BAUBA PLATINUM

REVIEWED CONDENSED CONSOLIDATED PROVISIONAL RESULTS for the year ended 30 June 2015

www.bauba.co.za

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Reviewed 30 June 2015 R'000	Audited 30 June 2014 R'000
ASSETS			
Non-current assets		**178 687**	28 343
Property, plant and equipment		**1 307**	286
Intangible assets	9	**169 365**	28 057
Deferred tax		**8 015**	–
Current assets		**40 406**	1 278
Trade and other receivables		**1 300**	363
Cash and cash equivalents		**33 108**	915
Inventory		**5 998**	–
Total assets		**219 093**	29 621
EQUITY AND LIABILITIES			
Equity		**180 166**	25 072
Share capital		**550 402**	401 594
Reverse asset acquisition reserve		**(282 988)**	(282 988)
Retained loss		**(88 390)**	(89 324)
Non-controlling interest		**1 142**	(4 210)
Current liabilities		**38 927**	4 549
Other financial liabilities	5	**32 808**	–
Trade and other payables		**6 119**	4 549
Total equity and liabilities		**219 093**	29 621

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated share capital R'000	Reverse acquisition adjustment R'000	Retained loss R'000	Non-controlling Interest R'000	Total equity R'000
Balance at 30 June 2013	399 594	(282 988)	(79 686)	(1 359)	35 561
Total comprehensive loss for the year	–	–	(9 638)	(2 851)	(12 489)
Issue of shares on reverse acquisition	2 500	–	–	–	2 500
Share issue expenses	(500)	–	–	–	(500)
Balance at 30 June 2014	**401 594**	**(282 988)**	**(89 324)**	**(4 210)**	**25 072**
Total comprehensive profit for the year	**–**	**–**	**934**	**5 352**	**6 286**
Issue of additional shares	**150 000**	**–**	**–**	**–**	**150 000**
Share issue expenses	**(1 192)**	**–**	**–**	**–**	**(1 192)**
Balance at 30 June 2015	**550 402**	**(282 988)**	**(88 390)**	**1 142**	**180 166**

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Reviewed 12 months to 30 June 2015 R'000	Audited 12 months to 30 June 2014 R'000
Chrome ore revenue		**40 901**	–
Cost of sales		**(15 533)**	–
Gross profit		**25 368**	–
Other income		**10**	–
Operating and administrative expenses		**(21 110)**	(8 489)
Impairment of intangible assets		**(6 286)**	(4 108)
Finance income		**289**	108
Loss before taxation		**(1 729)**	(12 489)
Taxation		**8 015**	–
Profit/(loss) for the year		**6 286**	(12 489)
Other comprehensive income		**–**	–
Total comprehensive profit/(loss)		**6 286**	(12 489)
Profit/(loss) attributable to:			
Owners of the parent		**934**	(9 638)
Non-controlling interests		**5 352**	(2 851)
Total comprehensive profit/(loss) attributable to:			
Equity holders		**934**	(9 638)
Non-controlling interests		**5 352**	(2 851)
Basic earnings/(loss) per share (cents)	11	**0.34**	(7.7)
Diluted earnings/(loss) per share (cents)	11	**0.34**	(7.7)
Weighted average number of shares ('000)	11	**272 172**	125 162
Diluted weighted average number of shares in issue ('000)	11	**277 861**	125 162

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF CASH FLOW

	Reviewed 30 June 2015 R'000	Audited 30 June 2014 R'000
Net cash generated/(utilised) in operating activities	**4 105**	(4 795)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1 115)**	(13)
Investments in intangible assets	**–**	(1 610)
Interest received	**289**	108
Net cash utilised in investing activities	**(826)**	(1 515)
Cash flows from financing activities		
Proceeds on raising of new share capital	**–**	2 500
Share issue expenses	**(1 192)**	(500)
Proceeds from other financial liabilities	**30 106**	–
Net cash available from financing activities	**28 914**	2 000
Total cash movement for the year	**32 193**	(4 310)
Cash and cash equivalents at the beginning of the year	**915**	5 225
Cash and cash equivalents at end of the year	**33 108**	915

NOTES TO THE REVIEWED PROVISIONAL CONDENSED RESULTS

1. BASIS OF PREPARATION

These condensed provisional consolidated financial statements have been prepared by CH Gernandt (ACCA, CPA, CGA) in accordance with IAS 34: Interim Financial Reporting, International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act and the JSE Listings Requirements.

The same accounting policies, presentation and measurement principles have been followed in the preparation of the condensed report for the year ended 30 June 2015 as were applied in the preparation of the group's annual financial statements for the year ended 30 June 2014.

2. FINANCIAL REVIEW

In the year under review, Bauba underwent a positively significant turnaround from a junior platinum explorer to a cash generating chrome producer. This was as a result of the asset for shares transaction approved by shareholders on 19 September 2014, in which Bauba acquired the beneficial ownership of the chrome on the farm Moeijelijk. The board of directors of Bauba ("the Board" or "the Directors") took the decision to focus on generating revenue from its chrome operation and to reduce platinum exploration activities and corresponding expenditure during the year under review. Since the first blast in March 2015 the Company has achieved the targeted production rate of 20 000 tonnes of chrome per month. In setting up, Bauba established strategic relationships with ASA Metals Proprietary Limited ("ASA") as the offtake company and Zizwe Opencast Mining Proprietary Limited as the chrome producer. The application for a full scale Mining Right has been accepted by the Department of Mineral Resources and is currently being processed. The Board is optimistic about continued positive growth performance in earnings for the 2016 financial year.

The Group reported a profit attributable to the parents of the Group for the year ended 30 June 2015 of R0.934 million resulting in an earnings per share of 0.34 cents (2014: (7.7) cents). Headline earnings per share for the year was 2.65 cents (2014: (4.4) cents). The weighted average number of ordinary shares in issue for the year under review was 272 171 872 (2014: 125 162 000).

3. AUDITOR'S REVIEW CONCLUSION

These condensed consolidated financial statements for the year ended 30 June 2015 have been reviewed by BDO South Africa Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial statements identified in the auditor's report.

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the Company's registered office.

4. DIVIDENDS

No dividends were declared during the year under review.

NOTES TO THE REVIEWED PROVISIONAL CONDENSED RESULTS continued

5. OTHER FINANCIAL LIABILITIES (CURRENT)

	30 June 2015 R'000	30 June 2014 R'000
Provision for rehabilitation:	**2 520**	–
Long-term environmental obligations are based on the Group's environmental plans. 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.		
Chrome ore credit facility	**12 000**	–
An amount was received as a credit facility until ASA supplies the Group a letter of credit. This amount will be payable on the receipt of a letter of credit from a registered South African bank.		
Chrome ore advance receipt	**18 106**	–
The amount relates to an advance payment for chrome ore produced but not yet delivered at 30 June 2015.		
Other	**182**	–
	32 808	–
Current liabilities		
At amortised cost	**32 808**	–
Non-current liabilities		
At amortised cost	**–**	–

6. BOARD

During the year under review, up to the date of this report, the following resignations and appointments of Directors occurred:

Appointments

NPJ van der Hoven (Non-executive Chairman) – 30 May 2015

M Luyt (Independent Non-executive Director) – 30 May 2015

CH Gernandt (Financial Director) – 30 May 2015

NW van der Hoven (Executive Director) – 30 May 2015

Resignations

J Best (Independent Non-executive Director) – 30 May 2015

K Dicks (Independent Non-executive Director) – 30 May 2015

W Moolman (Financial Director) – 30 May 2015

K Mzondeki (Independent Non-executive Director) – 13 August 2015

The Board, with effect from 13 August 2015, consists of the following Directors

NPJ van der Hoven – Non-executive Chairman

D Smith – Non-executive Director

Dr NM Phosa – Non-executive Director

S Dalamo - Independent Non-executive Director

M Luyt – Independent Non-executive Director

King V Thulare – Alternative Non-executive Director to Dr NM Phosa

S Caddy – Chief Executive Officer

CH Gernandt – Financial Director

NW van der Hoven – Executive Director

7. OPERATING SEGMENTS

	Chrome project	Platinum exploration	Corporate	Total
	R'000	R'000	R'000	R'000
2015				
Revenues	**40 901**	**–**	**–**	**40 901**
Other income	**–**	**–**	**10**	**10**
Profit/(loss) before tax	**8 802**	**–**	**(10 531)**	**(1 729)**
Taxation	**8 015**	**–**	**–**	**8 015**
Profit/(loss) after tax	**16 817**	**–**	**(10 531)**	**6 286**
Interest received	**–**	**–**	**289**	**289**
Interest paid	**–**	**–**	**1**	**1**
Depreciation, amortisation and impairment	**2 519**	**6 286**	**31**	**8 836**
Total assets	**188 335**	**20 161**	**10 596**	**219 093**
Total liabilities	**(38 719)**	**–**	**(207)**	**(38 926)**
2014				
Revenues	–	–	–	–
Other income	–	–	–	–
Loss before tax	–	(7 165)	(5 324)	(12 489)
Taxation	–	–	–	–
Loss after tax	–	(7 165)	(5 324)	(12 489)
Interest received	–	–	108	108
Interest paid	–	–	–	–
Depreciation, amortisation and impairment	–	4 145	42	4 187
Total assets	–	28 350	1 271	29 621
Total liabilities	–	(4 027)	(522)	(4 549)

The Bauba Group segmental analysis is based on the Moeijelijk Chrome project, Platinum exploration and corporate activities. The Moeijelijk chrome project commenced production in March 2015 and started generating revenue within the year under review. The Group was reliant on one major customer in respect of the chrome ore sales.

8. CHANGES IN SHARE CAPITAL

During the year, the Company issued 251 958 831 new shares in order to acquire the Moeijelijk and Houtbosch rights. The issue of the shares was detailed in the circular posted to Bauba shareholders dated 22 August 2014 and is available on the Company's website. www.bauba.co.za.

9. INTANGIBLE ASSETS

	Cost	Accumulated amortisation and impairments	Carrying value
	R'000	R'000	R'000
2015			
Platinum mineral rights	**30 555**	**(10 394)**	**20 161**
Chrome mineral rights	**151 610**	**(2 406)**	**149 204**
Exploration and evaluation assets	**182 165**	**(12 800)**	**169 365**
2014			
Platinum mineral rights	32 165	(4 108)	28 057
Chrome mineral rights	–	–	–
Exploration and evaluation assets	32 165	(4 108)	28 057

9. INTANGIBLE ASSETS continued

	Opening balance	Additions	Amortisation	Impairment	Total
	R'000	R'000	R'000	R'000	R'000
Reconciliation					
2015					
Platinum mineral rights	**26 447**	**–**	**–**	**(6 285)**	**20 162**
Chrome mineral rights	**1 610**	**150 000**	**(2 407)**	**–**	**149 203**
Exploration and evaluation assets	**28 057**	**150 000**	**(2 407)**	**(6 285)**	**169 365**
2014					
Platinum mineral rights	32 165	–	–	(4 108)	28 057
Chrome mineral rights	–	–	–	–	–
Exploration and evaluation assets	32 165	–	–	(4 108)	28 057

Based on the value in use calculations, the carrying values exceed the recoverable amounts and the Directors are satisfied that an impairment loss of R6 285 519 has been incurred.

10. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Directors are not aware of any significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the financial statements, which significantly affect the financial position of the Group or the results of its operations to the date of this report.

11. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	30 June 2015 R'000	30 June 2014 R'000
Basic earnings/(loss) per share		
From operations (cents)	**0.34**	(7.7)
Basic earnings per share for the Bauba Group was based on earnings/(loss) of	**934**	(9 638)
Weighted average number of ordinary shares ('000)	**272 172**	125 162
Diluted basic earnings/(loss) per share		
From operations (cents)	**0.34**	(7.7)
Profit/(loss) for the year attributable to equity holders of the parent	**934**	(9 638)
Diluted weighted average number of shares in issue ('000)	**277 861**	125 162

The after tax effect of interest on profit or loss to calculate diluted earnings per share has not been adjusted as it is insignificant.

11. EARNINGS PER SHARE continued

	30 June 2015 R'000	30 June 2014 R'000
Reconciliation of earnings to headline earnings attributable to equity holders of the parent:		
Headline earnings/(loss) per share (cents)	**2.65**	(4.4)
Reconciliation between earnings/(loss) and headline earnings/(loss)		
Basic earnings/(loss)	**934**	(9 638)
Adjusted for:		
Impairment of intangible assets	**6 285**	**4 108**
Profit on sale of asset	**(8)**	–
Headline earnings/(loss)	**7 211**	(5 530)
Weighted average number of shares in issue ('000)	**272 172**	125 162
Headline earnings/(loss) per share (cents)	**2.65**	(4.4)
Diluted weighted average number of shares in issue ('000)	**277 861**	125 162
Diluted headline earnings/(loss) per share (cents)	**2.60**	(4.4)
The weighted average number of shares for the purpose of diluted earnings per share reconciles to the weighted average number of shares used in the calculation of basic earnings per share as follows:		
Weighted number of shares used in the calculation of basic earnings per share ('000)	**272 172**	125 162
Additional weighted shares issued based on suspensive conditions on the acquisition of the Houtbosch transaction ('000)	**5 689**	–
Weighted average number of shares used in the calculation of diluted earnings per share ('000)	**277 861**	125 162

12. GOING CONCERN

The financial year under review reflects a change in the operational performance of the Group. The overall net profit after tax for the full year under review was R6.287 million and the cash flow forecasts prepared by the Directors indicate that the Group will be able to meet its commitments as they fall due and it will be in a position to continue funding the expenditure required to progress projects. The Directors have a reasonable expectation, having regard to the current status and the future strategy of the Company, that the Company has sufficient resources to continue as a going concern and have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. Accordingly, the financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

19 August 2015
Johannesburg

CORPORATE INFORMATION

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

Postal address: PO Box 1658, Witkoppen 2068.
Tel no: +27 (011) 699 5720

Directors: NPJ van der Hoven# (Chairman), M Luyt*, SM Dolamo*, Dr NM Phosa#, DS Smith#, King TV Thulare (Alternate), SJM Caddy, CH Gernandt, NW van der Hoven
#*Non-executive, * Independent Non-executives*

Company Secretary: Merchantec Proprietary Limited

Registered Office: Building 816/5, Hammets Crossing Office Park, 2 Selbourne Road, Fourways, Gauteng

Transfer Secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Marshalltown 2001, PO Box 61051, Marshalltown 2107

Auditor: BDO South Africa Incorporated **Sponsor:** Merchantec Capital