

BAUBA

PLATINUM

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

www.bauba.co.za

REVIEWED INTERIM FINANCIAL STATEMENTS

for the six months ended 31 December 2012

COMMENTARY

Results

The main focus of the Group during the period under review has been the ongoing exploration of its platinum assets and the Group therefore did not generate any revenue and in line with the Group's dividend policy no dividend was declared. R6,5 million was spent on exploration activities which was capitalised in line with the Group's accounting policies and R5,5 million on general and administration costs of which R0,2 million was spent on legal fees to address legacy matters during the same period.

Exploration

Exploration on the Northern and Central Clusters of the Group's Platinum Group Metals prospects on the Eastern Limb of the Bushveld Complex has progressed with the drilling of 4 570 metres during the period under review and an additional 2 257 metres during January and February 2013.

The first borehole (BAU-040) on the Northern Cluster has been completed with pleasing assay results indicating 3PGE+Au grades of 6,15g/t over a width of 3,90 metres on the Merensky reef and 6,25g/t over a width of 1,20 metres on the UG2 reef. The mother hole of the second borehole (BAU-041) has been completed and the drilling of the deflections has commenced. The drilling of this hole is expected to be complete by the end of March 2013 with the results being available by the end of April 2013. Drilling on the third borehole (BAU-042) commenced in January 2013 with the results expected by June 2013.

Three holes have been completed, after substantial delays due to drilling inefficiencies, on the Central Cluster. The Merensky reef was intersected in two of the three boreholes and was poorly developed in the first hole. The UG2 reef was intersected in the first borehole; but due to the elevation of the reef being deeper than expected in the other two boreholes, the UG2 reef was not pursued. The assay results of the completed drilling will be available during the second quarter of 2013. Due to the poorer than expected results on the Central Cluster the drilling focus has moved to the Northern Cluster whilst the exploration strategy of the Central Cluster is being reassessed.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed		Audited
	As at 31 December		As at 30 June
	2012 R'000	2011 R'000	2012 R'000
ASSETS			
Non-current assets	24 803	13 209	17 753
Intangible assets	24 420	12 702	17 306
Property, plant and equipment	383	507	447
Current assets	15 996	35 719	28 712
Trade and other receivables	799	1 124	670
Cash and cash equivalents	15 197	34 595	28 042
Assets classified as held for sale	–	24 264	–
Total assets	40 799	73 192	46 465
EQUITY AND LIABILITIES			
Capital and reserves	39 577	46 006	45 134
Share capital	123 274	123 274	123 274
Share premium	276 320	276 376	276 320
Reverse asset acquisition reserve	(282 988)	(282 988)	(282 988)
Retained loss	(75 629)	(69 789)	(70 484)
Non-controlling interest	(1 400)	(867)	(988)
Current liabilities	1 222	2 922	1 331
Trade and other payables	1 222	2 922	1 331
Liabilities associated with assets classified as held for sale	–	24 264	–
Total equity and liabilities	40 799	73 192	46 465
Net asset value per share (cents)	32,1	37,3	37,7

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
	2012 R'000	2011 R'000	2012 R'000
Net cash outflow from operating activities	(6 366)	(14 144)	(19 347)
Net cash outflow from investing activities	(6 479)	(5 363)	(6 657)
Net cash inflow from financing activities	–	49 932	49 876
Net (decrease)/increase in cash and cash equivalents	(12 485)	30 425	23 872
Cash and cash equivalents at beginning of period	28 042	4 170	4 170
Cash and cash equivalents at end of period	15 197	34 595	28 042

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Reviewed		Audited
	Six months ended 31 December		Year ended 30 June
	2012 R'000	2011 R'000	2012 R'000
Operating expenditure	–	(327)	–
General and administrative expenses	(6 171)	(4 574)	(8 369)
Finance charges	–	(7)	(7)
Interest received	614	951	1 811
Loss before taxation	(5 557)	(3 957)	(6 565)
Taxation	–	–	–
Loss for the period from continuing operations	(5 557)	(3 957)	(6 565)
Discontinued operations			
(Loss)/profit for the period from discontinued operations	–	(253)	1 539
Loss for the period	(5 557)	(4 210)	(5 026)
Other comprehensive loss	–	–	–
Comprehensive loss for the period	(5 557)	(4 210)	(5 026)
Loss for the period – attributable to:	(5 557)	(4 210)	(5 026)
– Equity holders of the Company	(5 145)	(4 075)	(4 770)
– Non-controlling interest	(412)	(135)	(256)
Headline loss reconciliation			
Loss for the period	(5 145)	(4 075)	(4 770)
Fair value gain on assets held for sale	–	(440)	(3 820)
Impairment of financial assets held for sale	–	–	83
Headline loss for the period	(5 145)	(4 515)	(8 507)
Undiluted and diluted earnings per share			
Loss per share (cents)	(4,2)	(3,4)	(3,9)
Loss per share – continued operations (cents)	(4,2)	(3,2)	(5,2)
(Loss)/profit per share – discontinued operations (cents)	–	(0,2)	1,3
Undiluted and diluted headline earnings per share			
Headline loss per share (cents)	(4,2)	(3,8)	(7,0)
Headline loss per share – continued operations (cents)	(4,2)	(3,2)	(5,2)
Headline loss per share – discontinued operations (cents)	–	(0,6)	(1,8)
Weighted average number of shares in issue (000's)	123 274	118 936	121 093
Total number of shares in issue at the end of the period (000's)	123 274	123 274	123 274

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Retained loss	Non-controlling interest	Reverse acquisition reserve	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 31 December 2011	123 274	276 376	(69 789)	(867)	(282 988)	46 006
Cost for the period	–	(56)	–	–	–	(56)
Comprehensive loss for the period	–	–	(695)	(121)	–	(816)
Balance at 30 June 2012	123 274	276 320	(70 484)	(988)	(282 988)	45 134
Comprehensive loss for the period	–	–	(5 145)	(412)	–	(5 557)
Balance at 31 December 2012	123 274	276 320	(75 629)	(1 400)	(282 988)	39 577

SEGMENTAL INFORMATION

The Company has classified three segments namely:

- (1) Exploration, being activities associated with the Bauba Project and platinum exploration;
- (2) Corporate expenses, being overhead and corporate expenses incurred; and
- (3) Assets held for sale, being all the non-core, non-platinum assets that were held for sale and successfully disposed of in the financial year ended 30 June 2012.

	Exploration	Corporate	Assets held for sale	Total
	R'000	R'000	R'000	R'000
31 December 2012				
External interest received	–	614	–	614
General and administrative expenses	(1 016)	(5 112)	–	(6 128)
Depreciation and amortisation	(19)	(24)	–	(43)
Comprehensive loss for the period	(1 035)	(4 522)	–	(5 557)
Total segment assets	24 928	15 871	–	40 799
Total segment liabilities	(795)	(427)	–	(1 222)
31 December 2011				
External interest received	–	951	–	951
External finance expense	–	(7)	–	(7)
Depreciation and amortisation	(71)	(23)	–	(94)
Results from operating activities	(256)	(4 551)	(253)	(5 060)
Comprehensive loss for the period	(327)	(3 630)	(253)	(4 210)
Total segment assets	13 992	34 936	24 264	73 192
Total segment liabilities	(1 084)	(1 838)	(24 264)	(27 186)

Board of Directors:

Non-executive

Mr JG Best* (Chairman), Mr KV Dicks*, Mr SM Dolamo*
Ms KW Mzondeki*, Dr NM Phosa, Mr D Smith,
King TV Thulare (Alt to Dr NM Phosa)

(*Independent)

Executive

Mr SJM Caddy (CEO), Mr WA Moolman (FD)

Sponsor

Merchantec Proprietary Limited

Registered Office

2nd Floor, Longpoint Office Park
Cnr Montecasino Boulevard and Witkoppen Road
Magaliessig, Johannesburg, Gauteng, South Africa

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)

Auditor

BDO South Africa Incorporated

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Basis of preparation

The directors present the reviewed interim results for the six months ended 31 December 2012 in accordance with IAS 34 Interim Financial Reporting, the requirements of the South African Companies Act, 71 of 2008, as amended, the AC 500 standards and in compliance with the Listings Requirements of JSE Limited. The report has been prepared using accounting policies, which are based on reasonable estimates and judgements that comply with IFRS and are consistent with those applied in the financial statements for the financial year ended 30 June 2012.

The interim financial results for the six months ended 31 December 2012 have been reviewed by the Company's auditors, BDO South Africa Incorporated. A copy of their review opinion is available for inspection at the registered office of the Company.

These interim financial results have been prepared under the supervision of Mr Willem Moolman, Financial Director.

No dividend was declared by the Company during this reporting period.

Legal tenure

The Company's two prospecting rights were renewed in July 2012 for a further period of three years.

Legal

There is currently a review application pending in the North Gauteng High Court of South Africa, Pretoria brought by Rustenburg Platinum Mines Limited and ARM Mining Consortium Limited ("the Applicants") against a decision of the Department of Mineral Resources to grant the prospecting rights in respect of two farms, namely Genokakop 285KT and Groot Vygenboom 284KT. The Company, cited as a party against whom relief is sought, has taken legal advice on the matter and is confident of a positive outcome. Should the matter not be prosecuted in due course by the Applicants, the Company will progress the determination of the application by setting the application down.

Going concern

The interim 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. Future work on the development of these projects may be adversely affected by factors outside of the control of the Group.

Subsequent events

The directors are not aware of any other subsequent events that occurred between 31 December 2012 and the date of authorisation of these reviewed interim financial statements that require any adjustments or additional disclosure to the reviewed interim financial statements other than the change in directorship reported below.

Directorate

Mr GJ Pitt resigned from the Board and as Chief Executive Officer with effect from 31 January 2013 and Mr SJM Caddy was appointed to the Board and as Chief Executive Officer with effect from 13 February 2013.

On behalf of the Board

JG Best
Chairman

SJM Caddy
Chief Executive Officer

14 March 2013