directors, four (67%) of whom are independent. The chairman of the board, Mr Jonathan Best, is independent. As part of the Group's long-term strategy to actively involve the Bapedi Nation at a strategic, decision-making level, King Thulare V Thulare serves as an alternate to Dr Mathews Phosa.

Independent non-executive directors are directors who have not been employed by the Group for the preceding three years, and are in no way related to the Group or to any shareholder, supplier, customer or other director of the Group in a way that would lead to their integrity, impartiality or objectivity being compromised. They have and will continue to exert significant influence at meetings.

There is a policy and formal and transparent procedures in place to appoint directors to the board so as to ensure that the appropriate mix of skills and experience is maintained.

The non-executive directors do not have fixed terms of appointment. One third of the non-executive directors are subject, by rotation, to retirement and re-election by shareholders, in accordance with the Company's Memorandum of Incorporation. JG Best, KV Dicks and SM Dolamo retire by rotation and are available for re-election at the annual general meeting to be held on 5 December 2013. During this reporting period Grant Pitt resigned on 31 January 2013 as the chief executive officer and Syd Caddy was appointed as his replacement on 13 February 2013. For a full list of the board members and their qualifications, see page 2.

Attendance at board meetings during the period ended 30 June 2013

Four board meetings were held during the year.

Name	Attended
JG Best (chairman)	4
KV Dicks	4
SM Dolamo	4
KW Mzondeki	4
King TV Thulare (alternate to Dr NM Phosa)	4
Dr NM Phosa	3
DS Smith	3
SJM Caddy	2
WA Moolman	4
GJ Pitt	2

Board committees

Certain functions of the board have been delegated to various committees which operate according to charters approved by the board. These committees in no way diminish the accountability of the board and their effectiveness remains a board responsibility. Members of the audit and risk committee are elected each year by shareholders at the annual general meeting while members of the remuneration and nomination committee, the social and ethics committee and the technical committee are elected by the board.

Audit and risk committee

In line with the requirements of King III, the function of the audit and risk committee extends beyond financial reporting to include the overseeing of the preparation of the Group's integrated report. It is the responsibility of the board to ensure that the audit and risk committee has the necessary skills to perform its broader governance duties.

The audit and risk committee is made up of three suitably skilled and experienced independent non-executive directors. The current members of the audit and risk committee are Ms Kholeka Mzondeki (chairperson), Mr Kenneth Dicks and Mr Sholto Dolamo.

The audit and risk committee is required to meet at least twice a year in accordance with King III. The chairman of the board, the chief executive officer, the financial director, the external auditors and the internal audit function attend the audit and risk committee meetings by invitation. Five audit and risk committee meetings were held during the year.

Attendance at audit and risk committee meetings during the period ended 30 June 2013

Name	Attended
KW Mzondeki (chairperson)	5
KV Dicks	5
SM Dolamo	5

The committee has adopted formal terms of reference set out in a charter and approved by the board, which include all its statutory responsibilities to shareholders in terms of the Companies Act, 2008 (Act 71 of 2008) and the provisions of King III.

The committee assists the board by advising on financial and sustainability reporting and maintaining oversight of the risk management process, internal financial controls, external audit matters and the regulatory compliance of the Group. The committee applies a combined assurance process and receives assurance from management, the external auditors, the internal auditors and independent technical service providers.

It is the responsibility of the audit and risk committee, amongst other things, to:

- nominate a suitable firm for appointment as external auditors having determined that they have the necessary expertise and are independent of the Group;
- determine the terms of engagement of the external auditors and the fee to be paid;
- review the audit plan of the external auditors and monitor progress against the plan;
- pre-approve all non-audit services provided by the external auditors. There were tax advisory services provided by the external auditors during the reporting period;
- review the accounting policies of the Group as well as any proposed changes;
- review the annual and interim financial reports and the annual financial statements as well as the sustainability performance of the Group in line with acceptable practice for a company the size of Bauba Platinum; and
- review the integrity of the integrated annual report by ensuring its content is reliable and recommending it to the board for approval.

The committee ensures that the requisite risk management culture, policies, practices and systems are in place relevant to the Group's level of exposure. The day-to-day risk management is the responsibility of the management team. Bauba Platinum has in place a risk register which lists the material

issues to which the business is exposed, as well as strategies to mitigate their impact. The risk register is reviewed and updated at every audit and risk committee meeting, and then presented to all directors at the board meetings.

Due to the size of the Group, it is not feasible to employ a full-time internal auditor at this stage. However, the Company has appointed an outsourced service provider and developed an internal audit charter to guide the provision of an internal audit function, which is overseen by the audit committee. The external auditor has carried most of the responsibility for risk assessments on the Group's financial statements in the reporting period. The chairman and the audit and risk committee maintain a level of oversight by reviewing the Group's financial statements on an ad hoc basis.

The audit and risk committee is required by King III to provide assurance to the board on information technology (IT) governance. The current IT systems are in line with the performance objectives of the Group which operates standard office, accounting and geological packages. The IT support is outsourced to an independent service provider. However, the Group does carry out an IT risk assessment from time to time, which identifies any potential threats to the IT system. An ongoing review process ensures that the Group maintains an adequate and effective IT system and that its information assets are properly safeguarded. The board is responsible for IT governance and the approval of any significant IT expenditure. The management team is responsible for the implementation of IT governance within the Group.

The audit and risk committee monitors the available cash resources of the Group having regard for the capital commitments of its exploration programme and its other cash requirements. Having reviewed liquidity and solvency, and having given due consideration to funding proposals under negotiation with a grouping of shareholders that control in excess of 70% (seventy percent) of the issued share capital, the committee has concluded that the going concern basis of reporting is appropriate for the Group.

As required by JSE Listings Requirement 3.84(h), the audit and risk committee has satisfied itself that the financial director has the appropriate experience and expertise to fill that position.

The audit committee considered and discussed this integrated report with both the management of the Group and the external auditor. During this process the committee:

- evaluated significant judgements and reporting decisions;
- evaluated the completeness of the financial statements and sustainability discussions; and
- discussed the treatment of significant and unusual transactions.

The audit and risk committee has reviewed the annual financial statements for the year ended 30 June 2013 and believes that they comply in all material respects with the statutory requirements of the various Acts governing reporting and disclosure. The committee has recommended to the board that the annual financial statements be adopted and approved.

Remuneration and nomination committee

The remuneration and nomination committee consists of three suitably skilled and experienced independent non-executive directors, Mr Kenneth Dicks (chairman), Mr Jonathan Best and Mr Sholto Dolamo. The committee met once in the reporting period.

Attendance at remuneration and nomination committee meetings during the period ended 30 June 2013

Name	Attended
KV Dicks (chairman)	1
JG Best	1
SM Dolamo	1

The committee establishes the overall principles of remuneration and considers, reviews and approves the Group's remuneration strategy. It is important to ensure that the levels of reward are competitive and support the performance which is required to achieve the Group's business objectives.

The remuneration of the non-executive directors for the following 12 months will be presented to shareholders for approval at the annual general meeting. The non-executive remuneration is made up of an annual retainer as well as a fee for attending meetings, in line with the King III recommendations. Remuneration for individual directors is detailed on page 48.

Furthermore, the remuneration and nomination committee is responsible for developing policy around the appointment of directors, investigates potential board members for necessary skills and competence and makes appropriate recommendations to the board.

Remuneration policy

The Group has developed a remuneration policy in line with King III. All components of

continued...

CORPORATE GOVERNANCE, ETHICS AND STAKEHOLDER ENGAGEMENT

the reward strategy, including the basic salary and the short-term and long-term performance based incentive payments, are aligned to the strategic direction and business-specific value drivers of Bauba Platinum.

The key principles of the remuneration policy are to:

- attract and retain competent employees that enhance business performance;
- reward, recognise and give appreciation for superior performance;
- direct employees' energies and activities towards the key business goals;
- link the Group and individual performance to reward; and
- apply an integrated and holistic approach to the reward strategy, encompassing a balanced mix of:
 - basic salary;
 - short-term incentive bonus rewarding both Group and individual performance; and
 - long-term share-based incentive scheme, based on performance measures.

The reward strategy and each of its components are dynamic and are therefore reviewed regularly to ensure that Bauba Platinum's remuneration policy keeps pace with market practices, and the Group's evolving organisational context and objectives.

Remuneration mix: The executives' total remuneration consists of a basic salary, defined as the employment cost to the Company, an annual performance-linked bonus and a long-term share-based incentive scheme. The Company is in the process of finalising an appropriate share-based incentive scheme which was approved by the board and will be presented to the shareholders at the annual general meeting to be held on 5 December 2013 for approval before implementation. This will ensure that there is the necessary balance between fixed and performance-related remuneration as well as elements linked to short-term performance and those related to longer-term growth in shareholder value.

Guaranteed package: This is the total guaranteed annual employment cost to the Company associated with the employment of an individual. It is structured on the basis of an all-inclusive salary package; no separate medical aid and pension fund contributions are paid. A cost of living increase in the basic salary is considered by the remuneration committee on an annual basis and implemented from 1 July in the applicable year.

Factors that are taken into consideration in determining the recommended annual increase include: the consumer price index (CPI), mining inflation, retention strategies, industry performance, projected growth, contractual arrangements and affordability.

Short-term incentive: This is a short-term incentive plan for which rewards are determined against the achievement of a set of annual Group and individual performance targets determined by the remuneration committee and approved by the board. These incentives are offered at the appropriate level within the Group and are paid in cash. The maximum payable under this scheme is 25% of annual salary.

The agreed performance parameters for the chief executive officer are capital raising, exploration drilling, resource definition and budget management and corporate duties. The financial director's performance parameters are based on the financial director's duties and operational parameters.

The choice of performance measures attempts to limit the impact of factors outside the control of executives. Where necessary the short-term incentives are benchmarked against competitors in terms of amounts actually earned as well as amounts that could potentially be earned by meeting various target thresholds.

The incentive architecture provides for:

- Group and individual performance related to a specific time period;
- meaningful performance measures;
- annual revision by the remuneration committee to ensure the continuing appropriateness of performance measures, the weighting of measures and the split between individual and Group performance;
- where appropriate, the inclusion of non-financial measures; and
- the weighting of performance measures to vary depending on seniority, relevance and ability to influence the outcome.

Long-term share-based incentive (LTIP):

A long-term share-based scheme based on performance was finalised and will be presented at the annual general meeting on 5 December 2013 for approval by the shareholder. The intention is to implement the scheme during the 2014 financial year, which will incentivise executives and selected employees of the Group. The award under the scheme will be governed by the board of directors and the remuneration committee and is subject to JSE and shareholders' approval.

The remuneration levels are benchmarked against a comparator group of South African

small and mid-cap JSE-listed entities, as well as junior mining and exploration companies. The Group makes use of the services of an independent consultant to assist with the benchmarking exercise.

In terms of the LTIP, executives and selected employees of the Group may be offered annually a weighted combination of:

- allocations of share appreciation rights (akin to net settled share options);
- awards of performance shares; and
- grants of restricted shares.

Offers of these shares will be governed by and reflect Bauba Platinum's reward strategy – pay mix, in which the "expected value" of incentive reward is set for defined categories of executives and senior management. The LTIP will provide for the inclusion of a number of performance conditions, designed to align the interests of participants with those of Bauba Platinum's shareholders, and to reward Group and individual performance, more so than merely the performance of the economy or the platinum mining sector in which the Group operates.

The performance share element makes provision for annual conditional awards of performance shares to be made to executives and selected employees. The performance shares will vest on the third anniversary of their award, to the extent that the Group has met specified performance criteria, as determined by the remuneration committee, over the intervening period.

The share appreciation right element is similar in architecture to a share option plan, but with a number of variations to bring it in line with best practice in the mining industry, and with the remuneration guidelines of King III. Annual allocations of share appreciation rights will be made to executives and selected employees. They will be available to be settled in equal thirds on the third, fourth and fifth anniversaries but need not be exercised until the seventh anniversary, at which time they will need to be exercised failing which they will lapse. On settlement, the value accruing to participants will be the appreciation of Bauba Platinum's share price.

Social and ethics committee

In line with the requirements of King III, the board has appointed a social and ethics committee to ensure the highest standards of business integrity in accordance with the relevant legislation and global best practice.

The committee consists of three non-executive directors, Mr Sholto Dolamo (chairman), King Thulare V Thulare and Ms Kholeka Mzondeki and one executive director,

Mr Syd Caddy. The committee met twice during the reporting period.

Attendance at social and ethics committee meetings during the period ended 30 June 2013

Name	Attended
SM Dolamo (chairman)	2
SJM Caddy	1
King Thulare V Thulare	2
KW Mzondeki	2

The role of the social and ethics committee is to:

- ensure that the Company's code of ethics is upheld at all levels of the organisation;
- assist the board of directors in ensuring that the Group is and remains a committed, socially responsible corporate citizen;
- monitor, supplement, support, advise and provide guidance on the effectiveness of management's efforts in respect of sustainable development and social and ethics related matters;
- to the best of its ability, ensure that contractors and suppliers have policies and practices congruent with the Group's own social and ethics policies;
- review content in the integrated report that is relevant to the social and ethics committee; and
- identify the social and ethics risk and opportunities and provide assurance to the board that the necessary mitigation measures are in place.

Technical committee

The technical committee consists of three non-executive directors, Mr Kenneth Dicks (chairman), Mr Jonathan Best and Mr Damian Smith, and two executive directors, Mr Syd Caddy and Mr Willem Moolman. The committee met once in the reporting period.

Attendance at technical committee meetings during the period ended 30 June 2013

Name	Attended
KV Dicks (chairman)	1
JG Best	1
SJM Caddy	1
WA Moolman	1
DS Smith	1

The primary responsibility of the technical committee is to unlock shareholder value through the delivery of the Group's

exploration objectives in a way that is safe and responsible towards the environment and local communities. The following duties fall to the technical committee:

- To guide the development of the technical and exploration strategies for the effective exploration, evaluation and development of its resources and oversee the implementation thereof;
- To ensure that the Group has the requisite technical skills and that training programmes are aligned with the growth and development of the Group;
- To assist the board in discharging its responsibility in the management of technical risk;
- To ensure the adoption of sound principles in managing safety, health and environmental risk; and
- To brief the board on developments in the fields of geology, engineering, mining, metallurgy and environmental, health and safety management in so far as they impact on the Group's ability to execute its business strategy efficiently and effectively.

Board expertise and training

The collective experience of the directors of Bauba Platinum reflects a wide and balanced range of financial, technical and commercial skills that enable the board to effectively fulfil its mandate in terms of ensuring the economic sustainability of the Group and giving due consideration to the social and environmental impacts of its activities.

Newly appointed directors are provided with a basic introduction to various aspects of the Group, including an overview of current strategies, business challenges and important issues, and are required to attend a formal directors' training programme with a professional organisation if they have not previously served as a director of a listed company.

The board members were kept up-to-date on an ongoing basis during the year of the relevant changes to the Companies Act, JSE Listings Requirements, IFRS and other related legislation.

Mechanisms for shareholder communication with the board

There are a number of formal mechanisms in place to ensure that shareholders have appropriate access to those responsible for safeguarding their investment in the Group. These include one-on-one meetings with major investors, presentations, announcements

on the JSE Limited's electronic news service (SENS), publication in the media of interim and year end results, the Group's website, the annual report to shareholders and the annual general meetings where shareholders can use proxy forms to exercise their votes should they not be able to attend in person.

Company secretary

The board is responsible for the appointment of the company secretary. Bauba Platinum uses an external registered service provider and the audit and risk committee has validated the competence of the directors and employees of the service provider, giving credence to their academic qualifications, professional body membership and their overall work experience. The committee also ensured, in order for the company secretary to perform its responsibilities at an arm's length basis and in accordance with the recommendations of the King Report on Governance for South Africa, that it operated independently and without any undue pressure. The company secretary plays a pivotal role in guiding and assisting the board on the delivery of its mandate and is expected to be available to the chairman and individual board members at all times. The company secretary is responsible for ensuring compliance with all statutory requirements, including the JSE Listings Requirements, and is required to bring to the immediate attention of the board any changes to legislation which may impact on the Group, its directors, management and employees. The company secretary administers and records the business of the directorate and ensures that the board charter and the charters of the individual board committees are kept up to date.

SHARE DEALING

The JSE Listings Requirements specifically prohibit directors and senior employees from dealing in the Company's shares during a prohibited period. A prohibited period means a "closed period; or any period when there exists any matter, which constitutes unpublished price sensitive information in relation to the issuer's securities". A closed period is the period following a financial reporting date (quarterly, half yearly or annually) and the publication of the results or during a period when an issuer is trading under a cautionary announcement. As a proactive measure, the company secretary will advise the chairman when the Company has entered a closed period and this will be communicated to all the board members.

Directors have to obtain prior approval from the chairman of the board to trade and are required to report such dealings to the company secretary. In terms of the JSE Listings Requirements, any share transactions

continued...

CORPORATE GOVERNANCE, ETHICS AND STAKEHOLDER ENGAGEMENT

involving directors are to be published on the Securities Exchange News Service (SENS) within 48 hours. A register of share dealings by directors is maintained by the company secretary and reviewed by the board.

CONFLICT OF INTEREST

All directors, executives and defined employees are required to declare all conflicts of interest that may exist as a result of their association with any other company at every board meeting. Furthermore, the company secretary maintains a register of all directors and their involvement with other companies which is checked regularly against the Company and Intellectual Property Commission's database. If a director becomes aware of any conflict of interest, he or she is required to immediately disclose such conflict, will not have any voting

rights on the conflicted matter and will be required to excuse himself or herself from the meeting.

INTERNAL CONTROL AND RISK MANAGEMENT

The board is responsible for ensuring that a comprehensive system of control exists and is effectively managed so that the risks affecting the business are identified and appropriate action is taken by management to minimise the impact on the ability of the Group to achieve its strategic business goals. It is the board's responsibility, with the considered guidance of the audit and risk committee, to review the effectiveness of these systems on a regular basis and to ensure their maturity as the business grows. In order to assist the board

an outsourced internal audit function which will be accountable to the chairman of the audit and risk committee has been put in place and reports on internal controls of the Group's activities to the chief executive and the audit committee of the Group.

Besides ensuring legal and regulatory compliance, the internal audit function assesses internal controls and risk profiles, ensuring that the risks are relevant and mitigation strategies are appropriate. The function also monitors the delegation of authority and segregation of duties to ensure that governance and risk management processes are not compromised. The board understands the consequences of non-compliance in any particular area.

Key risks identified for the Group during the reporting period include:

Risk	Mitigation
Raising the necessary finances to continue with exploration activities	- Ongoing engagement with existing and potential investors so that they understand the Group, its strategic objectives, delivery and performance - Managing the drilling programme within the financial constraints
Impact of global economic uncertainty on platinum market	- Understanding the platinum market in the medium and long term - Ongoing engagement with existing and potential investors so that they understand the development of the Group in the context of the long-term fundamentals of the PGM market
Impact of current challenges in SA mining sector on investor confidence	Ongoing engagement with existing and potential investors so that they understand the challenges and what is being done to address them
Retaining Prospecting Rights	- Ensuring compliance with the requirements of the Minerals and Petroleum Resources Development Act (MPRDA) - Engagement with relevant stakeholders on specific risk issues (eg review application)
Technical skills shortage in the industry which may impact on future development	- Skills development programme for management, employees and community representatives - Continue to assess the Group's skills requirements and ensure the required training programmes are put in place
Environmental management	- The drilling contractor is responsible and held accountable for ensuring that there is strict compliance with respect to environmental management of the drill sites - The Group regularly assesses environmental compliance and ensures that the necessary remedial actions are taken when applicable
Managing community and shareholder expectations	- Engaging with the respective communities prior to commencing drilling on the properties - Stakeholder engagement and communications strategy - Liaison officers based in the community provide a mechanism to communicate with the community

EXTERNAL AUDIT

The audit and risk committee is responsible for the oversight of the external auditor. The external auditor will provide assurance to shareholders that the information provided to them fairly presents the Group's financial performance. See the auditor's assurance report on page 22.

The appointment of the external auditor is approved by shareholders at the annual general meeting. In its assessment, the audit and risk committee will ensure that the external auditor's independence is not impaired in any way and that the highest level of professional

ethics is observed by the external auditor.

The audit and risk committee is satisfied that BDO South Africa Inc, the Group's appointed external auditor, is independent.

HUMAN RIGHTS

Basic human rights, as enshrined in the country's Constitution and Bill of Rights, are a key consideration in the way Bauba Platinum conducts its business activities and engages its stakeholders. Group policies and procedures ensure that employees and stakeholders are treated with dignity and respect, irrespective of gender, background or race.

APPROACH TO STAKEHOLDER ENGAGEMENT

While Bauba Platinum's primary responsibility is to its investors and the enhancement of shareholder value over time, this is only possible with fair and reasonable regard for other stakeholders who have an interest in or are affected by the Group's activities. Open and equitable engagement with these stakeholders provides an opportunity to identify risks, challenges and opportunities which are considered material for the Group and the communities in which it operates.

Community relations are an important part of the Group's stakeholder engagement plans, and the Group has a number of processes in place to engage meaningfully with the community, its representatives and members. These include, amongst others, the use of community liaison officers who are based in the community and are able to provide information on the Group and its activities on a regular basis.

Stakeholder engagement matrix for year ended 30 June 2013

Stakeholder	Summary of material issues	Method/s of engagement	Frequency of engagement	Key topics and concerns raised at engagement and response/s to these
Shareholders and potential investors	Financial results Business sustainability Exploration programme progress Major risks	Annual general meeting Annual report Interim/annual results announcement Announcements on SENS (JSE) Presentations One-on-one meetings Website Media releases Direct mail	Annual Annual Bi-annual As required As required As required As required As required As required	- Capital raising - Ability to develop resource base - Long-term PGM market outlook - Long-term stability of SA mining industry - Review application with respect to two of the eight farms which form part of the Bauba Project – the Company has taken legal advice and the matter is being dealt with in terms of a legal process
Communities (also land owners)	Access to prospecting areas Rehabilitation Community benefit	Community liaison officers Engagement with community representatives/councils Site visits	Ongoing As required As required	- Communication and engagement with the community prior to commencement of drilling - Fair payment for access to prospecting areas - The rehabilitation of land post drilling – the rehabilitation requirements are stipulated in the agreements with the drilling contractors and are overseen by the Group - Socio-economic development – the Group is creating awareness of stages of development with regard to the exploration plan to manage expectations of the community - Contractors are encouraged to employ labour from local communities where possible
Bapedi Nation	Active participation at corporate and project level	One-on-one meetings Board and management meetings Site visits Training	Ongoing As scheduled As required As required	- Appointment of King Thulare V Thulare to the board - Empowerment of leaders to manage community expectations – a development programme is in place for leadership which includes site visits, formal training in appropriate skill such as safety matters and regular briefings
Government: Department of Mineral Resources (regional and national)	Regulatory compliance Compliance with work programme and expenditure Environmental compliance	Regular progress reports Site visits Meetings Informal communications Website Media	As required As requested As required As required Ongoing Ongoing	- Review application of Prospecting Rights over two properties which form part of the Bauba Project – the Company has taken legal advice and the matter is being dealt with in terms of a legal process - Progress against prospecting plan
Major contractors, suppliers and business partners	Agreements and contracts Safety Employment practices Rehabilitation	Meetings Site visits	As required to manage contracts	- Terms and conditions are agreed for large contracts and monitored for compliance - Ensure that contractors comply with safety, health and environmental requirements at all times

continued...

CORPORATE GOVERNANCE, ETHICS AND STAKEHOLDER ENGAGEMENT

KING III CORPORATE GOVERNANCE COMPLIANCE

Bauba Platinum has conducted a self-assessment of compliance to the recommendations of King III and has followed the “apply or explain” principle. Where the Company has not fully applied the recommendation, including where the recommendation is only partially applied or is under review, an explanation of the reason for partial or non-compliance is provided in the King III governance guidance index.

King III governance guidance index

Principle	Apply/explain	Comments/explanation
1. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP		
1.1 The board should provide effective leadership based on an ethical foundation	✓	Page 8
1.2 The board should ensure that the Company is and is seen to be a responsible corporate citizen	✓	Page 8
1.3 The board should ensure that the Company's ethics are managed effectively	✓	Pages 8 and 10
2. BOARDS AND DIRECTORS		
2.1 The board should act as the focal point for the custodian of corporate governance	✓	Page 8
2.2 The board should appreciate that strategy, performance and sustainability are inseparable	✓	Page 8
2.3 The board should provide effective leadership based on an ethical foundation	✓	Page 10
2.4 The board should ensure that it is and is seen to be a responsible corporate citizen	✓	Pages 8 and 17
2.5 The board should ensure that the Company's ethics are managed effectively	✓	Page 10
2.6 The board should ensure that the Company has an effective and independent audit committee	✓	Refer to section 3
2.7 The board should be responsible for the governance of risk	✓	Refer to section 4
2.8 The board should be responsible for information technology (IT)	✓	Refer to section 5
2.9 The board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	✓	Refer to section 6
2.10 The board should ensure that there is an effective risk-based internal audit	✓	Refer to section 7
2.11 The board should appreciate that stakeholders' perceptions affect the Company's reputation	✓	Refer to section 8
2.12 The board should ensure the integrity of the Company's integrated report	✓	Refer to section 9
2.13 The board should report on the effectiveness of the Company's system of internal controls	✓	Page 21
2.14 The board and its directors should act in the best interest of the Company	✓	Page 8
2.15 The board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined by the Act	✓	The board monitors whether or not the Company is financially distressed and is aware of its duties with regard to business rescue procedures. It carries out a solvency and liquidity test on a regular basis
2.16 The board should elect a chairman of the board who is an independent non-executive director. The CEO should not fulfil this role	✓	Page 8
2.17 The board should appoint the chief executive officer and establish a framework for the delegation of authority	✓	Page 8
2.18 The board should reflect a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	✓	Page 8
2.19 Directors should be appointed through a formal and transparent process	✓	The appointment process and signed employment contracts for the non-executive director are in place Page 8
2.20 The induction of an ongoing training and development of directors should be conducted through formal processes	✓	The process is being formalised. Page 11
2.21 The board should be assisted by a competent, suitably qualified company secretary	✓	Pages 11 and 21
2.22 The evaluation of the board, its committees and the individual directors should be performed every year	✓	Page 8
2.23 The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	✓	Page 8
2.24 A governance framework, including strategic objectives of the policy should be agreed between the Group and its subsidiary boards	✓	The holding company performs the governance requirements on behalf of its subsidiaries as agreed

Principle		Apply/explain	Comments/explanation
2. BOARDS AND DIRECTORS continued			
2.25	Companies should remunerate directors and executives fairly and responsibly	✓	Pages 9 and 48
2.26	Companies should disclose the remuneration of each individual director	✓	Page 48
2.27	Shareholders should approve the Company's remuneration policy	✓	Pages 9 and 51
3. RISK AND AUDIT COMMITTEE			
3.1	The board should ensure that the Company has an effective and independent audit committee comprising at least three members	✓	Page 8
3.2	Audit committee members should be suitably skilled and experienced independent non-executive directors	✓	Page 8
3.3	The audit committee should be chaired by an independent non-executive director	✓	Page 8
3.4	The audit committee should oversee integrated reporting	✓	Page 8
3.5	The audit committee should ensure that a combined assurance process is applied to provide a coordinated approach to all assurance activities	✓	Page 8
3.6	The audit committee should satisfy itself of the expertise, resources and experience of the Company's finance function	✓	Pages 8 and 21
3.7	The audit committee should be responsible for overseeing internal audit	✓	Pages 8 and 21
3.8	The audit committee should be an integral component of the risk management process	✓	Page 8
3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	✓	Page 8
3.10	The audit committee should report to the board and shareholders on how it has discharged its duties	✓	Page 8
4. THE GOVERNANCE OF RISK			
4.1	The board should be responsible for the governance of risk	✓	Page 8
4.2	The board should determine the levels of risk tolerance	✓	A legal compliance framework and risk assessment framework is in place to assist in the assessment of the risk tolerance levels Page 8
4.3	The risk committee or audit committee should assist the board in carrying out its risk responsibilities	✓	Page 8
4.4	The board should delegate to management the responsibility to design, implement and monitor the risk management plan	✓	Page 8
4.5	The board should ensure that risk assessments are performed on a continual basis	✓	Page 8
4.6	The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredicted risks	✓	Page 8
4.7	The board should ensure that management considers and implements appropriate risk responses	✓	Page 8
4.8	The board should ensure continuous risk monitoring by management	✓	Page 8
4.9	The board should receive assurance regarding the effectiveness of the risk management process	✓	Page 8
4.10	The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosures to stakeholders	✓	Page 12
5. THE GOVERNANCE OF INFORMATION TECHNOLOGY			
5.1	The board should be responsible for information technology (IT) governance	✓	Page 9
5.2	IT should be aligned with the performance and sustainability objectives of the Company	✓	Page 9
5.3	The board should delegate to management the responsibility for the implementation of an IT governance framework	✓	Page 9
5.4	The board should monitor and evaluate significant IT investments and expenditure	✓	Page 9
5.5	IT should form an integral part of the Company's risk management	✓	Page 9
5.6	The board should ensure that information assets are managed effectively	✓	Page 9
5.7	A risk committee and audit committee should assist the board in carrying out its IT responsibilities	✓	Page 9

continued...

CORPORATE GOVERNANCE, ETHICS AND STAKEHOLDER ENGAGEMENT

Principle		Apply/explain	Comments/explanation
6. COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS			
6.1	The board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	✓	Page 12
6.2	The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business	✓	The board has identified the laws, rules, codes and standards applicable to the Company. The board, with the assistance of the audit and risk committee and the company secretary, considers the adherence to the said laws on a continuous basis
6.3	Compliance should form an integral part of the Company's risk management process	✓	Page 8
6.4	The board should delegate to management the implementation of an effective compliance framework and processes	✓	Page 8
7. INTERNAL AUDIT			
7.1	The board should ensure that there is an effective risk-based internal audit	✓	The internal auditors have been appointed and have carried out three risk-based assessment during the year under review
7.2	Internal audit should follow a risk-based approach to its plan	✓	Page 12
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management	✓	The Company has appointed an external service provider to provide the Internal audit function. The internal audit service provider is an invitee to the audit and risk committee and provides regular feedbacks at these meetings Page 12
7.4	The audit committee should be responsible for overseeing internal audit	✓	Page 8
7.5	Internal audit should be strategically positioned to achieve its objectives	✓	Page 12
8. GOVERNING STAKEHOLDER RELATIONSHIPS			
8.1	The board should appreciate that stakeholders' perceptions affect the Company's reputation	✓	Page 12
8.2	The board should delegate to management to proactively deal with stakeholder relationships	✓	Page 12
8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company	✓	Page 12
8.4	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	✓	Pages 11 and 12
8.5	The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	✓	Page 8
9. INTEGRATED REPORTING AND DISCLOSURE			
9.1	The board should ensure the integrity of the Company's integrated report	✓	Page 9
9.2	Sustainable reporting and disclosure should be integrated with the Company's financial reporting	✓	
9.3	Sustainability reporting and disclosure should be independently assured	✗	Due to the size and nature of the business, the sustainability reporting has not been independently assured

CORPORATE CITIZENSHIP

Bauba Platinum has a social and ethics committee, a key role of which is to assist the board in ensuring that the Group is and remains a socially responsible corporate citizen.

There is a growing call around the world to ensure that local communities benefit from the activities of the mining companies they host. It is incumbent upon the board of directors and the management of Bauba Platinum to ensure that, from the outset, the Group has a full appreciation of the potential impact its activities could have on employees, local communities and the environment within which it operates and that it understands the needs and concerns of its many stakeholders, particularly to inform decisions around socio-economic development opportunities.

CODE OF ETHICS AND CONDUCT

The Bauba Platinum board has adopted a code of ethics and conduct based on the fundamental principles of integrity, transparency and accountability. The code of ethics describes the behaviour required of all Group representatives when engaging with stakeholders. Directors, executive management and all employees are required to sign the code of ethics and the board accepts full responsibility for ensuring, as far as reasonably possible, that the code is enforced.

TRANSFORMATION

The Bapedi Nation is a 40% shareholder at asset level. This means that Bauba Platinum meets the BBBEE requirements of the Minerals and Petroleum Resources Development Act (MPRDA). Much is being done to build the business skills of those representing the Bapedi Nation at different levels within the organisation to enable them to take an active role in the business and to ensure real transformation, as envisioned in the MPRDA.

WORKPLACE

Bauba Platinum is committed to employment practices which are founded on the fundamental principles of fairness and equity. This means that all existing and potential employees are provided with

equal opportunities in terms of recruitment, promotion, transfer, employee benefits and conditions of service, training and skills development.

Management requires companies undertaking work on behalf of Bauba Platinum to strictly adhere to health, safety and environmental regulations.

It is the responsibility of the Group to ensure a safe and healthy working environment. A safety and health policy, which is aligned to occupational health and mining legislation requirements, outlines the Group's goal of ensuring zero harm to employees, contractors and communities close to the prospecting areas. Community liaison officers have undergone safety training in exploration and drilling as part of the Group's broader skills development programme.

Although most of the exploration activities on the Bauba Project are undertaken by contractors, as far as possible the Group encourages the use of local employees in positions which do not require specialist skills. Where possible, Bauba Platinum has used local labour in the construction of the core yard.

ENVIRONMENT

All exploration sites are rehabilitated immediately after completion of the drilling of the particular hole. The drilling contractor

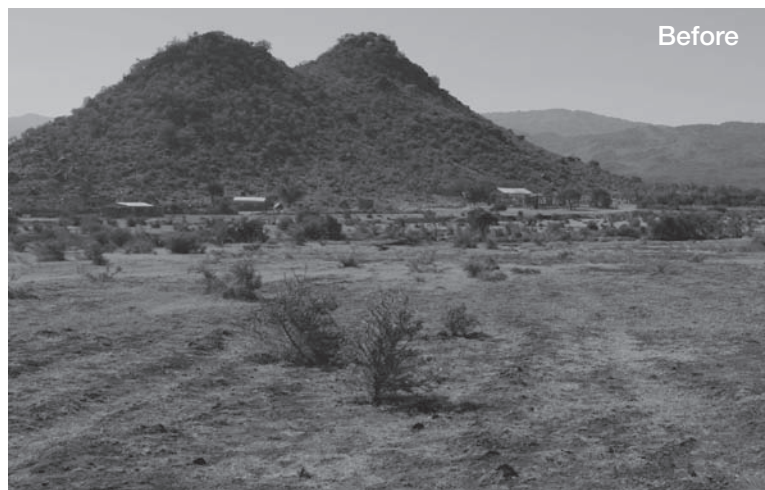
is responsible for rehabilitating the site to standards agreed with Bauba Platinum. Management ensures that these standards have been met by way of an inspection before a drill site is vacated. Responsible land stewardship is critical and is carefully monitored by the Group.

The Group's main environmental impacts are:

- the use of diesel to power the drill rig and generate electricity on site;
- the management of waste; and
- the disturbance of land by drilling activities.

SOCIAL DEVELOPMENT

The Group invests in projects that will benefit the whole community as opposed to individuals and believes that it is important to provide the platform for open dialogue with host communities. A proper grasp of the community's needs and concerns will enable the Group to respond appropriately. The Group continuously engages through King Thulare Thulare, as well as other representatives and leaders of the local communities, to understand how best it can invest in social development projects relative to its exploration activities.



Before



After

Central Cluster Hole BAU022 rehabilitated drill site before and after drilling has been completed.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the Group annual financial statements and separate annual financial statements of Bauba Platinum Limited, comprising the statements of financial position at 30 June 2013, the statements of comprehensive income, changes in equity and cash flows for the year ended 30 June 2013, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2008 (Act 71 of 2008) (the Companies Act).

The annual financial statements were prepared by the financial director, Willem Moolman and audited by BDO Incorporated in compliance with the Companies Act.

The directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns, and having given due consideration to funding proposals under negotiation with shareholders have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the Group annual financial statements and separate annual financial statements of the Company are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The Group annual financial statements and the separate annual financial statements of Bauba Platinum Limited, as identified in the first paragraph, were approved by the board of directors and are signed on its behalf by:



Jonathan Best
Chairman



Syd Caddy
Chief Executive Officer



Willem Moolman
Financial Director

25 September 2013

CERTIFICATION BY COMPANY SECRETARY

In our capacity as company secretary, we hereby confirm, in terms of section 88(2)(e) of the Companies Act, 2008 (Act 71 of 2008), that for the year ended 30 June 2013, the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.



Merchantec Proprietary Limited
Company secretary

25 September 2013

DIRECTORS' REPORT

for the year ended 30 June 2013

The directors have pleasure in submitting their report for the 2013 financial year.

NATURE OF BUSINESS

Bauba Platinum Limited (the Company) is the Group's holding company. The Group's primary activities are focused on exploration for platinum group metals (PGMs). The Group holds new order Prospecting Rights over eight farms which make up the Bauba Project. These new order Prospecting Rights were successfully renewed for a further period of three years on 18 July 2012 and registered in the Mineral and Petroleum Titles Registration Office on 27 February 2013.

FINANCIAL RESULTS

Bauba Platinum is a junior exploration company and does not generate revenue from operating activities. The Group is therefore reliant on obtaining cash through traditional funding mechanisms. The financial statements set out the financial results of the Group and Company on pages 23 to 48. These financial statements have been prepared using appropriate accounting policies, conforming to International Financial Reporting Standards, supported by reasonable and prudent judgements where required.

The Group in furthering its stated objective to increase the value of the Group through a well planned and executed exploration programme has expended R13.2 million on exploration related activities which have increased our current resource base significantly. In support of the exploration programme and in compliance with all corporate governance requirements the Group expended R9.6 million on general and administration costs during the year under review.

Further to the investigation and pursuance of a number of capital raising opportunities during the same period, the opportunities have not proved to be in our best interest and the executive management has thought it prudent during the prevailing financial climate to reduce expenditure to a minimum and to ride out the storm. In line with this effort the non-executive directors have agreed to postpone 50% (fifty percent) of their approved fees until sufficient cash has been raised.

GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and

that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. As is common with many junior exploration and mining companies, the Group raises capital for exploration and other projects as and when required. There can be no assurance that the Group's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects may be adversely affected by factors outside the control of the Group.

Following negotiations with shareholders, the directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least the next twelve months.

SHARE CAPITAL

The authorised share capital of the Company is 200 million shares of which 123 273 539 were in issue at 30 June 2013. See note 17 for full details. During the year under review the Company issued no shares.

BORROWING POWERS

In terms of Article 79 of the Memorandum of Incorporation of Bauba Platinum, the Company has unlimited borrowing powers vested in the directors. The Group does not currently have an overdraft facility.

SUBSEQUENT EVENTS

There were no material subsequent events that the directors are aware of that have not been addressed at the date of this report.

DIRECTORATE

The following changes were made to the board of directors during the financial year under review:

- Mr SJM Caddy was appointed as chief executive officer and executive director on 13 February 2013. Mr GJ Pitt resigned as chief executive officer and executive director on 31 January 2013.

DIRECTORS' REMUNERATION AND SHAREHOLDING

Details of the directors' remuneration are set out in note 25 to the annual financial statements and details of directors' shareholdings are set out under Shareholders' information on page 49.

DIRECTORS' INTERESTS IN CONTRACTS

A contract was entered into with DS Smith for the provision of geological services. The details of the financial transactions are reflected in the notes to the financial statements in note 22 on related parties. During the period under review the Group did not enter into any other contracts in which directors have an interest.

RESOLUTIONS

All ordinary resolutions were passed as well as three special resolutions at the annual general meeting held on 7 November 2012. The special resolutions that were passed are as follows:

Special resolution number 1: Non-executive directors' remuneration

"Resolved that, in terms of the provisions of sections 66(9) of the Companies Act, 2008 (Act 71 of 2008), as amended, the annual remuneration payable to the non-executive directors of the Company, for their services as directors of the Company for the financial year ending 30 June 2013, be and is hereby approved as follows:

	Main board		Audit and risk committee		Other committees		Hourly fee*
	Per meeting attendance fee R	Annual retainer fee R	Per meeting attendance fee R	Annual retainer fee R	Per meeting attendance fee R	Annual retainer fee R	
Chairman	23 784	64 500	18 813	43 000	10 750	28 219	3 225
Members	19 028	51 600	15 050	34 400	8 600	22 575	2 419

* The hourly fee is applicable for ad hoc special board meetings and services rendered over and above the normal duties as directors of the Company.

continued...

DIRECTORS' REPORT

for the year ended 30 June

Special resolution number 2: General approval to acquire shares

"Resolved that, by way of a general approval, the Company and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and its subsidiaries and the Listings Requirements of JSE Limited (the JSE), as amended from time to time."

Special resolution number 3: Adoption of Memorandum of Incorporation of the Company

"Resolved that, as a special resolution, the new Memorandum of Incorporation of Bauba Platinum Limited, a copy of which has been tabled at this general meeting for purposes of identification, be and is hereby adopted in accordance with the provisions of section 16(1)(c) of the Companies Act, 2008 (Act 71 of 2008) (Companies Act) and in compliance with schedule 10 of the Listings Requirements of the JSE Limited (JSE), with effect from the date of approval of this special resolution 3."

COMPANY SECRETARY

Merchantec Proprietary Limited

2nd Floor, North Block
Hyde Park Office Tower
Cnr 6th Road and Jan Smuts Avenue
Hyde Park 2196
PO Box 41480, Craighall 2024

The functions of the company secretary are outsourced to an independent supplier, Merchantec Proprietary Limited. The multidisciplinary team of professionals includes company secretaries, lawyers

and financial and business administrators. Merchantec Proprietary Limited has extensive experience and a strong track record in the listed environment.

The role and functions of the company secretary include:

- Providing the directors, collectively and individually, with detailed guidance on their duties, responsibilities and powers;
- Providing information on laws, legislation, regulations and matters of ethics and good corporate governance relevant to the Group;
- Reporting to the Company's board any failure on the part of the Company or a director to the Company in terms of compliance/to comply with the Memorandum of Incorporation the Companies Act;
- Properly recording the minutes of all shareholder meetings;
- Properly recording the minutes of all board and subcommittee meetings; and
- Certifying in the Group's annual financial statements whether the Group has filed required returns and notices in terms of the Act, and whether all such returns and notices appear to be true, correct and up to date.

Registered office

Bauba Platinum Limited
Building 816/5, 1st Floor
Hammets Crossing Office Park
2 Selbourne Road
Fourways 2055

The Company's postal address is:

PO Box 1658, Witkoppen
South Africa 2068

AUDIT AND RISK COMMITTEE REPORT

The audit and risk committee is constituted as a statutory committee of Bauba Platinum Limited to fulfil its responsibilities to shareholders in terms of the revised Companies Act, 2008 (Act 71 of 2008), to ensure compliance with the provisions of King III, and in respect of all other duties that may be assigned to it by the board. The committee has complied with its legal and statutory duties for the 2012 financial year.

COMMITTEE COMPOSITION

The committee comprised three independent non-executive board members, of which one is the chairperson. The chairperson of the committee is Ms Kholeka Mzondeki, a chartered accountant by profession, and supported by Mr Kenneth Dicks and Mr Sholto Dolamo as members. The chairman of the board is a standing invitee, but has no voting rights.

MEETINGS

Five audit and risk committee meetings were held during the year and were attended by all members.

TERMS OF REFERENCE

The committee has adopted formal terms of reference set out in a charter and approved by the board. These terms of reference are reviewed on an annual basis and updated where necessary. During the past year, the committee has executed its duties according to the terms of reference.

STATUTORY DUTIES

The committee is acutely aware of its statutory responsibilities, the most significant of which executed are listed below:

- Recommended the re-appointment of BDO South Africa Incorporated as external auditor, having determined that they have the necessary expertise, are independent of the Group and are approved by the JSE;
- Approved the terms of engagement of the external auditor and the fee to be paid, as per note 4 of the annual financial statements;
- Reviewed the annual financial statements, the integrated annual report as well as the interim report before recommending them to the board for approval;
- Reviewed compliance with applicable legislative requirements of the appropriate regulatory authorities; and
- Reviewed all trading statements before recommending them to the board for approval.

In addition:

- The committee reviewed the Group's internal control systems;
- The committee monitored and reviewed the effectiveness and performance of the internal audit function;
- The committee ensured the safeguarding of assets;
- BDO provided tax advisory services during the year which were executed according to an approved policy;
- There were no reportable irregularities noted by the committee or BDO South Africa Incorporated; and
- In meetings held separately with BDO South Africa Incorporated, without the executive management present, no matters of concern were raised, except for a challenging fund-raising environment.

RISK MANAGEMENT

The board has assigned oversight of the Group's risk management to the committee. A risk register, which lists the material risks to which the business is exposed as well as mitigation strategies, is discussed and updated at the audit and risk committee meetings, and then presented to all directors at the board meetings.

The committee satisfied itself that the processes and procedures followed in terms of identifying, managing and reporting on risk are adequate and that the following areas, amongst other strategic and operational risks have been appropriately addressed:

- Cash flow risk;
- Legal compliance risk;
- Financial reporting risks;
- Internal financial controls;
- Fraud risks relating to financial reporting; and
- IT risks related to financial reporting.

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS

Due to the size of the Group it is not feasible to employ a full-time internal auditor at this stage. However, the Group has appointed a service provider and developed an internal audit charter to guide the provision of an internal audit function from the start of the 2013 financial year. The committee has overseen this process.

Based on the assurance from management, internal audit and external audit, the committee is satisfied that there was no breakdown of internal controls for the reporting period.

IT GOVERNANCE

The audit committee is required by King III to provide assurance to the board on information technology (IT) governance. The Group has developed an IT policy which incorporates the relevant requirements to safeguard the Group's assets, which is discussed at committee meetings. An ongoing review process ensures that the Group's assets are properly safeguarded and that the external service provider has satisfactory controls in place as per their service level agreement. In addition management had an independent audit done of the IT environment to ensure the relevant security is in place as specified by the IT policy and the IT service provider. The results of this audit confirmed the adequacy of the controls in place.

REGULATORY COMPLIANCE

The committee is satisfied that the Group complied with all relevant laws and regulations and has a legal compliance framework and processes in place to detect non-compliance.

FINANCIAL DIRECTOR REVIEW

As required by JSE Listings Requirement 3.84(h), the audit committee has satisfied itself that the financial director has the appropriate experience and expertise to fill that position.

ANNUAL INTEGRATED REPORT

The audit and risk committee has reviewed the annual financial statements for Bauba Platinum Limited for the year ended 30 June 2013 and considers that they comply in all material respects with the statutory requirements of the various Acts and standards governing reporting and disclosure. The committee has reviewed the integrated report and has recommended the report to the board and shareholders for approval.

On behalf of the board audit and risk committee



KW Mzondeki

Audit and risk committee chairperson

25 September 2013

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Bauba Platinum Limited

We have audited the consolidated and separate financial statements of Bauba Platinum set out on pages 23 to 48, which comprise the statements of financial position as at 30 June 2013 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and

disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Bauba Platinum Limited as at 30 June 2013 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to the consolidated and separate annual financial statements which indicate that the Group incurred a net loss of R9 573 000 for the year ended 30 June 2013 and, as at the date of this report, the Group's cash resources will not be sufficient to sustain

the operations of the Group for more than 12 months subsequent to year end. The note 23 also indicates that these conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2013, we have read the directors' report, the audit committee's report and the company secretary's certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



BDO South Africa Inc.
FM Bruce-Brand
Director
Registered Auditor

22 Wellington Road
Parktown 2193

25 September 2013

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 30 June

	Note	GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
Continuing operations					
General and administrative expenses	4	(10 445)	(8 369)	(9 527)	(7 717)
Finance cost	5	–	(7)	–	(7)
Finance income	5	872	1 811	870	1 811
(Loss) on loan to subsidiary	13	–	–	(13 773)	(6 664)
(Loss) before taxation		(9 573)	(6 565)	(22 430)	(12 577)
Income tax expense	6	–	–	–	–
(Loss) for the year from continuing operations		(9 573)	(6 565)	(22 430)	(12 577)
Discontinued operations (no tax effect)					
Profit for the year from discontinued operations		–	1 539	–	1 539
Comprehensive (loss) for the year		(9 573)	(5 026)	(22 430)	(11 038)
(Loss) for the year		(9 573)	(5 026)	–	–
Attributable to:					
– Equity holders of the Company		(9 202)	(4 770)	–	–
– Non-controlling interest		(371)	(256)	–	–
Total comprehensive (loss) for the year		(9 573)	(5 026)	–	–
Attributable to:					
– Equity holders of the Company		(9 202)	(4 770)	–	–
– Non-controlling interest		(371)	(256)	–	–
Basic (loss) per share (cents)	7	(7.5)	(3.9)	(18.2)	(9.1)
(Loss) per share (cents) – continued operations		(7.5)	(5.2)	(18.2)	(10.4)
Profit per share (cents) – discontinued operations		–	1.3	–	1.3
Diluted (loss) per share (cents)	7	(7.5)	(3.9)	(18.2)	(9.1)
(Loss) per share (cents) – continued operations		(7.5)	(5.2)	(18.2)	(10.4)
Profit per share (cents) – discontinued operations		–	1.3	–	1.3
Weighted average shares in issue ('000)		123 274	121 093	123 274	121 093
Number of shares in issue at end of year ('000)		123 274	123 274	123 274	123 274

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

as at 30 June

	Note	GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
ASSETS					
Non-current assets		30 907	17 753	212 330	211 857
Intangible assets	10	30 555	17 306	–	–
Property, plant and equipment	11	352	447	103	117
Investments in subsidiaries	12	–	–	203 011	203 011
Loans to subsidiaries	13	–	–	9 216	8 729
Current assets		5 460	28 712	5 312	28 286
Trade and other receivables	14	235	670	102	263
Cash and cash equivalents	15	5 225	28 042	5 210	28 023
Total assets		36 367	46 465	217 642	240 143
EQUITY AND LIABILITIES					
Capital and reserves		35 561	45 134	217 191	239 622
Share capital	17	123 274	123 274	123 274	123 274
Share premium	17	276 320	276 320	276 320	276 320
Reverse asset acquisition reserve	18	(282 988)	(282 988)	–	–
Retained loss		(79 686)	(70 484)	(182 403)	(159 972)
Non-controlling interest		(1 359)	(988)	–	–
Current liabilities		806	1 331	451	521
Trade and other payables	19	806	1 331	451	521
Total equity and liabilities		36 367	46 465	217 642	240 143

CONSOLIDATED STATEMENTS OF CASH FLOW

for the year ended 30 June

	Note	GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
Net cash flow from operating activities	9	(10 428)	(19 340)	(9 388)	(19 344)
Adjustments for:		-	(7)	-	(7)
Interest paid	5	-	(7)	-	(7)
Net cash (outflow) from investing activities		(12 389)	(6 657)	(13 425)	(6 672)
Cash utilised associated with disposal group held for sale	16.3	-	(1 962)	-	(1 962)
Loans to subsidiaries	13	-	-	(14 260)	(9 916)
Investments in intangible assets	10	(13 249)	(9 856)	-	-
Acquisition of property, plant and equipment	11	(36)	(150)	(36)	(105)
Proceeds from sale of property, plant and equipment	11	24	-	1	-
Proceeds from sale of financial assets	16	-	3 500	-	3 500
Interest received	5	872	1 811	870	1 811
Net cash inflow from financing activities		-	49 876	-	49 876
Shares issued for cash	17	-	50 000	-	50 000
Cost associated with listing and issuing of shares	17	-	(124)	-	(124)
Net increase/(decrease) in cash and cash equivalents		(22 817)	23 872	(22 813)	23 853
Cash and cash equivalents at beginning of year		28 042	4 170	28 023	4 170
Cash and cash equivalents at end of year	15	5 225	28 042	5 210	28 023

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June

	Share capital R'000	Share premium R'000	Retained income/ (loss) R'000	Non- controlling interest R'000	Reverse acquisition adjustment R'000	Total R'000
GROUP						
Balance at 1 July 2011	94 065	255 653	(65 714)	(732)	(282 988)	284
Comprehensive loss for the year	–	–	(4 770)	(256)	–	(5 026)
Loss for the year	–	–	(4 770)	(256)	–	(5 026)
Issue of shares	29 209	23 753	–	–	–	52 962
Share issue costs	–	(3 086)	–	–	–	(3 086)
Balance at 30 June 2012	123 274	276 320	(70 484)	(988)	(282 988)	45 134
Comprehensive loss for the year	–	–	(9 202)	(371)	–	(9 573)
Loss for the year	–	–	(9 202)	(371)	–	(9 573)
Balance at 30 June 2013	123 274	276 320	(79 686)	(1 359)	(282 988)	35 561
Note	17	17	–	–	18	–
COMPANY						
Balance at 1 July 2011	94 065	255 653	(148 935)	–	–	200 783
Comprehensive loss for the year	–	–	(11 038)	–	–	(11 038)
Loss for the year	–	–	(11 038)	–	–	(11 038)
Issue of share as capital raising	29 209	23 753	–	–	–	52 962
Share issue costs	–	(3 086)	–	–	–	(3 086)
Balance at 30 June 2012	123 274	276 320	(159 973)	–	–	239 621
Comprehensive loss for the year	–	–	(22 430)	–	–	(22 430)
Loss for the year	–	–	(22 430)	–	–	(22 430)
Balance at 30 June 2013	123 274	276 320	(182 403)	–	–	217 191
Note	17	17	–	–	18	–

OPERATIONAL SEGMENT REPORTING

for the year ended 30 June

OPERATING SEGMENTS

The Group has classified three segments, namely (1) Discontinued operations, being all the non-core, non-platinum assets that were disposed of in the prior year (refer note 16), (2) Corporate expenses, being overhead and corporate expenses incurred and (3) Exploration, being activities associated with the Bauba Project and platinum exploration.

The reportable segments are accounted for in line with accounting policies described in note 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on the segment results as included in the internal management reports that are reviewed by the Group's CEO on a regular basis. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Discontinued operations R'000	Corporate R'000	Exploration R'000	Total R'000
2013				
Finance income	–	872	–	872
General and administrative expenses	–	(9 408)	(930)	(10 338)
Depreciation and amortisation	–	(48)	(59)	(107)
Comprehensive loss for the year	–	(8 584)	(989)	(9 573)
Total segment assets	–	5 620	30 747	36 367
Total segment liabilities	–	451	355	806
2012				
Finance income	–	1 811	–	1 811
Finance cost	–	(7)	–	(7)
General and administrative expenses	–	(7 690)	(485)	(8 175)
Results from operating activities	(2 198)	–	–	(2 198)
Depreciation and amortisation	–	(39)	(155)	(194)
Impairment of financial assets held for sale	(83)	–	–	(83)
Fair value profit/(loss) for the year	3 820	–	–	3 820
Comprehensive loss for the year	1 539	(5 925)	(640)	(5 026)
Total segment assets	–	28 784	17 681	46 465
Total segment liabilities	–	521	810	1 331

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

1. REPORTING ENTITY

Bauba Platinum Limited (the Company) is a company domiciled in the Republic of South Africa. The Company's registered address is First Floor, Building 816/5, Hammets Crossing Office Park, 2 Selbourne Road, Fourways, Gauteng. The consolidated financial statements of the Company as at and for the year ended 30 June 2013 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and its successor, the Companies Act, 2008 (Act 71 of 2008) as amended, and the Listings Requirements of JSE Limited.

The Group and Company annual financial statements were authorised for issue by the board of directors on 12 September 2013.

2.2 Basis of measurement

The Group's financial statements are prepared on the historical cost basis except for the revaluation of certain financial instruments which are measured at fair value, as appropriate, and incorporate the following principal accounting policies which have been consistently applied. All transactions are recognised under the accrual basis of accounting.

2.3 Functional and presentation currency

The consolidated financial statements are presented in South African Rand, which is the presentation currency and functional currency of all of the operations within the Group.

All amounts in the financial statements, reports and supporting schedules are stated to the nearest thousand Rand (R'000) except where otherwise indicated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The use of estimates and judgements are further disclosed in note 3.20.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Reverse asset acquisition

On 29 July 2010, Bauba Platinum Limited (Bauba Platinum) acquired the majority holding of the issued ordinary shares in Bauba A Hlabirwa Mining Investments Proprietary Limited (Bauba A Hlabirwa). As disclosed in the circular to shareholders on 17 May 2010, this transaction resulted in a change of control and the restructuring of the board of Bauba Platinum.

3.1.1 IFRS treatment

The result of the transaction required that the principles of both IFRS 3 Business combinations, and IFRS 2 Share-based payments, be considered.

IFRS 3 applies where an acquirer acquires control of a business. IFRS 3 also requires that the acquirer and acquiree be determined based on which entity (or its shareholders) acquires control of the newly created combined group; this may sometimes result in what is termed a "reverse acquisition", which occurs when the legal acquirer is in actual fact the acquiree for the purposes of applying IFRS 3. It is the view of management that this "reversed" situation applies to the transaction between Bauba Platinum and Bauba A Hlabirwa, as it is Bauba A Hlabirwa's shareholders that have obtained control of the combined entities by obtaining 81% of the issued shares and who nominated the

members of the board of directors that was subsequently appointed at the annual general meeting held on 15 October 2010.

In order for IFRS 3 to be applicable to this transaction however, the acquirer (Bauba A Hlabirwa) must be obtaining control of a business as defined by IFRS 3. A business is defined by IFRS 3 as follows:

"An integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants."

The previous Absolute Holdings Limited group at the time of the reverse asset acquisition transaction consisted of:

Directly held:

- Lenopodi Proprietary Limited – 100% (subsidiary);
- Dikopane NN Mining Proprietary Limited – 37.5% (associate); and
- Qinisele Resources Proprietary Limited – 25.1% (financial asset).

Indirectly held through Lenopodi Proprietary Limited:

- Canyon Springs Investments 116 Proprietary Limited – 100%;
- Niemoller Marmer Proprietary Limited – 100%;
- Lubtalk Investments Proprietary Limited – 90%; and
- Diamond Quartzite Processing Proprietary Limited – 90%.

Diamond Quartzite Processing Proprietary Limited was put on care and maintenance and was the only business with an operational history in the group of companies.

An analysis of the only operational business (Diamond Quartzite Processing Proprietary Limited) in the previous Absolute Holdings Limited group of companies indicated that:

- The demand for its product in the local market was not sufficient to support the production cost;
- The transportation costs of exporting the product proved to be prohibitive due to the weight of the product; and
- The infrastructure of the operational processes required substantial

capital investment to lower the production cost, which investment could not be justified based on the assessment of the local and foreign markets' demand for the products.

It is the view of management that the assets brought into the transaction by Bauba Platinum did not meet the accounting definition of a business either in Bauba Platinum or in the hands of any other market participant and consequently the transaction could not be accounted for as a reverse acquisition in terms of IFRS 3.

IFRS 2 could have applied to the transaction; however, as the transaction involved the acquisition of financial assets as well as "acquiring" liabilities it was scoped out of that standard as well.

Under these unusual circumstances, management is required by IAS 8 Accounting policies, changes in estimates and errors to develop an accounting policy that results in relevant and reliable information for users.

Management has defined the transaction as a reverse asset acquisition, as opposed to a reverse business combination. In terms of this description the consolidated financial statements are issued under the name of Bauba Platinum but it represents a continuation of Bauba A Hlabirwa, except for the capital structure. This is considered appropriate as the control of Bauba Platinum was transferred into the hands of the previous Bauba A Hlabirwa shareholders and therefore it is appropriate that the financial effects be considered from their perspective. As the legal parent in the transaction, the capital structure is that of Bauba Platinum, following an approach similar to what would have been required had IFRS 3 been applicable to the transaction. The assets of Bauba Platinum which are now controlled by the previous shareholders of Bauba A Hlabirwa were brought into this new combined entity at fair value. The difference between the cost of the purchase and the fair value of these assets was recognised in profit or loss as a reverse acquisition cost, which differs from the treatment that would have applied in terms of IFRS 3, had it been applicable, which would have recognised an intangible asset in the form of goodwill.

Under these unique circumstances, we believe this accounting policy to be largely consistent with key principles of recognition and measurement in IFRS, balanced, and results in reliable relevant information for users.

3.2 Basis of consolidation

3.2.1 Subsidiaries

Where the Group has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Group as if they formed a single entity. The results and cash flows of subsidiaries are included from the date that control commences until the date that control ceases. Inter group transactions and balances between Group companies are eliminated in full. The accounting policies of the subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

With the acquisition of a non-controlling interest, the transactions are accounted for with the owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary.

In the financial statements of the Company, investments in subsidiaries are measured at cost less accumulated impairment losses.

3.2.2 Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are accounted for using the equity method and are initially recognised in the consolidated statement of financial position at cost. The Company's share of post-acquisition profits and losses is recognised in the consolidated income statement, from the date significant influence commences until the date significant influence ceases, except that losses in excess of the Company's investment in the associate are not recognised unless there is an obligation

to make good those losses. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. The carrying amount of the investment in an associate is subject to impairment assessment at each reporting date.

In the financial statements of the Company, the investment in an associate is measured at cost, less accumulated impairment losses.

3.3 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities are recognised in profit or loss as incurred.

3.4 Intangible assets

3.4.1 Exploration for and the evaluation of mineral resources

Exploration assets include expenditure incurred after the award of the legal licence, to explore a specific area for mineral resources, has been obtained. Pre-licence costs are recognised as an expense in profit or loss as incurred.

Exploration and evaluation costs are capitalised as exploration assets on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. Exploration assets include costs

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

of acquisition of 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.

Administration and other general overhead costs, which are not directly attributable to the specific exploration assets, are expensed as incurred. When a licence is relinquished or a project is abandoned, the capitalised expenditure is recognised in profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity related. The cash-generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

Due to the early stage of the exploration programme the capitalised cost was not amortised. Amortisation of the cost will only occur once the project moves from the exploration and evaluation phase to the mining phase. The value of the capitalised cost was however subjected to an impairment test.

3.5 Property, plant and equipment

3.5.1 Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any costs directly attributable

to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated separately.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss.

3.5.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of the property, plant and equipment are recognised in profit or loss as incurred.

3.5.3 Depreciation

Depreciation is recognised in profit or loss on a systematic basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most clearly reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Residual value is the amount that the entity could recover for the asset at the reporting date if the asset was already of the age and in the condition that it will be in when the entity expects to dispose of it. The estimated residual value is based on similar assets that have reached the end of their useful lives at the date that the estimate has been made. If the residual value of an asset increases to an amount equal to or in excess of the asset's carrying value, then the asset's depreciation charge will be zero. Depreciation will

resume when the asset's residual value falls below the asset's carrying value.

The estimated useful lives for the current and comparative periods are as follows:

- Motor vehicles: five (5) years
- Furniture, fittings and equipment: three (3) years.

Depreciation methods, useful lives and residual values are reviewed annually and adjusted, if appropriate.

3.6 Impairment of non-financial assets

The carrying amount of the Group's assets is reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value-in-use and its fair value less the cost to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Impairment charges are disclosed separately on the consolidated statement of comprehensive income, except to the extent that they reverse gains previously recognised in the consolidated statement of changes in equity.

3.7 Non-current assets held-for-sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are assets classified as held-for-sale. Immediately before classification as held-for-sale or distribution, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment, once classified as held-for-sale are not amortised or depreciated. For financial assets that are held for sale refer note 16.

3.8 Provisions

Provisions are recognised when the Group has a present obligation, whether legal or constructive, for liabilities of uncertain timing or amount that have arisen as a result of past events and are discounted at a pre-tax rate reflecting current market assessments of the time value of money and the risks specific

to the liability. In accordance with the applicable legal requirements, a provision for rehabilitation of land and the related expense is recognised when the damage occurs, it is probable that a restoration expense will be incurred and a reasonable estimate of the costs can be made.

3.9 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3.9.1 Fair value determination

The fair values for a financial asset that is traded in an active market (and for listed securities) – the Group establishes fair value by quoted market prices that are available to the industry.

The fair values for a financial asset that is not traded in an active market (and for unlisted securities) – the Group establishes fair value by using valuation techniques. These valuation techniques include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

A gain or loss arising from the change in the fair value of a financial asset or liability that is not part of a hedging relationship is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through profit and loss is recognised in profit and loss; and
- A gain or loss on an available-for-sale financial asset is recognised in other comprehensive income, except for impairment losses and foreign exchange gains and

losses, until the financial asset is derecognised. At that time the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

3.9.2 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3.9.3 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the consideration received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of a financial asset designated through other comprehensive income at fair value, the difference (if any) between carrying amount and consideration received is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised is recognised in profit or loss.

3.9.4 Financial assets

Financial assets are classified as: at fair value or amortised cost.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The Group at present identifies the following financial assets:

- Financial assets available for sale at fair value through other comprehensive income; and
- Loans and receivables.

3.9.4.1 *Financial assets available for sale at fair value through other comprehensive income*

These financial assets are non-derivatives.

The Group had investments in unlisted shares that are not traded in an active market, are classified as financial assets available for sale through other comprehensive income and stated at fair value at the end of each reporting period. Fair value is determined in the manner described in note 3.9.1. Changes in the carrying amount of these financial assets relating to dividends are recognised in profit or loss. Other changes in the carrying amount are recognised in other comprehensive

income. When the investment is disposed of the difference (if any) between the carrying amount and consideration received is recognised in profit or loss.

Dividends are recognised in profit or loss when the Group's right to receive the dividends is established.

3.9.4.2 *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash and others) are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.9.5 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or 'other financial liabilities'. The Group does not have any financial liabilities at fair value through profit and loss at present.

3.9.5.1 *Other financial liabilities*

Other financial liabilities (including borrowings and trade and other payables) are initially recorded at cost and subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.10 Taxation

Income tax comprises current and deferred tax. Current tax and deferred

tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current taxation is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:

- The initial recognition of goodwill;
- The initial recognition of assets and liabilities that affect neither accounting nor taxable profit; and
- Differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable entity; or
- different Group entities which intend either:
 - to settle current tax assets and liabilities on a net basis; or
 - to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred

tax assets or liabilities are expected to be settled or recovered.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

3.11 Share capital

The Group's ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of tax effects.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognised as a deduction from total equity as a treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is transferred to/from retained earnings.

3.12 Revenue

The invoiced values of goods sold, excluding value added tax, discounts and other non-operating income, in respect of manufacturing and trading, are recognised at the date when the significant risks and rewards of ownership are transferred to the buyer. The sale of goods was specific to the disposal group held for sale, which group was sold during the previous financial year.

3.13 Finance income and finance expense

Finance income comprises interest income received on funds invested that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings that are recognised in profit or loss using the effective interest method.

3.14 Dividends

Dividends to equity holders are only recognised as a liability when declared and are included in the statement of changes in equity.

3.15 Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a finance lease), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are analysed between capital and interest.

Operating lease cost is recognised on a straight-line basis over the term of the lease.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and other intangible assets.

3.17 Employee benefits

3.17.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the year in which the employee renders the related service. The accruals for employee entitlements to remuneration and annual leave represent the amount which the Group has a present obligation to pay as a result of the employee's services

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current remuneration rates.

3.18 Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised as assets.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

3.19 Share-based payments

Share-based payment arrangements in which the Group receives services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The costs for such services received are expensed when incurred. Equity-settled share-based payments are measured at the rating price of the shares of the Company on the grant date.

3.20 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have

a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.20.1 Useful lives of intangible assets and property, plant and equipment

As described in note 3.5 above, the estimated useful lives of property, plant and equipment are reassessed at the end of each annual reporting period. The Group depreciates/amortises its assets over their estimated useful lives, as more fully described in the accounting policies for property, plant and equipment and intangible assets. The actual lives of these assets can vary depending on a variety of factors, including technological innovation and maintenance programmes. Changes in estimates can result in significant variations in the carrying value and amounts charged to profit or loss in specific periods.

3.20.2 Rehabilitation provision

Long-term environmental obligations are based on the Group's environmental plans, in compliance with current environmental and regulatory requirements. Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. Annual increases in the provisions relating to the change in the net present value of the provision and inflationary increases are included in administration expenses in the income statement.

The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation or technology. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure, in view of the uncertainty of estimating the potential future proceeds (refer note 16.1).

Drill site rehabilitation is done on an ongoing basis and no provision is carried in the accounting records.

3.20.3 Income taxes

The Group is subject to income tax in a single jurisdiction and significant judgement is required in determining the provision for income taxes. During

the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax expense in the period in which such determination is made.

3.21 Adoption of new and revised statements

3.21.1 Standards that are effective for annual periods ending on 30 June 2013

The following statements and interpretations applicable to Bauba Platinum became effective in the current period and have been applied where relevant:

- IAS 1 Presentation of financial statements (amendments).

Adoption of new and revised standards did not have a significant impact on the measurement and presentation of items included in the financial statements.

3.21.2 Standards that are effective for annual periods beginning on or after 1 July 2013

The following interpretations and standards were in issue but not yet effective and may have an impact on future financial statements:

- IAS 1 Presentation of financial statements (amendments);
- IAS 16 Property, plant and equipment (amendments);
- IAS 19 Employee benefits (amendments);
- IAS 27 Consolidation and separate financial statements (effects of the issuing of IFRS 10,11 and 12);
- IAS 28 Investments in associates and joint ventures (effects of the issuing of IFRS 10,11 and 12);

- IAS 32 Financial instruments: presentation (amendments);
- IAS 34 Interim financial reporting (amendments);
- IFRS 1 First-time adoption of IFRS (amendments);
- IFRS 7 Financial instruments: disclosures (amendments);
- IFRS 10 Consolidated financial statements (replaces IAS 27);
- IFRS 11 Joint arrangements (replaces IAS 31);
- IFRS 12 Disclosure of interest in other entities (new and comprehensive disclosure requirements);
- IFRS 13 Fair value measure (replace existing guidelines); and
- IFRIC 20 Stripping costs in the production phase of a surface mine.

Adoption of these new and revised standards is unlikely to

have a significant impact on the measurement and presentation of items included in the financial statements.

3.21.3 Standards that are effective for annual periods beginning on or after 1 January 2015

The following interpretation and standard was in issue but not yet effective and may have an impact on future financial statements:

- IFRS 9 Financial instruments (revised – replaces part of IAS 39).

The directors anticipate that all of the above interpretations, to the extent relevant, will be adopted in the Group's consolidated financial statements for the year in which they become effective and that the adoption of those statements will have no material impact on the financial statements of the Group in the initial application.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
4. RESULTS FROM OPERATING ACTIVITIES				
Results from continued operations				
After considering the following:				
Expenses				
Auditor's remuneration	288	312	268	275
– Auditor fees	288	312	268	275
Contributions to socio-economic development	–	18	–	–
Depreciation	107	194	48	49
– Motor vehicles	75	155	17	16
– Furniture and equipment	32	39	31	33
Personnel expenses	5 406	4 345	4 440	3 506
– Salaries and wages	5 369	4 288	4 403	3 449
– Medical aid contribution	37	57	37	57
Property rental	218	207	218	207
Operating lease – office equipment	48	51	48	51

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

		GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
5. FINANCE INCOME AND COST					
Finance income and cost					
Finance income		872	1 811	870	1 811
– Financial institutions		870	1 811	870	1 811
– SARS		2	–	–	–
Finance cost		–	(7)	–	(7)
– Suppliers		–	(7)	–	(7)
6. TAXATION					
No provision has been made for normal taxation by the Group as the Group had no taxable income for the year. A deferred tax asset is not recognised as at 30 June 2013 as it is uncertain when a future taxable profit will be generated to utilise the tax loss. The calculated tax loss is R71 520 000 (assessed tax loss 2012: R61 947 000). Refer notes 21.7 and 23.					
6.1 Reconciliation of effective tax rate					
Loss for the year before taxation		(9 573)	(5 026)	(22 430)	(11 038)
Taxation		–	–	–	–
Loss for the year after taxation		(9 573)	(5 026)	(22 430)	(11 038)
Statutory Income tax rate of 28% (%)		28.00	28.00	28.00	28.00
Unrecognised deferred tax asset (%)		(28.00)	(28.00)	(28.00)	(28.00)
Effective tax rate (%)		–	–	–	–

The tax rate used for the 2013 reconciliation above is the corporate tax rate of 28% (2012: 28%) payable by corporate entities in South Africa on taxable profits.

6.2 Other comprehensive loss

The Company incurred no taxation obligation during the year under review.

		GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
7.	HEADLINE EARNINGS PER SHARE				
	Basic loss per share (cents)	(7.5)	(3.9)	(18.2)	(9.1)
	Continued operations	(7.5)	(5.2)	(18.2)	(10.4)
	Discontinued operations	–	1.3	–	1.3
	Diluted loss per share (cents)	(7.5)	(3.9)	(18.2)	(9.1)
	Continued operations	(7.5)	(5.2)	(18.2)	(10.4)
	Discontinued operations	–	1.3	–	1.3
	Headline loss per share (cents)	(7.5)	(7.0)		
	Continued operations	(7.5)	(5.2)		
	Discontinued operations	–	(1.8)		
	Diluted headline loss per share (cents)	(7.5)	(7.0)		
	Continued operations	(7.5)	(5.2)		
	Discontinued operations	–	(1.8)		
	Weighted average shares in issue ('000)	123 274	121 093		
	Diluted weighted average shares in issue ('000)	123 274	121 093		
	Number of share in issue at end of year ('000)	123 274	123 274		
	Adjustment to arrive at headline earnings:				
	Net loss before taxation for the year	(9 202)	(4 770)		
	Fair value loss of discontinued operations	–	(3 820)		
	Impairment of financial assets held for sale	–	83		
	Headline earnings	(9 202)	(8 507)		

Headline earnings per share have been calculated in accordance with SAICA Circular 3/2012 entitled Headline Earnings which forms part of the Listings Requirements of the JSE Limited.

8. DIVIDEND

The board of directors of Bauba Platinum has not declared a dividend for the years ended 30 June 2013 or 30 June 2012.

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
9. CASH FLOW INFORMATION				
Loss for the year before tax	(9 573)	(5 026)	(22 430)	(11 038)
Adjustments for:	(765)	(3 149)	12 951	3 370
Interest paid in profit and loss	–	7	–	7
Depreciation	107	194	48	49
Impairment of financial assets	–	83	–	83
Investment income recognised in loss before tax	(872)	(1 811)	(870)	(1 811)
Loss associated with group held for sale	–	2 198	–	623
Impairment for the year – loans to subsidiaries	–	–	13 773	6 664
Fair value profit for the year – discontinued operations	–	(3 820)	–	(2 245)
Changes in working capital	(90)	(11 165)	91	(11 676)
Trade and other receivables	435	(37)	161	261
Trade and other payables	(525)	(11 128)	(70)	(11 937)
Net cash from operating activities	(10 428)	(19 340)	(9 388)	(19 344)
10. INTANGIBLE ASSETS				
Mineral rights				
Exploration and evaluation assets	30 555	17 306	–	–

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the income statement. Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity related. The cash-generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and development.

Bauba Platinum has an effective 60% holding in Bauba A Hlabirwa who holds prospecting rights over the following farms in Limpopo province: Magneetsvlakte 541 KS; Dingaanskop 543 KS, Fisant Laagte 506 KS, Zwitserland 473 KS, Indië 474 KS, Schoonoord 462 KS, Genokakop 285 KT and Groot Vygenboom 284 KT. The prospecting rights held over Genokakop 285 KT and Groot Vygenboom 284 KT are subject to a review application brought by Rustenburg Platinum Mines Limited which to date has not been concluded. Bauba A Hlabirwa was granted a prospecting right over Houtbosch 323 KT which right is pending notarial execution and registration in the Mining Titles Registration office once the review application has been set aside. Upon this being achieved Bauba Platinum will issue an additional 21 189 600 new shares to the Vendors as communicated in the Circular to shareholders on 17 May 2010.

	GROUP			COMPANY		
	Motor vehicles R'000	Furniture and equipment R'000	Total R'000	Motor vehicles R'000	Furniture and equipment R'000	Total R'000
11. PROPERTY, PLANT AND EQUIPMENT						
Cost						
At 30 June 2012	782	166	948	85	121	206
Additions	–	36	36	–	36	36
Disposals	–	(69)	(69)	–	(49)	(49)
At 30 June 2013	782	133	915	85	108	193
Accumulated depreciation and impairment losses						
At 30 June 2012	422	79	501	16	73	89
Depreciation	75	32	107	17	31	48
Disposals	–	(45)	(45)	–	(47)	(47)
At 30 June 2013	497	66	563	33	57	90
Carrying value at 30 June 2013	285	67	352	52	51	103
Cost						
At 30 June 2011	697	101	798	–	101	101
Additions	85	65	150	85	20	105
At 30 June 2012	782	166	948	85	121	206
Accumulated depreciation and impairment losses						
At 30 June 2011	267	40	307	–	40	40
Depreciation	155	39	194	16	33	49
At 30 June 2012	422	79	501	16	73	89
Carrying value at 30 June 2012	360	87	447	69	48	117

None of the items of property plant and equipment have been pledged as security and there are no contractual commitments to acquire any property, plant and equipment.

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

		COMPANY	
		2013 R'000	2012 R'000
12. INVESTMENTS IN SUBSIDIARIES			
Investment in subsidiaries			
Bauba A Hlabirwa Mining Investments Proprietary Limited	86 618	86 618	
Ndarama Mineral Resources Proprietary Limited	116 393	116 393	
Absolute Group Management Proprietary Limited*	–	–	
	203 011	203 011	

* Investment is R100 – zero due to rounding effect.

In the legal structure Bauba Platinum holds the following investments:

Directly and indirectly:

- Absolute Group Management Proprietary Limited – 100% (2012: 100%);
- Ndarama Mineral Resources Proprietary Limited – 100% (2012: 100%); and
- Bauba A Hlabirwa Mining Investments Proprietary Limited – effective holding 60% (2012: 60%).

The remaining 40% interest in Bauba A Hlabirwa is held in favour of and for the benefit of the Bapedi Royal Family (2.4%) and the Bapedi Nation (37.6%).

The investments in the subsidiaries were tested for impairment. The impairment test considered the attributable targeted and inferred PGM resource, historical transactions that were concluded for such resources and taking into consideration the current platinum price.

		COMPANY	
		2013 R'000	2012 R'000
13. LOANS TO SUBSIDIARIES			
Loans to subsidiaries			
Ndarama Mineral Resources Proprietary Limited	–	11	
Bauba A Hlabirwa Mining Investments Proprietary Limited	33 995	19 724	
(Loss) on loan	(24 779)	(11 006)	
Beginning of period	(11 006)	(4 342)	
Current period	(13 773)	(6 664)	
	9 216	8 729	

Loans to subsidiaries are unsecured with no fixed repayment terms and bear no interest. The loan to Bauba A Hlabirwa Mining Investments Proprietary Limited was impaired using the net present valuation method, as the repayment of this loan is only expected once the company produces income from its operations. The discount rate applied is the bank overdraft rate of 8.5% as at 30 June 2013.

		GROUP		COMPANY	
		Carrying amount		Carrying amount	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
14. TRADE AND OTHER RECEIVABLES					
Trade and other receivables					
VAT	100	352	54	–	
Prepayments	26	92	26	92	
Deposits and other	109	226	22	171	
	235	670	102	263	

In the opinion of the directors the carrying value of trade and other receivables approximates fair value due to its short-term nature and represents the maximum amount exposed to credit risk.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
15. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents				
Bank and cash balances	81	364	66	345
Call deposits	5 144	27 678	5 144	27 678
	5 225	28 042	5 210	28 023

16. DISPOSAL GROUP HELD FOR SALE

16.1 Assets and liabilities classified as held-for-sale

The following investments held for sale were disposed of in the prior financial year:

Directly

- Dikopane NN Mining Proprietary Limited – 37.5% (2012: 37.5%) – disclosed as an investment in associate;
- Qinisele Resources Proprietary Limited – 25.1% (2012: 25.1%) – disclosed as a financial asset through other comprehensive income as was designated at initial recognition; and
- Lenopodi Proprietary Limited – 100% (2012: 100%).

Indirectly held through Lenopodi Proprietary Limited

- Canyon Springs Investments 116 Proprietary Limited – 100% (2012: 100%);
- Niemoller Marmer Proprietary Limited – 100% (2012: 100%);
- Lubtalk Investments Proprietary Limited – 90% (2012: 90%); and
- Diamond Quartzite Processing Proprietary Limited – 90% (2012: 90%).

As a result of the disposal of these investments the Group no longer has a need for a provision for rehabilitation costs. (Drill site rehabilitation is done on an ongoing basis.)

The proceeds received from the sale were:

- Qinisele Resources Proprietary Limited – R3 500 000; and
- Lenopodi Proprietary Limited and Dikopane NN Mining Proprietary Limited – the net asset value of these investments were settled against the net Calulo loan of R22 602 989 on 27 June 2012, the effective date of the transaction.

The disposal group financial results are reflected under the heading “discontinued operations” in the operational segment report on page 27.

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
16.2 Operating results of discontinued operations				
Operating results of discontinued operations				
Revenue	–	5	–	–
Net income	–	10	–	1 058
Net finance costs	–	(1 681)	–	–
Expenses	–	(532)	–	(1 681)
Net (loss)	–	(2 198)	–	(623)
Realised profit for the year	–	3 820	–	2 245
Realised loss on financial asset	–	(83)	–	(83)
Realised loss on financial asset held for sale	–	(83)	–	(83)
Profit for the year	–	1 539	–	1 539

All the companies reflected in the discontinued operations had assessed loss positions and therefore there was no tax effect on the operating results.

The realised profit /loss in the previous year resulted from the off-setting of the Calulo loan against the ring-fenced discontinued operations and the sale of the financial asset as per the condition of the transaction agreement that governed the reverse asset transaction.

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
16. DISPOSAL GROUP HELD FOR SALE <i>continued</i>				
16.3 Cash utilised for disposal group held for sale				
Net cash outflow from operating activities	–	(1 961)	–	(1 961)
Net cash inflow from investing activities	–	3 500	–	3 500
Net cash flows	–	1 539	–	1 539
17. SHARE CAPITAL AND PREMIUM				
Share capital and premium				
Authorised share capital				
200 000 000 (2012: 200 000 000) ordinary shares of R1 each	200 000	200 000	200 000	200 000
Issued share capital				
Balance at the beginning of the year	123 274	94 065	123 274	94 065
Shares issued for cash	–	27 778	–	27 778
Share-based payments	–	1 431	–	1 431
Balance at the end of the year	123 274	123 274	123 274	123 274
Share premium				
Balance at the beginning of the year	276 320	255 653	276 320	255 653
Shares issued for cash	–	22 222	–	22 222
Share-based payments	–	1 531	–	1 531
Costs associated with capital raise	–	(3 086)	–	(3 086)
Balance at the end of the year	276 320	276 320	276 320	276 320
During the previous year the Company settled costs incurred with regard to the shares issued for cash by issuing 1 430 617 shares at R2.07 per share. The results of this transaction are reflected in “share-based payments” and “cost associated with capital raising” above.				
Authorised share capital – number of shares				
200 000 000 (2012: 200 000 000) ordinary shares of R1 each	200 000	200 000	200 000	200 000
Issued share capital				
Balance at the beginning of the year	123 274	94 065	123 274	94 065
Shares issued for cash	–	27 778	–	27 778
Share-based payments	–	1 431	–	1 431
Balance at the end of the year	123 274	123 274	123 274	123 274

18. REVERSE ACQUISITION RESERVE

During the 2011 financial year Bauba Platinum concluded an asset-for-share transaction. The effect of the accounting treatment (refer note 3.1.1), as a result of the reverse asset acquisition, is that even though the consolidated financial statements are issued under the name of Bauba Platinum, it represents a continuation of Ndarama Mineral Resources Proprietary Limited (Ndarama) and Bauba A Hlabirwa, except for its capital structure.

The accounting treatment requires that the share capital structure of Ndarama and Bauba A Hlabirwa is replaced by that of Bauba Platinum as at the transaction date taking into consideration the value of the purchase price and the fair value of the assets bought. The following values were taken into consideration at the transaction date:

	GROUP	
	2013 R'000	2012 R'000
Fair value of Bauba A Hlabirwa and Ndarama – 68 124 600 shares @ R2.98	203 011	203 011
Share capital of Bauba Platinum	128 074	128 074
Net deemed value of Bauba Platinum	331 085	331 085
Share capital of Bauba A Hlabirwa and Ndarama	(637)	(637)
Non-controlling Interest	255	255
Purchase price of Bauba Platinum – 16 011 854 shares @ R2.98	(47 715)	(47 715)
Reverse assets acquisition reserve	282 988	282 988

At the transaction date the fair value of Bauba Platinum was R21 803 000 and the purchase price was R47 715 000 (16 011 854 shares @ R2.98) resulting in a reverse asset acquisition cost of R25 913 000.

	GROUP		COMPANY	
	Carrying amount		Carrying amount	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
19. TRADE AND OTHER PAYABLES				
Trade and other payables				
Trade payables	537	974	208	313
VAT	–	48	–	48
Other payables	269	309	243	160
	806	1 331	451	521

In the opinion of the directors the carrying value of trade and other payables approximates fair value due to its short-term nature.

20. CONTINGENT LIABILITIES

The Group is involved in two litigation matters. The details are:

- A review application was lodged by Rustenburg Platinum with regards the prospecting rights held over the farms Genokakop 285 KT and Groot Vygenboom 284 KT; and
- A previous employee of the Company has lodged a claim for compensation due to his resignation for alleged good cause.

The Company has taken senior counsel advice on both these matters and was informed that the Company has a strong case in both instances and the judicial system should find in the Company's favour. The potential financial effect of the outcomes is uncertain in light of the outcome being subjected to the judicial process.

To the best of our knowledge and belief there are no other contingent liabilities to third parties and/or contingent assets not set out or referred to in this report which may materially affect the financial position of the Group.

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

21. FINANCIAL INSTRUMENTS

21.1 Risk management activities

In the normal course of its operations, the Group is exposed to credit, interest rate and liquidity risk. This note describes the Group's objectives, policies and processes for managing those risks and methods used to measure them. In order to manage these risks, the Group has developed a comprehensive risk management process to facilitate control and monitoring. The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Company's treasury function provides services to the subsidiaries, coordinates access to domestic financial markets and monitors and manages the financial risks relating to the operations of the Group. Operational and business risks are reviewed and addressed on a monthly basis. These risks include credit risk, liquidity risk and cash flow interest rate risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

21.2 Credit risk

The Group does not have any credit risk pertaining to the selling of goods and services. The Company fulfils a centralised treasury function for the Group. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Financial instruments				
Credit risk				
Deposits and others	109	226	22	171

There was no impairment loss recognised in trade and other receivables.

21.3 Foreign exchange risk

The Group does not operate internationally at present and is therefore not directly exposed to foreign exchange risk.

21.4 Interest rate risk

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was:

	GROUP		COMPANY	
	2013 R'000	2012 R'000	2013 R'000	2012 R'000
Interest rate risk				
Financial assets	5 255	28 042	5 210	28 023

A sensitivity analysis is performed by assuming that the assets and liabilities outstanding at year end have been outstanding for the whole year and that the interest rate has increased or decreased by two hundred basis points. The effect will be that the loss for the year ended 30 June 2013 would increase/decrease by R105 000.

21. FINANCIAL INSTRUMENTS continued

21.5 Liquidity risk management

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group manages liquidity by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

The Group has no overdraft facility and no interest bearing debt. In the ordinary course of business the Group raises cash through the issuing of shares for cash. Surplus cash is centrally managed to maximise returns while ensuring that the capital is safeguarded by investing only with top financial institutions.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. This table was drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

	Weighted average effective interest rate %	GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
Liquidity risk					
Trade and other payables		806	1 331	451	521
Due in one to three months	0	806	1 331	451	521

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted average effective interest rate %	Less than one month R'000	One to three months R'000	Three months to one year R'000	Total R'000
30 June 2013					
Non-interest bearing		314	–	–	314
Variable interest rate instruments	4.9	1 411	3 724	–	5 135
		1 725	3 724	–	5 449
30 June 2012					
Non-interest bearing		422	–	–	422
Variable interest rate instruments	5.7	720	18 044	9 552	28 316
		1 142	18 044	9 552	28 738

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

21. FINANCIAL INSTRUMENTS *continued*

21.6 Fair value of financial instruments

Three different levels for fair valuation have been defined:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data.

All financial assets and liabilities are measured at amortised cost.

The directors are of the opinion that the carrying value of the financial assets and liabilities as reflected on the face of the consolidated statement of financial position is the fair value of these financial assets and liabilities due to their short-term nature.

21.7 Capital management

The Group is an exploration concern and raises the necessary cash to support the exploration programme through the issuing of shares. The Group requires an additional R150 million to complete phase I of the current exploration programme and the plan is to raise the cash in tranches according to the cash flow requirements in order to complete phase I by June 2015 which will allow the Group to apply for a mining permit. The cash outflows are managed by adjusting the drilling rates to coincide with the cash raising programme. The capital management objectives and principles applied in the current financial period are consistent with those applied in the previous financial period.

The Group's audit and risk committee reviews the liquidity of the Group at every meeting to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders.

The Group is not subjected to externally imposed capital requirements.

22. RELATED PARTIES

Transactions and balances

Subsidiaries

Transactions between the Group and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. The subsidiaries are:

	Effective holding %
Absolute Group Management Proprietary Limited	100
Ndarama Mineral Resources Proprietary Limited	100
Bauba A Hlabirwa Mining Investments Proprietary Limited	60

Loans to subsidiaries

	COMPANY	
	2013 R'000	2012 R'000
Refer note 13 for detail	9 216	8 729

22. RELATED PARTIES continued

Directors

The directors of the Group during the year were:

	Appointed	Resigned	
JG Best	17/09/2010		Chairman – non-executive
KV Dicks	17/09/2010		Independent non-executive
SM Dolamo	17/09/2010		Independent non-executive
KW Mzondeki	12/09/2011		Independent non-executive and chairperson of the audit committee
Dr NM Phosa	22/03/2011		Non-executive
DS Smith	17/09/2010		Non-executive
King Thulare Thulare	1/07/2011		Alternate to Dr NM Phosa
SJM Caddy	13/02/2013		CEO
GJ Pitt	1/07/2011	31/01/2013	CEO
WA Moolman	1/07/2011		CFO

For details of the directors' remuneration refer note 25. Details of other transactions between the Group and its directors are disclosed below.

	2013 R'000	2012 R'000
Related party		
Prospect Geoservices CC (DS Smith – director – geological services)		
Fees	499	488
Amounts due at 30 June	34	65

Other related parties

There were no transactions between the Group and its other related parties.

23. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. As is common with many junior mining companies, the Group raises capital for exploration and other projects as and when required. The Group is at an advanced stage of negotiating additional short- to medium-term funding with shareholders. However, there can be no assurance that the Group's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects may be adversely affected by factors outside of the control of the Group.

24. SUBSEQUENT EVENTS

The directors are not aware of any subsequent events other than those disclosed above that occurred between the date of authorisation of the annual financial statements and the year end that require any adjustments or additional disclosure in the annual financial statements.

continued...

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2013

25. DIRECTORS' EMOLUMENTS

		GROUP		COMPANY	
		2013 R'000	2012 R'000	2013 R'000	2012 R'000
Executive directors					
SJM Caddy	Appointed 13 February 2013	740	–	740	–
WA Moolman	Appointed 1 July 2011	1 392	1 041	1 392	1 041
GJ Pitt	Resigned 31 January 2013	1 448	1 630	1 448	1 630
Non-executive directors					
JG Best (Chairman)	Appointed 17 September 2010	181	241	181	241
KV Dicks	Appointed 17 September 2010	298	285	298	285
SM Dolamo	Appointed 17 September 2010	291	232	291	232
Dr NM Phosa	Appointed 22 March 2011	104	66	104	66
KW Mzondeki	Appointed 12 September 2011	281	206	281	206
DS Smith	Appointed 17 September 2010	141	156	141	156
King TV Thulare (Alternate)	Appointed 1 July 2011	387	311	92	73
Fees		92	73	92	73
Salary		295	238	–	–

The remuneration of the executive directors is determined by the remuneration committee, having regard to the performance of individuals and market trends. None of the executive directors received post-employment benefits, other long-term incentives, termination or share-based benefits during this period.

Executive directors do not receive directors' fees and all the directors have service contracts with the Company at 30 June 2013.

Executive directors are subject to the Company's standard conditions of employment.

SHAREHOLDERS' INFORMATION

for the year ended 30 June

	Number	%	Shares	%
Range				
0 – 1 000	759	49.87	290 265	0.24
1 001 – 10 000	433	28.45	1 768 290	1.43
10 001 – 100 000	259	17.02	9 111 380	7.39
100 001 – 1 000 000	55	3.61	17 219 750	13.97
1 000 000 +	16	1.05	94 883 854	76.97
	1 522	100.00	123 273 539	100.00
Major shareholders directly owning 5% or more of shares in issue				
Highland Trading Investments Limited			48 345 090	39.22
PSL Client Safe Custody Asset			7 832 109	6.35
Math-Pin Trust			7 263 677	5.89
Bauba A Hlabirwa Mining Investments Proprietary Limited			6 358 306	5.16
Shareholder spread				
Public	1 366	99.78	66 735 283	54.14
Non-public	3	0.22	56 538 256	45.86
Highland Trading Investments Limited	1	0.07	48 345 090	39.22
Directors	2	0.15	8 193 166	6.64

	Directly held	Indirectly held	Total	% of shares
Directors' shareholding				
2013				
GJ Pitt	939 489		939 489	0.76
Dr NM Phosa		7 263 677	7 263 677	5.89
Total number of shares	939 489	7 263 677	8 203 166	6.65
2012				
GJ Pitt	929 489	–	929 489	0.75
Dr NM Phosa	–	7 263 677	7 263 677	5.89
Total number of shares	929 489	7 263 677	8 193 166	6.64

NOTICE OF ANNUAL GENERAL MEETING



BAUBA PLATINUM LIMITED

Incorporated in the Republic of South Africa
(Registration number: 1986/004649/06)
Share code: BAU • ISIN: ZAE000145686
(Bauba Platinum or the Company or the Group)

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant (CSDP), broker, banker, attorney, accountant or other professional adviser immediately.

Notice is hereby given that the annual general meeting of shareholders of Bauba Platinum Limited (annual general meeting) will be held at 10:00 on 5 December 2013 at First Floor, Building 816/5, Hammets Crossing Office Park, 2 Selbourne Road, Fourways, Gauteng, for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereunder.

The board of directors of the Company (the board) has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 (Act 71 of 2008), as amended, the record date for the purposes of determining which shareholders of the Company are entitled to participate in and vote at the annual general meeting is 29 November 2013. Accordingly, the last day to trade Bauba Platinum shares in order to be recorded in the Register to be entitled to vote will be 22 November 2013.

1. To receive, consider and adopt the annual financial statements of the Company and the Group for the financial year ended June 2013, including the reports of the auditors, directors and the audit and risk committee.
2. To re-elect, Jonathan Best who, in terms of Article 25 of the Company's Memorandum of Incorporation, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.
3. To re-elect, Kenneth Dicks who, in terms of Article 25 of the Company's Memorandum of Incorporation, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.

4. To re-elect, Sholto Dolamo who, in terms of Article 25 of the Company's Memorandum of Incorporation, retires by rotation at this annual general meeting but, being eligible to do so, offers himself for re-election.
5. To confirm the appointment as director of Sydney Caddy who was appointed by the board in terms of Article 25 of the Company's Memorandum of Incorporation.

An abbreviated *curriculum vitae* in respect of each director offering himself for re-election/election appears on page 2 of the annual report to which this notice is attached and the board recommends their re-election as directors.

6. To appoint, Kholeka Mzondeki as a member of the audit and risk committee.
7. To appoint, Kenneth Dicks as a member of the audit and risk committee.
8. To appoint, Sholto Dolamo as a member of the audit and risk committee.

An abbreviated *curriculum vitae* in respect of each member of the audit and risk committee appears on page 2 of the annual report to which this notice is attached and the board recommends their appointment to the said committee.

9. To confirm the re-appointment of BDO South Africa Inc. as independent auditor

of the Group with Fred Bruce-Brand, being the individual registered auditor who has undertaken the audit of the Group for the ensuing financial year and to authorise the directors to determine the auditors' remuneration.

The minimum percentage of voting rights required for each of the resolutions set out in items numbers 1 to 7 above to be adopted is more than 50% (fifty percent) of the voting rights exercised on each of the resolutions by shareholders present or represented by proxy at the annual general meeting.

As special business, to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

10. SPECIAL RESOLUTION NUMBER 1

Non-executive directors' remuneration

"Resolved that, in terms of the provisions of sections 66(9) of the Companies Act, 2008 (Act 71 of 2008), as amended, the annual remuneration payable to the non-executive directors of Bauba Platinum Limited (the Company) for their services as directors of the Company for the financial years ending June 2014, be and is hereby approved as follows:

	Main board		Audit and risk committee		Other committees		Hourly fee*
	Per meeting attendance fee R	Annual retainer fee R	Per meeting attendance fee R	Annual retainer fee R	Per meeting attendance fee R	Annual retainer fee R	
Chairman	23 784	64 500	18 813	43 000	10 750	28 219	3 225
Members	19 028	51 600	15 050	34 400	8 600	22 575	2 419

* The hourly fee is applicable for ad hoc special board meetings and services rendered over and above the normal duties as directors of the Company.

Explanatory note

In terms of section 66(9) of the Companies Act, a company is required to pre-approve the payment of remuneration to non-executive directors for their services as directors for the ensuing financial year by means of a special resolution passed by shareholders of the Company within the previous two years.

Special resolutions to be adopted at this annual general meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

11. ORDINARY RESOLUTION NUMBER 1

Approval of remuneration policy

“Resolved that the remuneration policy of the directors of the Company, as set out on pages 9 and 10 of the annual report to which this notice is attached/below, be and is hereby approved as a non-binding advisory vote of shareholders of the Company in terms of the King III Report on Corporate Governance.”

Bauba Platinum has adopted a balanced approach to total remuneration which dictates the adoption of an appropriate mix between fixed pay guaranteed package (basic salary, benefits and allowances) and performance variable pay, and within the latter between those elements linked to short-term, operational performance and those related to longer-term growth in shareholder value.

Total remuneration is reviewed on an ongoing basis, by the remuneration committee, to ensure the relative percentage of guaranteed pay and performance variable pay are market related and aligned to the attainment of Bauba Platinum's strategy and objectives. The remuneration committee makes use of external benchmarking, salary surveys/reviews and independent consultants, as and when it deems necessary to assist with remuneration review. Appropriate peer companies, based on the industry, the company size and the roles being benchmarked, are considered when carrying out the benchmarking process.

It is intended that the implementation of the above pay mix will allow Bauba Platinum to become and remain competitive in guaranteed pay and performance variable pay, and will reward long-term sustainable company performance, act as attraction and retention tool, and ensure that executive share a significant level of reward risk with the Group's shareholders.

Ordinary resolutions to be adopted at this annual general meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by

shareholders present or represented by proxy at the meeting.

12. ORDINARY RESOLUTION NUMBER 2

Control of authorised but unissued ordinary shares

“Resolved that the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company (directors) and that the directors be and are hereby authorised and empowered to allot and issue all or any of such ordinary shares, or to issue any options in respect of all or any of such ordinary shares, to such person/s on such terms and conditions and at such times as the directors may from time to time and in their discretion deem fit, subject to the provisions of sections 38 and 41 of the Companies Act, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and the Listings Requirements of JSE Limited, as amended from time to time.”

Ordinary resolutions to be adopted at this annual general meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

13. ORDINARY RESOLUTION NUMBER 3

Approval to issue ordinary shares, and to sell treasury shares, for cash

“Resolved that the directors of the Company and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to:

- Allot and issue, or to issue any options in respect of, all or any of the authorised but unissued ordinary shares in the capital of the Company; and/or
- Sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company,

for cash, to such person/s on such terms and conditions and at such times as the directors may from time to time in

their discretion deem fit, subject to the Companies Act, 2008 (Act 71 of 2008), the Memorandum of Incorporation of the Company and its subsidiaries and the Listings Requirements of JSE Limited (the JSE Listings Requirements) from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- The securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- Any such issue may only be made to “public shareholders” as defined in the JSE Listings Requirements and not to related parties;
- The number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 15% (fifteen percent) of the number of issued ordinary shares. The number of ordinary shares which may be issued shall be based, *inter alia*, on the number of ordinary shares in issue, added to those that may be issued in future (arising from the conversion of options/convertibles) at the date of such application, less any ordinary shares issued, or to be issued in future arising from options/convertible ordinary shares issued during the current financial year; plus any ordinary shares to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, or an acquisition which has had final terms announced;
- This general authority will be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- An announcement giving full details, including the impact on net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published when the Company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of

continued...

NOTICE OF ANNUAL GENERAL MEETING

ordinary shares in issue prior to the issue;

- In determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE Limited of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities; and
- Whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

Under the JSE Listings Requirements, ordinary resolution number 3 must be passed by a 75% (seventy five percent) majority of the votes cast in favour of the resolution by all members present or represented by proxy at the annual general meeting.

14. SPECIAL RESOLUTION NUMBER 2

General approval to acquire shares

"**Resolved**, by way of a general approval that the Company and/or any of its subsidiaries from time to time be and are hereby authorised to acquire ordinary shares in the Company in terms of sections 46 and 48 of the Companies Act, 2008 (Act 71 of 2008), as amended, the Memorandum of Incorporation of the Company and its subsidiaries and the Listings Requirements of JSE Limited (the JSE), as amended from time to time.

The JSE Listings Requirements currently provide, *inter alia*, that:

- The acquisition of the ordinary shares must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter party;
- This general authority shall only be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date of passing of this special resolution;

- In determining the price at which the Company's ordinary shares are acquired in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) business days immediately preceding the date on which the transaction is effected;
- At any point in time, the Company may only appoint one agent to effect any acquisition/s on its behalf;
- The acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital;
- The Company may only effect the repurchase once a resolution has been passed by the board of directors of the Company (the board) confirming that the board has authorised the repurchase, that the Company has passed the solvency and liquidity test (test) and that since the test was done there have been no material changes to the financial position of the Group;
- The Company or its subsidiaries may not acquire ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements; and
- An announcement will be published once the Company has cumulatively repurchased 3% (three percent) of the number of the ordinary shares in issue at the time this general authority is granted (initial number), and for each 3% (three percent) in aggregate of the initial number acquired thereafter."

Explanatory note

The purpose of this special resolution number 2 is to obtain an authority for, and to authorise, the Company and the Company's subsidiaries, by way of a general authority, to acquire the Company's issued ordinary shares.

It is the intention of the directors of the Company to use such authority should prevailing circumstances (including tax dispensations and market conditions) in their opinion warrant it.

Special resolutions to be adopted at this annual general meeting require

approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

14.1 Other disclosure in terms of Section 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosure, which is contained in the annual report of which this notice forms part:

- Directors and management – page 2;
- Major shareholders of the Company – page 49;
- Directors' interests in securities – page 49;
- Share capital of the Company – page 42; and
- Litigation statement – page 43.

14.2 Material change

There have been no material changes in the affairs or financial position of the Company and its subsidiaries since the Company's financial year end and the date of this notice.

14.3 Directors' responsibility statement

The directors, whose names are given on page 2 of the annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that to the best of their knowledge and belief there are no facts in relation to special resolution number 2 that have been omitted which would make any statement in relation to special resolution number 2 false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 2 together with this notice contains all information required by law and the JSE Listings Requirements in relation to special resolution number 2.

14.4 Adequacy of working capital

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that, after considering the effect of the maximum repurchase and for a period of twelve months thereafter:

- The Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business;
- The consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries;
- The issued share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the ordinary business of the Company and its subsidiaries; and
- The working capital available to the Company and its subsidiaries will be sufficient for the Group's requirements.

The Company may not enter the market to proceed with the repurchase until its Sponsor, Merchantec Proprietary Limited, has discharged all of its responsibilities in terms of the JSE Listings Requirements insofar as they apply to working capital statements for the purposes of undertaking an acquisition of its issued ordinary shares.

15. SPECIAL RESOLUTION NUMBER 3

Loans or other financial assistance to directors

"Resolved that, as a special resolution, in terms of section 45 of the Companies Act, 2008 (Act 71 of 2008) (Companies Act), the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of two years commencing on the date of this special resolution number 4, any direct or indirect financial assistance (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) as contemplated in section 45 of the Companies Act to a related or inter-related company or corporation provided that:

- The board of directors of the Company (the board), from time to time, determines (i) the specific recipient or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under

which such financial assistance is provided; and

- The board may not authorise the Company to provide any financial assistance pursuant to this special resolution number 3 unless the board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance."

Explanatory note

The purpose of this special resolution number 3 is to grant the board the authority to authorise the Company to provide financial assistance as contemplated in section 45 of the Companies Act to a related or inter-related company.

Special resolutions to be adopted at this annual general meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

Notice given to shareholders of the Company in terms of section 45(5) of the Companies Act of a resolution adopted by the board authorising the Company to provide such direct or indirect financial assistance in respect of special resolution number 3:

- By the time that this notice of annual general meeting is delivered to shareholders of the Company, the board will have adopted a resolution (Section 45 Board Resolution) authorising the Company to provide, at any time and from time to time during the period of two years commencing on the date on which special resolution number 3 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act (which includes lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a related or inter-related company;
- The Section 45 Board Resolution will be effective only if and to the extent that special resolution number 3 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by

the Company, pursuant to such resolution, will always be subject to the board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b) of the Companies Act, and (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act; and

- In as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of one percent of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Group.

16. ORDINARY RESOLUTION NUMBER 4 – ADOPTION OF THE BAUBA SHARE INCENTIVE PLAN

"Resolved that the Bauba Platinum Limited 2013 Share Incentive Plan, which has been tabled at this annual general meeting and initialled by the chairperson of the annual general meeting for purposes of identification, be and is hereby approved and adopted by the Bauba Platinum shareholders."

In terms of the JSE Listings Requirements, the approval of a 75% majority of the votes cast by all shareholders present or represented by proxy at this annual general meeting, is required for ordinary resolution number 4 to become effective, excluding, if applicable, all votes attaching to all shares owned or controlled by persons who are existing participants in the Bauba Share Incentive Plan.

The salient features of the Bauba Share Incentive Plan are set out on pages 55 to 60 as an annexure to this notice of annual general meeting.

continued...

NOTICE OF ANNUAL GENERAL MEETING

17. ORDINARY RESOLUTION NUMBER 5

Signature of documents

“Resolved that each director of the Company be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of those resolutions to be proposed at the annual general meeting convened to consider the resolutions which are passed, in the case of ordinary resolutions, or are passed and registered by the Companies and Intellectual Property Commission, in the case of special resolutions.”

Ordinary resolutions to be adopted at this annual general meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

16. OTHER BUSINESS

To transact such other business as may be transacted at the annual general meeting of the Company.

VOTING AND PROXIES

Special resolutions to be adopted at this annual general meeting require approval from at least 75% (seventy five percent) of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting. Ordinary resolutions to be adopted at this annual general meeting require approval from a simple majority, which is more than 50% of the votes exercised on such resolutions by shareholders present or represented by proxy at the meeting.

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member

of the Company. For the convenience of registered members of the Company, a form of proxy is attached hereto.

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in “own name” dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker without “own name” registration and who wish to attend the annual general meeting, must instruct their CSDP or broker to provide them with the relevant Letter of Representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms should be forwarded to reach the transfer secretaries, Computershare Investor Services Proprietary Limited, at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of the meeting.

Kindly note that meeting participants, which includes proxies, are required to provide reasonably satisfactory identification before being entitled to attend or participate in a shareholders’ meeting. Forms of identification include valid identity documents, driver’s licences and passports.

By order of the board

Merchantec

Merchantec Proprietary Limited
Company secretary

25 September 2013
Johannesburg

SALIENT FEATURES OF THE BAUBA SHARE INCENTIVE PLAN

1. DEFINITIONS

In this annexure, the notice of general meeting and form of proxy, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words hereunder have the meaning stated below them, as follows:

“Act”

the Companies Act, 2008 (Act 71 of 2008), as amended;

“Allocation”

the conditional allocation of Share Appreciation Rights to an Eligible Employee in terms of 17.1 (read with 17.2) of the Rules;

“Allocation Date”

the date on which an Allocation is made to an Eligible Employee, which date may not be made retrospective;

“Allocation Letter”

a letter sent by the Board to an Eligible Employee informing him of an Allocation and containing, *inter alia*, the number of Share Appreciation Rights allocated to the Eligible Employee, the Allocation Price per Share Appreciation Right, the date of Allocation, the date of Vesting, any Performance Criteria imposed by the Board which will determine the manner in which the number of Share Appreciation Rights will be adjusted prior to Settlement and any Performance Underpin imposed by the Board;

“Allocation Price”

the price attributable to a Share Appreciation Right, being a price equal to the Fair Market Value of a share on the Allocation Date;

“Applicable Laws”

in relation to any person or entity, all and any

- statutes, subordinate legislation and common law;
- regulations;
- ordinances and by laws;
- accounting standards;
- the JSE Listings Requirements;
- the Takeover Regulations;
- directives, codes of practice, circulars, guidance notices, judgements and decisions of any

competent authority,

compliance with which is mandatory for that person or entity;

“Award”

the conditional award of Performance Shares to an Eligible Employee in terms of 13.1 (read with 13.2) of the Rules;

“Award Letter”

a letter sent by the Board to an Eligible Employee informing him of an Award and containing, *inter alia*, the targeted number of Performance Shares awarded to the Eligible Employee, the date of the Award, the date of Vesting and the Performance Criteria imposed by the Board which will determine the manner in which the number of Performance Shares will be adjusted prior to Settlement;

“Bauba Platinum shares” or “shares”

ordinary shares of 1 rand each in the issued share capital of Bauba Platinum;

“Bauba Share Incentive Plan”

the Bauba Platinum Limited 2013 Share Incentive Plan, the terms of which are embodied in the Rules, and which entails participation therein through any or all of (i) the Restricted Share Method; (ii) the Performance Share Method; and/or (iii) the Share Appreciation Method;

“Board”

the board of directors for the time being of the Company, acting either as a board, or through any committee of its members appointed by the Board from time to time and/or through the compliance officer, whichever is charged by the Board with the administration of the Bauba Share Incentive Plan;

“directors”

the board of directors of Bauba Platinum at the last practicable date whose details are set out on page 2 of this integrated annual report;

“Eligible Employee”

a person eligible for participation in the Bauba Share Incentive Plan, namely an executive, senior manager and/or key employee of any member company of the Group, including any present or future executive director holding salaried employment or office, which executive, manager and/or employee shall be selected by the Board from time to time in its sole and absolute discretion, but excluding any non-executive director;

“Employer Company”

that member company of the Group that is the employer of a particular Participant;

“Exercise”

the exercising by a Participant of any of his Vested Share Appreciation Rights in terms of 19.1 of the Rules;

“Exercise Date”

the date on which any Vested Share Appreciation Rights are Exercised by a Participant in terms of 19.1 of the Rules, which shall be the date on which the Exercise Notice is received by the person designated for this purpose by the Company;

“Exercise Notice”

the written notice given by a Participant to Exercise as provided for in 19.1 of the Rules;

“Fair Market Value”

in relation to a Share on any particular day, the 30 day volume weighted average price of a Share listed on the JSE up to and including the day immediately prior to the day in question;

“Family Entity”

collectively, a Family Company (any company or close corporation, the entire issued share capital or member's interest of which is held and beneficially owned by all or any of a Participant, his lawful spouse, his lawful children and/or his Family Trust) and a Family Trust (a trust constituted solely for the benefit of all or any of a Participant, his lawful spouse and/or his lawful children);

“Grant”

the conditional grant of Restricted Shares to an Eligible Employee in terms of 10 of the Rules;

“Grant Date”

the date on which a Grant is made to an Eligible Employee, which date may not be made retrospective;

“Grant Letter”

a letter containing the information specified in 10 of the Rules sent by the Board to an Eligible Employee informing him of a Grant;

“Group”

Bauba Platinum and its direct and indirect subsidiaries;

“JSE”

JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act;

SALIENT FEATURES OF THE BAUBA SHARE INCENTIVE PLAN

“Listings Requirements”

the Listings Requirements of the JSE, as amended from time to time by the JSE;

“Participant”

an Eligible Employee to whom a Grant, Award or Allocation has been made, and who has accepted such Grant, Award or Allocation, and includes the executor of the Participant's deceased estate or Family Entity where appropriate;

“Performance Criteria”

the performance criteria for the Performance Share Method and the Share Appreciation Method as may be determined by the Board from time to time;

“Performance Shares”

shares which have been conditionally awarded to an Eligible Employee;

“Performance Share Method”

the method of participation in the Bauba Share Incentive Plan as detailed in 4 of the Rules, and in terms of which an Eligible Employee is conditionally awarded Performance Shares;

“Performance Underpin”

the minimum performance required for an Allocation to Vest as may be determined by the Board from time to time, and as communicated to Participants in the Allocation Letter;

“Restricted Shares”

shares which have been conditionally granted to an Eligible Employee;

“Restricted Share Method”

the method of participation in the Bauba Share Incentive Plan as detailed in 3 of the Rules, and in terms of which an Eligible Employee is conditionally granted Restricted Shares;

“Rules”

the Rules of the Bauba Share Incentive Plan, as amended from time to time;

“Settled”

in relation to a Vested Restricted Share, Vested Performance Share or an Exercised Share Appreciation Right, shall mean:

- if the Company so elects at any time prior to the Vesting Date, the procuring by the Company of the transfer of Shares on the JSE or any other securities exchange on which Shares are listed and the transfer of such Shares by an Employer Company into the name of a

Participant through the acquisition thereof on behalf of a Participant or otherwise; or

- the use of the services of a script lender or any other external third party to trade and thereby Settle Shares on behalf of the Participants; or
- the allotment and issue by the Company of Shares into the name of a Participant, it being specifically recorded, that the relevant Employer Company will be liable to pay the issue price of such Shares; or
- the payment by the Company and/or an Employer Company in their sole and absolute discretion, to the Participant of a cash bonus equal to the Fair Market Value of the Shares to which a Participant becomes entitled in terms of the Bauba Share Incentive Plan, calculated on the Vesting Date or Exercise Date,

and the words “Settlement” and “Settle” shall be construed accordingly. It is recorded that any Shares which have been Settled to a Participant in terms of this Plan shall rank *pari passu* with all other issued Shares in all respects;

“Share Appreciation Method”

the method of participation in the Bauba Share Incentive Plan as detailed in 5 of the Rules, and in terms of which an Eligible Employee is conditionally allocated Share Appreciation Rights;

“Share Appreciation Right”

a Share Appreciation Right conditionally allocated to an Eligible Employee and which for the avoidance of doubt, does not constitute equity in the Company;

“Trading Day”

any day on which the Shares are traded on the JSE;

“Vest” or “Vesting” or “Vested”

when used in relation to:

- a Restricted Share shall mean that such Restricted Share shall become capable of being Settled in accordance with 11 of the Rules;
- a Performance Share shall mean that such Performance Share shall become capable of being Settled in accordance with 14 of the Rules; and
- a Share Appreciation Right shall mean that such Share Appreciation Right shall become exercisable in accordance with the Rules; and

“Vesting Date”

in relation to:

- a Grant, the date on which Restricted Shares Vest and shall be Settled as described in 11 of the Rules, which date shall be set out in the Grant Letter, and subject to 11 and 12 of the Rules, be no earlier than 3 (three) years from the Grant Date;
- an Award, the date on which Performance Shares may be Settled to a Participant as described in 14 of the Rules, which date shall be set out in the Award Letter, and subject to 14 and 15 of the Rules, be no earlier than 3 (three) years from the Award Date; and
- an Allocation, the date from which Share Appreciation Rights Vest and may be Exercised by Participants as described in 18 of the Rules, which date shall be set out in the Allocation Letter, and subject to 18, 19 and 20 of the Rules shall be the following:
 - one third of the Allocation no earlier than the third anniversary of the Allocation Date;
 - a second third of the Allocation no earlier than the fourth anniversary of the Allocation Date; and
 - the final third of the Allocation no earlier than the fifth anniversary of the Allocation Date;

provided that if any of the above dates falls on a date which, or during a period in which,

- by virtue of any Applicable Laws or any policy of the Group (including any corporate governance policy) it is not permissible to Settle Shares to a Participant; or
- by virtue of any Applicable Laws or any policy of the Group (including any corporate governance policy) it is not permissible for a Participant to receive or otherwise deal or trade in Shares,

the Vesting Date shall be the second Trading Day after the date on which it becomes permissible to Settle Shares to a Participant and/or for the Participant to receive or deal or trade in Shares.

2. PURPOSE

The purpose of the Bauba Share Incentive Plan shall be to attract, motivate, reward and retain Participants who are able to influence the performance of the Group, on a basis which aligns their interests with those of the Company's shareholders.

3. ADMINISTRATION OF THE BAUBA SHARE INCENTIVE PLAN

The Board is responsible for the operation and administration of the Bauba Share Incentive Plan, and subject to Applicable Laws has discretion to decide whether and on what basis the Bauba Share Incentive Plan shall be operated, which may include but not be limited to the delegation of the administration of the Bauba Share Incentive Plan to a Compliance Officer or any third party appointed by the Board, but excluding any executive director of the Company.

4. ANNUAL ACCOUNTS

The Board shall ensure that a summary appears in the annual financial statements of the Company of:

- 4.1 the number of Restricted Shares, Performance Shares and Share Appreciation Rights Granted, Awarded, Allocated or Settled to Participants;
- 4.2 the number of Shares that may be utilised for the purposes of the Bauba Share Incentive Plan at the beginning of the financial year;
- 4.3 any changes in such numbers during the financial year under review;
- 4.4 the balance of securities available for utilisation for the purposes of the Bauba Share Incentive Plan at the end of the financial year;
- 4.5 the number of Shares, if any, held by any Employer Company which may be acquired by Participants upon Vesting; and
- 4.6 the number of Shares, if any, then under the control of the Board for Settlement to Participants in terms of the Bauba Share Incentive Plan.

5. SHARES

The Company shall:

- 5.1 at all times reserve and keep available, free from pre-emptive rights, out of its authorised but unissued share capital,

such number of Shares as may be required to enable the Company to fulfil its obligations to Settle Shares to Participants;

- 5.2 ensure that Shares may only be issued or purchased for purposes of the Bauba Share Incentive Plan once a Participant (or group of Participants) to whom they will be Granted, Awarded or Allocated has been formally identified; and
- 5.3 ensure that Shares held for purposes of the Bauba Share Incentive Plan will not have their votes at general/annual general meetings taken into account for the purposes of resolutions proposed in terms of the JSE Listings Requirements or for purposes of determining categorisations as detailed in Section 9 of the JSE Listings Requirements.

6. FUNDING

- 6.1 Other than any Tax/Social Liability as defined in 28.1 of the Rules, all costs of and incidental to the implementation and administration of the Bauba Share Incentive Plan, including but not limited to:
 - 6.1.1 the consideration for Shares (if any) acquired under the Bauba Share Incentive Plan;
 - 6.1.2 the costs incurred in the acquisition thereof;
 - 6.1.3 any administration or other expenses or administration fees;
 - 6.1.4 any duties payable upon the Settlement of Shares to Participants including without limitation issue duty, stamp duty, securities transfer tax; and
 - 6.1.5 all secretarial, accounting, administrative, legal and financial advice and services, office accommodation and stationery,properly incurred by the Company as agent for and on behalf of each Employer Company in order to give effect to the Bauba Share Incentive Plan (all of the foregoing costs, expenses and duties hereinafter referred to as "Participation Costs") shall be funded, as the Board may from time to time direct.
- 6.2 The Company shall recover from each Employer Company such Participation Costs as may be attributable to the participation of any of its Participants in the Plan.

7. MAXIMUM NUMBER OF SHARES

- 7.1 Subject to 8.2 of the Rules and the prior approval, if required, of any securities exchange on which Shares are listed, the prior authority of 75% (seventy-five percent) of the shareholders of the Company in general meeting (excluding all of the votes attached to Shares owned or controlled by existing Participants in the Bauba Share Incentive Plan) shall be required if the aggregate number of Shares which may be acquired by:
 - 7.1.1 all Participants under the Bauba Share Incentive Plan is to exceed 7 500 000 (seven million five hundred thousand) Shares; or
 - 7.1.2 any one Participant in terms of the Bauba Share Incentive Plan is to exceed 2 000 000 (two million) Shares.
 - 7.2 Shares may be acquired through the JSE or any other securities exchange on which Shares are listed, in order to satisfy obligations in terms of the Share Incentive Plan. Any Shares purchased through the JSE will not be taken into account when calculating the number of Shares utilised by the Bauba Share Incentive Plan.
- ## 8. RESTRICTED SHARE METHOD, PERFORMANCE SHARE METHOD AND SHARE APPRECIATION METHOD

In terms of the Bauba Share Incentive Plan, Eligible Employees may participate through any or all of:

- 8.1 the Restricted Share Method
- 8.1.1 The Board may, in its sole and absolute discretion, and taking into account the Bauba Share Incentive Plan methodology and model, resolve to Grant Restricted Shares to Eligible Employees from time to time in accordance with a Grant methodology which takes into consideration, *inter alia*, a Participant's current status, his role and current remuneration. The Grant methodology forms part of the Company's declared Remuneration Policy, which Policy is approved and managed by the Company's Remuneration Committee and approved by shareholders in general meeting on an annual basis. The basis of the Grant shall be set out the Grant Letter signed by a Participant.

continued...

SALIENT FEATURES OF THE BAUBA SHARE INCENTIVE PLAN

8.1.2 There shall be no consideration payable for a Grant.

8.1.3 On the Vesting Date in respect of a Grant, and subject to 11.2 and 28 of the Rules, the number of Restricted Shares available for Vesting under the Grant shall Vest in a Participant, and then be Settled to him as soon as practically possible after the Vesting Date.

8.1.4 Notwithstanding 11.1 of the Rules, the Participant shall pay in such manner as the Board may from time to time prescribe any amount of which the Board may notify the Participant in respect of any deduction on account of Tax as may be required by Applicable Laws which may arise on the Vesting of his Restricted Shares;

8.2 the Performance Share Method

8.2.1 The Board may, in its sole and absolute discretion, and taking into account the Bauba Share Incentive Plan methodology and model, resolve to make Awards to Eligible Employees from time to time in accordance with an Award Methodology which takes into consideration, *inter alia*, a Participant's current status, his role and current remuneration. The Award Methodology forms part of the Company's declared Remuneration Policy, which Policy is approved and managed by the Company's Remuneration Committee and approved by shareholders in general meeting on an annual basis. The basis of the Award shall be set out in the Award Letter signed by a Participant.

8.2.2 There shall be no consideration payable for an Award.

8.2.3 The Board shall prior to the Vesting Date in respect of an Award assess and determine the extent to which the Performance Criteria imposed by the Board have been achieved. The Performance Shares comprising that portion of an Award in respect of which the Performance Criteria have been achieved, shall Vest on the Vesting Date, and the balance shall be cancelled.

8.2.4 The number of Performance Shares which have Vested in respect of an Award shall be Settled to the Participant as soon as practically possible after the Vesting Date, subject to compliance with 14.3 and 28 of the Rules.

8.2.5 Notwithstanding 14.2 of the Rules, the Participant shall pay, in such manner as the Board may from time

to time prescribe, any such additional amount which the Board may notify the Participant of, in respect of any deduction on account of Tax as may be required by Applicable Laws which may arise on the Settlement of Performance Shares to him.

8.2.6 If pursuant to 15 of the Rules – being termination of employment – Performance Shares may be Settled to a Participant under his Award, the targeted number of Performance Shares which may be Settled to him is to be calculated in accordance with the following formula (rounded down to the nearest whole Share), unless the Board in its sole discretion, permits him to acquire a greater number of Shares:

where: $A \times \frac{B}{C} \times P$

A = the targeted number of Performance Shares originally conditionally Awarded to him in the Award;

B = the lesser of (a) number of completed calendar months which have elapsed from the Award Date to the Date of Termination of Employment; and (b) 36 calendar months;

C = 36 calendar months; and

P = a performance factor which the Board may in its discretion apply, based on its view of the Company performance to the Date of Termination of Employment;

8.3 the Share Appreciation Method

8.3.1 The Board may, in its sole and absolute discretion, and taking into account the Bauba Share Incentive Plan methodology and model, resolve to allocate Share Appreciation Rights to Eligible Employees from time to time in accordance with an Allocation methodology which takes into consideration, *inter alia*, a Participant's current status, his role and current remuneration. The Allocation methodology forms part of the Company's declared Remuneration Policy, which Policy is approved and managed by the Company's Remuneration Committee and approved by shareholders in general meeting on an annual basis. The basis of the Allocation shall be set out in the Allocation Letter signed by a Participant.

8.3.2 There shall be no consideration payable for an Allocation.

8.3.3 The Board shall prior to the Vesting Date in respect of an Allocation assess and determine the extent to which any Performance Criteria and Performance Underpin imposed by the Board have been achieved. The Share Appreciation Rights comprising that portion of an Allocation in respect of which the Performance Criteria have been achieved, shall Vest on the Vesting Date, and the balance shall be cancelled.

8.3.4 If any Performance Underpin in respect of any Allocation has not been met on the relevant Vesting Date, the Share Appreciation Rights available for Vesting on that relevant Vesting Date, shall not Vest in a Participant, and Vesting shall only occur once the Performance Underpin has been met or the Maximum Period is reached, whichever occurs first.

8.3.5 A Participant shall be entitled, on or after the Vesting thereof, but prior to the Maximum Period, to give an Exercise Notice to that effect to the Company, to Exercise one or more of such Share Appreciation Rights. The Participant shall, in respect of each Share Appreciation Right Exercised and approved as aforesaid, receive, and be Settled, such value as is calculated in accordance with 19.4 of the Rules.

8.3.6 If a Participant elects not to Exercise any Share Appreciation Rights on or after the Vesting thereof, then Settlement shall not take place, and the provisions of 17.3, 17.5, 17.6, 24 and 25 of the Rules shall continue to apply.

8.3.7 Subject to 20 of the Rules, on the expiry of the Maximum Period in respect of any Share Appreciation Rights, such Share Appreciation Rights as have Vested in a Participant, but have not yet been Exercised by the Participant, shall automatically be Settled.

8.3.8 A Participant shall, in respect of all Share Appreciation Rights Exercised, be entitled to be Settled the value of X where X is calculated in accordance with the following formula

where: $X = N \times A$

N = the number of Share Appreciation Rights which have been Exercised; and

A = the Appreciation.

9. PARTICIPATION

The participation by a Participant in the Bauba Share Incentive Plan, including the making of a Grant, Award or Allocation, or the Settlement thereof, will at all times be approved and confirmed by the Remuneration Committee of the Board as constituted from time to time.

10. INSOLVENCY

Upon involuntary liquidation of the Company, each Participant shall have a claim against the Company in liquidation for all Restricted Shares, Performance Shares and/or Share Appreciation Rights which shall have Vested, been exercised or Settled.

11. RIGHTS PRIOR TO SETTLEMENT

11.1 For the sake of clarity and the avoidance of any doubt, it is recorded that until the Vesting Date the Participant shall have no rights whatsoever in and to the Restricted Shares, Performance Shares and/or Share Appreciation Rights and in particular shall not:

- 11.1.1 have any ownership interest in; or
- 11.1.2 receive any dividends and/or exercise any voting rights attached to; or
- 11.1.3 have acquired,

Restricted Shares, Performance Shares or Share Appreciation Rights, being the subject of any Grant, Award or Allocation.

12. ADJUSTMENTS

12.1 Notwithstanding anything to the contrary contained herein but subject to 26.3 of the Rules, if the Company engages in any sub-division, consolidation, capital issue, special dividend, rights issue or a reduction in capital or other corporate action affecting the rights of its shareholders, then such adjustments shall be made to the rights of Participants as may be determined by the Board to be fair and reasonable to the Participants concerned; provided that any adjustments shall be confirmed by the Auditors to the Company and to the JSE in writing at the time the adjustment is finalised and should give a Participant the entitlement to the

same proportion of the share capital as he was previously entitled to. Should any Participant be aggrieved by such adjustment, he may utilise the dispute procedures set out in the Rules. Any adjustment made in accordance with 26.1 of the Rules must be reported on in the Company's annual financial statements in the year during which the adjustment is made.

12.2 No adjustments shall be required in terms of 26.1 of the Rules in the event of the issue of equity securities as consideration for an acquisition in terms of 26.3 of the Rules, the issue of securities for cash and the issue of equity securities for a vendor consideration placing.

12.3 If the Company undergoes a Change of Control, merger, takeover or any other corporate action after a Grant Date, Award Date or Allocation Date, then the rights (whether conditional or otherwise) in and to the Restricted Shares, Performance Shares and/or Share Appreciation Rights of Participants under the Bauba Share Incentive Plan will, to the extent necessary, be accommodated on a basis which shall be determined by the Board to be fair and reasonable to Participants.

13. CANCELLATION

If, in terms of any provision of the Bauba Share Incentive Plan, any Grant, Award, Allocation, Restricted Share, Performance Share, or Share Appreciation Right is deemed to have been cancelled:

13.1 the Company is hereby irrevocably and *in rem suam* nominated, constituted and appointed as the sole attorney and agent of the Participant concerned in that Participant's name, place and stead to sign and execute all such documents and do all such things as are necessary for that purpose; and

13.2 shall revert back to the Bauba Share Incentive Plan.

14. TAX LIABILITY

14.1 It is the intention of the Company that any Grant, Award or Allocation shall be subject to the provisions of section 8C of the Tax Act.

14.2 Notwithstanding any other provision in the Rules (including 11.2 and 14.3 of the Rules), if the Company or an Employer Company are obliged (or would suffer a disadvantage of any nature if they were not) to account for, withhold or deduct any (a) Tax in any jurisdiction which is payable in respect of, or in connection with, the making of any Grant, Award or Allocation, the Settlement to a Participant of Shares, the payment of a cash amount and/or otherwise in connection with the Bauba Share Incentive Plan and/or (b) any amount in respect of any social security or similar contributions which would be recoverable from a Participant in respect of the making of any Grant, Award or Allocation, Settlement to a Participant of Shares, the payment of a cash amount and/or otherwise in connection with the Bauba Share Incentive Plan (the obligations referred to in (a) and (b) hereinafter referred to as a "Tax/Social Liability"), then the Company or the Employer Company shall be entitled to account for, withhold or deduct such Tax/Social Liability or the Company and/or the Employer Company shall be relieved from the obligation to Settle any Shares to a Participant or to pay any amount to a Participant in terms of the Bauba Share Incentive Plan until that Participant has either:

14.2.1 made payment to the relevant Employer Company of an amount equal to the Tax/Social Liability; or

14.2.2 entered into an arrangement which is acceptable to the relevant Employer Company to secure that such payment is made (whether by authorising the sale of some or all of the Shares to be Settled to him and the payment to the relevant person of the relevant amounts out of the proceeds of the sale or otherwise).

14.3 The Company is hereby irrevocably and *in rem suam* nominated, constituted and appointed as the sole attorney and agent of a Participant, in that Participant's name, place and stead to sign and execute all such documents and do all such things as are necessary to give effect to the provisions of 28 of the Rules.

SALIENT FEATURES OF THE BAUBA SHARE INCENTIVE PLAN

15. AMENDMENT TO THE BAUBA SHARE INCENTIVE PLAN

15.1 It shall be competent for the Board to amend any of the provisions of the Bauba Share Incentive Plan subject to the prior approval (if required) of every stock exchange on which the Shares are for the time being listed; provided that no such amendment affecting the rights (whether conditional or otherwise) in and to the Restricted Shares, Performance Shares and/or Share Appreciation Rights of any Participant shall be effected without the prior written consent of the Participant concerned, and provided further that no such amendment affecting any of the following matters shall be competent unless it is approved by ordinary resolution of 75% (seventy-five percent) of the shareholders of the Company in general meeting (excluding all of the votes attached to Shares owned or controlled by existing Participants in the Bauba Share Incentive Plan):

15.1.1 the definition of Eligible Employees and Participants;

15.1.2 the definition of Allocation Price and Fair Market Value;

15.1.3 the total number of Shares which may be acquired for the purpose of or pursuant to the Bauba Share Incentive Plan;

15.1.4 the maximum number of Shares which may be acquired by any Participant in terms of the Bauba Share Incentive Plan;

15.1.5 the voting, dividend, transfer or other rights (including rights on liquidation of the Company) which may attach to any Grant, Award or Allocation;

15.1.6 the basis for Grants, Awards and Allocations in terms of the Rules;

15.1.7 the provisions of 1.1.59, 10.5, 13.5, 17.5, 26.3 of the Rules and all provisions regarding the rights of Participants who leave the employment of the Employer Company;

15.1.8 the provisions in the Rules dealing with the rights (whether conditional or otherwise) in and to the Restricted Shares, Performance Shares and/or Share Appreciation Rights of Participants who leave the employment of the Group prior to Vesting or Exercise; or

15.1.9 the provisions of this clause 15.

15.2 Without derogating from the provisions of clause 15.1, if it should become necessary or desirable by reason of the provisions of Applicable Laws at any time after the signing of the Rules, to amend the provisions of the Rules so as to preserve the substance of the provisions contained in the Rules but to amend the form so as to achieve the objectives embodied in the Rules in the best manner, having regard to such Applicable Laws and without prejudice to the Participants concerned, then the Board may (with the prior approval (if required) of every stock exchange on which the Shares are at the time listed) amend the Rules accordingly.

FORM OF PROXY



BAUBA PLATINUM LIMITED

Incorporated in the Republic of South Africa
(Registration number: 1986/004649/06)
Share code: BAU • ISIN: ZAE000145686
(Bauba Platinum or the Company or the Group)

For use only by ordinary shareholders who:

- hold ordinary shares in certificated form (certificated ordinary shareholders); or
- have dematerialised their ordinary shares (dematerialised ordinary shareholders) and are registered with "own-name" registration,

at the annual general meeting of shareholders of the Company to be held at First Floor, Building 816/5, Hammets Crossing Office Park, 2 Selbourne Road, Fourways, Gauteng, at 10:00 on 5 December 2013 and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own-name" registration who wish to attend the annual general meeting must inform their Central Securities Depository Participant (CSDP) or broker of their intention to attend the annual general meeting and request their CSDP or broker to issue them with the relevant Letter of Representation to attend the annual general meeting in person or by proxy and vote. If they do not wish to attend the annual general meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. **These ordinary shareholders must not use this form of proxy.**

Name of beneficial shareholder _____

Name of registered shareholder _____

Address _____

Telephone work () _____ Telephone home () _____ Cell: _____

being the holder/custodian of ordinary shares in the Company, hereby appoint (see note):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairperson of the meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the annual general meeting of the Company convened for purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat (resolutions) and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions:

		Number of ordinary shares		
		For	Against	Abstain
1.	To receive, consider and adopt the annual financial statements of the Company and Group for the financial year ended June 2013			
2.	To approve the re-election as director of Jonathan Best who retires by rotation			
3.	To approve the re-election as director of Kenneth Dicks who retires by rotation			
4.	To approve the re-election as director of Sholto Dolamo who retires by rotation			
5.	To approve the appointment as director of Sydney Caddy			
6.	To approve the appointment of Kholeka Mzondeki as member of the audit and risk committee			
7.	To approve the appointment of Kenneth Dicks as member of the audit and risk committee			
8.	To approve the appointment of Sholto Dolamo as member of the audit and risk committee			
9.	To confirm the re-appointment of BDO South Africa Inc. as auditor of the Company together with Fred Bruce-Brand for the ensuing financial year			

continued...

FORM OF PROXY

		Number of ordinary shares		
		For	Against	Abstain
10.	Special resolution number 1 Approval of the non-executive directors' remuneration			
11.	Ordinary resolution number 1 Approval of the remuneration policy			
12.	Ordinary resolution number 2 Control of authorised but unissued ordinary shares			
13.	Ordinary resolution number 3 Approval to issue ordinary shares, and to sell treasury shares, for cash			
14.	Special resolution number 2 General approval to acquire shares			
15.	Special resolution number 3 Loans or other financial assistance to related or inter-related company/ies			
16.	Ordinary resolution number 4 Adoption of the Bauba Share Incentive Plan			
17.	Ordinary resolution number 5 Signature of documents			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend and act in his stead. A proxy so appointed need not be a member of the Company.

Signed at _____ on _____ 2013

Signature _____ Assisted by (if applicable) _____

NOTES TO THE FORM OF PROXY

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
 2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the annual general meeting must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
 3. A shareholder entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the Company) of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the chairperson of the meeting.
 4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholders or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
 5. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the transfer secretaries not less than forty eight hours before the commencement of the annual general meeting.
 6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the annual general meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
 7. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
 8. A shareholder's authorisation to the proxy, including the chairperson of the annual general meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the annual general meeting.
 9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
 10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the chairperson of the annual general meeting.
 11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the Company.
 12. Where there are joint holders of ordinary shares:
 - Any one holder may sign the form of proxy;
 - The vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
 13. **Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:**

Hand deliveries to:
Computershare Investor Services
Proprietary Limited
70 Marshall Street
Johannesburg 2001

Postal deliveries to:
Computershare Investor Services
Proprietary Limited
PO Box 61051
Marshalltown 2107

to be received by no later than 10:00 on 3 December 2013 (or 48 hours before any adjournment of the annual general meeting which date, if necessary, will be notified on SENS).
 14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
- Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:
- A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting.

continued...

NOTES TO THE FORM OF PROXY

A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.

The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.

The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.

If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

Attention is also drawn to the "notes to proxy".

The completion of a form of proxy does not preclude any shareholder from attending the annual general meeting.

COMPANY INFORMATION

NATURE OF BUSINESS

Exploration and mining of mineral rights

REGISTRATION NUMBER

1986/004649/06

COUNTRY OF INCORPORATION

Republic of South Africa

DIRECTORS

Non-executive

Mr JG Best*

Mr KV Dicks*

Mr SM Dolamo*

Ms KW Mzondeki*

Dr NM Phosa

Mr DS Smith

King TV Thulare (Alternate)

Executive

Mr GJ Pitt

Mr WA Moolman

* *Independent*

COMPANY SECRETARY

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