



Bauba Platinum Limited

(Incorporated in the Republic of South Africa)
(Registration number 1986/004649/06)
Share code: BAU ISIN No: ZAE000145686
("Bauba" or "the Company" or "the Group")

Reviewed Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2014

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014**

	Reviewed 31 December 2014 R 000's	Reviewed 31 December 2013 R 000's	Audited 30 June 2014 R 000's
ASSETS			
Non-current assets	137 622	31 927	28 343
Intangible assets	136 972	31 668	28 057
Property, plant and equipment	650	259	286
Current assets	8 173	2 936	1 278
Trade and other receivables	770	232	363
Cash and cash equivalents	7 403	2 704	915
TOTAL ASSETS	145 795	34 863	29 621
EQUITY AND LIABILITIES			
Capital and reserves	127 628	33 592	25 072
Share capital	508 744	127 062	127 062
Share premium	-	274 532	274 532
Reverse asset acquisition reserve	(282 988)	(282 988)	(282 988)
Retained loss	(93 089)	(83 465)	(89 324)
Non-controlling interest	(5 039)	(1 549)	(4 210)
Current liabilities	18 167	1 271	4 549
Trade and other payables	18 167	1 271	4 549
TOTAL EQUITY AND LIABILITIES	145 795	34 863	29 621
Net asset value per share (cents)	33.7	26.4	19.7
Tangible net asset value per share (cents)	(2.5)	1.5	(2.3)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014

	Reviewed 31 December 2014 R 000's	Reviewed 31 December 2013 R 000's	Audited 30 June 2014 R 000's
Operating expenditure	(886)	-	(345)
Impairment of intangible assets	-	-	(4 108)
General and administrative expenses	(3 741)	(4 042)	(8 144)
Finance income	33	73	108
Loss before taxation	(4 594)	(3 969)	(12 489)
Taxation	-	-	-
Comprehensive loss for the period	(4 594)	(3 969)	(12 489)
Loss for the period – attributable to:	(4 594)	(3 969)	(12 489)
-Equity holders of the Company	(3 765)	(3 779)	(9 638)
-Non-controlling interest	(829)	(190)	(2 851)
Reconciliation to headline loss			
Net loss before taxation for the period	(3 765)	(3 779)	(9 638)
Impairment of intangible assets	-	-	4 108
Headline loss for the period	(3 765)	(3 779)	(5 530)
Undiluted and diluted earnings per share			
Loss per share (cents)	(2.4)	(3.1)	(7.7)
Undiluted and diluted headline earnings per share			
Headline loss per share (cents)	(2.4)	(3.1)	(4.4)
Weighted average number of shares in issue (000's)	159 926	123 294	125 162
Total number of shares in issue at the end of the period (000's)	379 020	127 061	127 061

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014**

	Reviewed 31 December 2014 R 000's	Reviewed 31 December 2013 R 000's	Audited 30 June 2014 R 000's
Net cash inflow/(outflow) from operating activities	8 606	(3 481)	(4 795)
Net cash outflow from investing activities	(925)	(1 040)	(1 515)
Net cash (outflow)/inflow from financing activities	(1 193)	2 000	2 000
Net increase/(decrease) in cash and cash equivalents	6 488	(2 521)	(4 310)
Cash and cash equivalents at beginning of period	915	5 225	5 225
Cash and cash equivalents at end of period	7 403	2 704	915

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2014**

	Share capital R 000's	Share premium R 000's	Retained loss R 000's	Non- controlling interest R 000's	Reverse acquisition reserve R 000's	Total R 000's
Balance at 31 December 2013	127 062	274 532	(83 465)	(1 549)	(282 988)	33 592
Comprehensive loss for the period	-	-	(5 859)	(2 661)	-	(8 520)
Balance at 30 June 2014	127 062	274 532	(89 324)	(4 210)	(282 988)	25 072
Conversion to no par value shares	274 532	(274 532)	-	-	-	-
Comprehensive loss for the period	-	-	(3 765)	(829)	-	(4 594)
Issue of shares	108 343	-	-	-	-	108 343
Share issue costs	(1 193)	-	-	-	-	(1 193)
Balance at 31 December 2014	508 744	-	(93 089)	(5 039)	(282 988)	127 628

Commentary

Production Progress

The Group successfully completed the acquisition of the chrome assets ("Chrome Acquisition") as described in the circular to shareholders dated 22 August 2014 during the period under review with approval granted by shareholders at the general meeting held on 19 September 2014. Following the successful completion of the Chrome Acquisition the Department of Mineral Resources ("DMR") awarded Bauba's major subsidiary, Bauba A Hlabirwa Mining Investments Proprietary Limited ("Hlabirwa"), a Small-scale Mining Permit over the chrome asset, which award was announced to shareholders in the announcement dated 11 November 2014. Subsequent to the period under review as announced on SENS dated 23 February 2015, the Department of Water And Sanitation ("DWAS") awarded Hlabirwa a General Authorisation ("GA") for water usage, which finalised the legislative requirements to commence mining on the farm Moeijelijk 412KS, earmarking a long anticipated and exciting new future for Bauba. Site preparation commenced immediately after the award of the GA and chrome ore exposure commenced soon thereafter. Full scale mining commenced in the third week of March 2015.

Results

In pursuance of the conclusion of the Chrome Acquisition and the anticipated commissioning of the chrome project, the related legislative requirements and the maintaining of its platinum prospecting rights, the Group received R12.6 million as advance payments as per the chrome ore supply agreement. R0.9 million was utilised on exploration activities of which R0.6 million was capitalised in line with Group's accounting policies, R1.3 million on the chrome project of which R0.4 million relates to capital equipment, R3.4 million on general and administration costs and R1.2 million on transaction costs associated with the chrome transaction. The net result of these activities during the period under review resulted in an increase in cash reserves of R6.5 million.

Exploration

Exploration activities were restricted to legal compliance associated with the maintenance of the prospecting rights. It is anticipated that drilling activities will be resumed in the Northern Cluster in the third quarter of this calendar year with the focus on establishing sufficient information to conduct a prefeasibility study. Preparations for the submission of a Mining Right Application for these properties has commenced.

Chrome

The DMR has awarded the Group a Small-scale Mining Permit covering an area of 5ha. This equates to approximately 240 000 tonnes of run of mine chrome ore to be mined at a planned 20 000 tonnes per month at full production. The chrome project was successfully commissioned in January 2015 with initial site establishment and access road development. On 19 March 2015 the open cast mining operations commenced with the first blast on the LG6 chrome horizon. It is expected that this blast will yield 15 000 tonnes of chrome ore at an expected grade of 39% chrome. As run of mine ore this will be delivered to the ASA Metals Proprietary Limited Plant, and a planned production rate of 20 000 tonnes per month will then be maintained.

The Group applied for a Mining Right over the Chrome project in December 2014 and this application was accepted by the DMR on 10 February 2015. All additional requirements for the application of the Mining Right are being complied with.

Legal Tenure

During the period under review the DMR notarially executed the prospecting right over the farm Houtbosch 323KT adding it to the existing prospecting rights held by the Group. The Group also became the beneficial owners over the farms Moeijelijk 412KS and Waterkop 113KT as announced in the circular to shareholders dated 22 August 2014. These farms were originally included in the existing prospecting rights and accordingly there was no need to amend the prospecting rights.

The Group has made substantial progress with the Mining Right application over the platinum prospecting rights and the submission of this application will be made in June 2015.

Legal

There is currently a review application pending in the North Gauteng High Court of South Africa, Pretoria brought by Rustenburg Platinum Mines Limited (“the Applicant”), against a decision of the Department of Mineral Resources to grant the prospecting rights in respect of the farms Genokakop 285KT, Groot Vygenboom 284KT and Houtbosch 412KS. Bauba’s subsidiary, Hlabirwa, the legal holder of the prospecting rights, was cited as a respondent in this matter. After taking legal advice on the matter, Hlabirwa has expedited the determination of the application during the period under review by requesting the High Court to dismiss this matter as the applicant has amongst other issues, failed to take any meaningful steps to advance the review application for a number of years and has not proceeded correctly to protect its alleged rights. Hlabirwa hopes to succeed in defeating the review application.

A previous employee of the Group has lodged a claim for compensation due to his resignation for alleged good cause.

The Group has taken senior counsel advice on both these matters and was informed that the judicial system should find in the Group’s favour.

Notes to the reviewed interim financial statements

Basis of preparation

The board of directors of Bauba (“the Board”) present the reviewed condensed consolidated interim financial results for the six months ended 31 December 2014, which have been prepared in accordance with the framework concepts and the measurement recognition requirements of International Financial Reporting Standards (“IFRS”) and 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 of South Africa (“the Companies Act”) and the Listings Requirements of JSE Limited and contains the information required by IAS 34: Interim Financial Reporting. The accounting policies are in terms of IFRS and are supported by reasonable and fair judgements and estimates. These accounting policies are consistent with those applied in the annual financial statements for the year ended 30 June 2014.

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

Review opinion

These condensed consolidated interim financial results for the six months ended 31 December 2014 have been reviewed by the Company’s auditors, BDO South Africa Incorporated. A copy of their unqualified review opinion is available for inspection at the registered office of the Company.

Segmental information

The Group has classified three segments namely:

- (1) Chrome, being mining activities associated with the chrome asset acquired in the period
- (2) Exploration, being activities associated with the Bauba Project and platinum exploration; and
- (3) Corporate, being administration, regulatory and corporate expenses incurred.

	Chrome	Exploration	Corporate	Total
	R 000's	R 000's	R 000's	R 000's
31 December 2014				
Operating expenditure	(886)	-	-	(886)
General and administrative expenses	-	(287)	(3 432)	(3 719)
Depreciation and amortisation	-	(2)	(20)	(22)
External interest received	-	-	33	33
Comprehensive loss for the period	(886)	(289)	(3 419)	(4 594)
Total segment assets	108 803	29 385	7 607	145 795
Total segment liabilities	(16 261)	(1 427)	(479)	(18 167)
31 December 2013				
General and administrative expenses	-	(475)	(3 473)	(3 948)
Depreciation and amortisation	-	(72)	(22)	(94)
External interest received	-	-	73	73
Comprehensive loss for the period	-	(547)	(3 422)	(3 969)
Total segment assets	-	31 743	3 120	34 863
Total segment liabilities	-	(950)	(321)	(1 271)

Going concern

The condensed consolidated 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

All material subsequent events were covered in the detail above and there were no other material subsequent events of which the Board is aware of at the date of these interim financial results.

Conclusion

The awarding of the Small-scale Mining Permit from the DMR and the general authorisation for water usage from the DWAS has paved the way for the potential of a steady cash flow stream, which may satisfy the Group's financial requirements to advance its projects for the foreseeable future. In accordance with the Chrome Acquisition agreement, fifty percent of the net cash generated from the chrome project will be available for distribution to shareholders subject to compliance with the Companies Act requirements. With a sizeable distribution of the net cash proceeds from the chrome operation being diverted into the exploration program, the Group will be in a favourable position to apply for a Mining Right over its platinum project and to further develop and exploit its platinum resources.

Directorate

There was no change to the Board during the period under review.

On behalf of the Board

JG Best
Chairman

SJM Caddy
Chief Executive Officer

23 March 2015

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 Capital

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Company Secretary

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Auditor

BDO South Africa Incorporated