

Condensed consolidated interim results

for the six months ended 31 December 2015



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Condensed consolidated statement of financial position

as at 31 December 2015

	Unaudited 31 Dec 2015 R'000	Reviewed 31 Dec 2014 R'000	Audited 30 Jun 2015 R'000
Note			
ASSETS			
Non-current assets	171 151	137 622	178 687
Intangible assets	167 211	136 972	169 365
Property, plant and equipment	1 115	650	1 307
Deferred tax	2 825	–	8 015
Current assets	21 159	8 173	40 406
Inventory	3 084	–	5 998
Trade and other receivables	526	770	1 300
Cash and cash equivalents	17 549	7 403	33 108
Total assets	192 310	145 795	219 093
EQUITY AND LIABILITIES			
Equity	170 901	127 628	180 166
Stated share capital	550 402	508 744	550 402
Reverse asset acquisition reserve	(282 988)	(282 988)	(282 988)
Retained loss	(95 437)	(93 089)	(88 390)
Non-controlling interest	(1 076)	(5 039)	1 142
Current liabilities	21 409	18 167	38 927
Trade and other payables	7 510	18 167	6 119
Other financial liabilities	13 899	–	32 808
Total equity and liabilities	192 310	145 795	219 093
Net asset value per share (cents)	45,1	33,7	47,53
Tangible net asset value per share (cents)	–	(2,5)	2,85

Condensed consolidated statement of changes in equity

for the six month period ended 31 December 2015

	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 31 December 2014	508 744	(282 988)	(93 089)	(5 039)	127 628
Total comprehensive income for the period	–	–	4 699	6 181	10 880
Profit for the period	–	–	4 699	6 181	10 880
Issue of shares	41 658	–	–	–	41 658
Balance at 30 June 2015	550 402	(282 988)	(88 390)	1 142	180 166
Total comprehensive loss for the period	–	–	(7 047)	(2 218)	(9 265)
Loss for the period	–	–	(7 047)	(2 218)	(9 265)
Balance at 31 December 2015	550 402	(282 988)	(95 437)	(1 076)	170 901

Condensed consolidated statement of comprehensive income

for the six month period ended 31 December 2015

	Unaudited 31 Dec 2015 R'000	Reviewed 31 Dec 2014 R'000	Audited 30 Jun 2015 R'000	
Note				
Chrome ore revenue	69 477	–	40 901	
Cost of sales	(28 301)	–	(15 533)	
Gross profit	41 176	–	25 368	
Other Income	–	–	10	
Operating and administrative expenses	(45 923)	(4 627)	(21 110)	
Impairment of intangible assets	–	–	(6 286)	
Finance income	671	33	289	
Loss before taxation	(4 076)	(4 594)	(1 729)	
Taxation	(5 189)	–	8 015	
(Loss)/profit for the period	(9 265)	(4 594)	6 286	
Other comprehensive income	–	–	–	
Total comprehensive (loss)/income	(9 265)	(4 594)	6 286	
(Loss)/profit attributable to:				
Owners of the parent	(7 047)	(3 765)	934	
Non-controlling interest	(2 218)	(829)	5 352	
Total comprehensive income/(loss) attributable to:				
Equity holders	(7 047)	(3 765)	934	
Non-controlling interests	(2 218)	(829)	5 352	
Basic (loss)/earnings per share (cents)	9	(1,9)	(2,4)	0,34
Diluted basic (loss)/earnings per share (cents)	9	(1,9)	(2,4)	0,34
Weighted average number of shares ('000)	9	379 020	159 926	272 172
Diluted weighted average number of shares in issue ('000)	9	379 020	159 926	277 861
Number of shares in issue at end of period ('000)		379 020	379 020	379 020

Condensed consolidated statement of cash flow

for the six month period ended 31 December 2015

	Unaudited 31 Dec 2015 R'000	Reviewed 31 Dec 2014 R'000	Audited 30 Jun 2015 R'000
Net cash generated from operating activities	15 428	8 606	4 105
Net cash utilised in investing activities	(771)	(925)	(826)
Net cash (utilised in)/available for financing activities	(30 216)	(1 193)	28 914
Total cash movement for the period	(15 559)	6 488	32 193
Cash and cash equivalents at beginning of the period	33 108	915	915
Cash and cash equivalents at end of the period	17 549	7 403	33 108

Notes to the condensed consolidated interim results

for the period ended 31 December 2015

1. Basis of preparation

These condensed 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, 2008 (Act 71 of 2008), as amended ("the 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 period ended 31 December 2015 as were applied in the preparation of the Group's annual financial statements for the year ended 30 June 2015.

These condensed consolidated financial statements have not been reviewed or audited by the Company's auditors.

2. Financial review

The Company was presented with substantial challenges during the period under review. The price of chrome ore run of mine dropped significantly in the latter part of 2015, causing the board of directors to place the Moeijelijk operation under care and maintenance. The Moeijelijk operation, which previously proved its profitability in a lesser stressed resource market, will commence production as soon as the price of chrome ore run of mine recovers to economically viable levels.

The Group reported a loss attributable to the owners of the parent of the Group for the period ended 31 December 2015 of R7,047 million resulting in a loss per share of 1,9 cents (2014: 2,4 cents). Headline loss per share for the period ended 31 December 2015 was 1,9 cents (2014: 2,4 cents). The weighted average number of ordinary shares in issue for the period under review was 379 020 249 (2014: 159 926 000).

3. Dividends

No dividends were declared during the period under review.

4. Trade and other receivables

	31 Dec 2015 R'000	31 Dec 2014 R'000	30 Jun 2015 R'000
Trade receivables	15 099	–	173
VAT	–	673	942
Prepayments	–	–	88
Deposits and other	526	97	97
	15 625	770	1 300
Less allowance for doubtful accounts*	(15 099)	–	–
	526	770	1 300

*There is currently an uncertainty as to both the extent and date of recovery regarding the aforesaid quantum as that trade debtor is currently undergoing business rescue proceedings in terms of the Companies Act.

Notes to the condensed consolidated interim results continued

for the period ended 31 December 2015

5. Other financial liabilities (current)

	31 Dec 2015 R'000	31 Dec 2014 R'000	30 Jun 2015 R'000
Provision for rehabilitation:	5 551	–	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 Metals Proprietary Limited supplies the Group with 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 which was delivered during the period under review.			
Other	8 348	–	182
	13 899	–	32 808
Current liabilities			
At amortised cost	13 899	–	32 808
Non-current liabilities			
At amortised cost	–	–	–

6. Board

During the period under review, up to the date of this report, no changes were made to the board of directors.

7. Operating segments

	Chrome project R'000	Platinum exploration R'000	Corporate R'000	Total R'000
31 December 2015				
Revenue	69 477	–	–	69 477
Other income	–	–	–	–
Loss before tax	(356)	–	(3 720)	(4 076)
Taxation	(5 189)	–	–	(5 189)
Loss after tax	(5 545)	–	(3 720)	(9 265)
Interest received	–	–	671	671
Interest paid	–	–	–	–
Depreciation, amortisation and impairment	165	–	13	178
Total assets	154 983	20 161	17 166	192 310
Total liabilities	(21 031)	–	(378)	(21 409)

Notes to the condensed consolidated interim results continued

for the period ended 31 December 2015

7. Operating segments continued

	Chrome project R'000	Platinum exploration R'000	Corporate R'000	Total R'000
30 June 2015				
Revenue	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)
31 December 2014				
Revenue	–	–	–	–
Other income	–	–	–	–
Loss before tax	(886)	(289)	(3 419)	(4 594)
Taxation	–	–	–	–
Loss after tax	(886)	(289)	(3 419)	(4 594)
Interest received	–	–	33	33
Interest paid	–	–	–	–
Depreciation, amortisation and impairment	–	2	20	22
Total assets	108 803	29 385	7 607	145 795
Total liabilities	(16 261)	(1 427)	(479)	(18 167)

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 2015 financial year. The Group was reliant on one major customer in respect of the chrome ore sales.

8. Changes in share capital

During the six month period ended 31 December 2015 no additional share capital were issued.

9. Basic earnings per share

	31 Dec 2015 R'000	31 Dec 2014 R'000	30 Jun 2015 R'000
Basic (loss)/earnings per share (cents)	(1,9)	(2,4)	0,34
Diluted (loss)/earnings per share (cents)	(1,9)	(2,4)	0,34
Headline (loss)/earnings per share (cents)	(1,9)	(2,4)	2,65
Diluted headline (loss)/earnings per share (cents)	(1,9)	(2,4)	2,60
Weighted average number of shares in issue ('000)	379 020	159 926	272 172
Diluted weighted average number of shares in issue ('000)	379 020	159 926	277 861
Number of share in issue at end of period ('000)	379 020	379 020	379 020
Adjustment to arrive at headline (loss)/earnings:			
Net (loss)/profit after taxation for the period	(7 047)	(3 765)	934
Impairment of intangible assets	–	–	6 285
Loss on sale of asset	–	–	(8)
Headline (loss)/earnings	(7 047)	(3 765)	7 211

Notes to the condensed consolidated interim results continued

for the period ended 31 December 2015

9. Basic earnings per share continued

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

10. Events after the end of the reporting period

The last quarter of 2015 saw the market price of chrome ore experience severe pressure with the price dropping from US\$175 to below US\$100 per tonne. The adverse changes in the chrome ore market, specifically those pertaining to price, have resulted in the Company's chrome project becoming financially unviable at present. As a result thereof, the board of directors of Bauba has decided to cease current operations and place the Moeijelijk Mine under care and maintenance with effect from 11 January 2016. The Moeijelijk Mine will remain under care and maintenance until chrome ore prices recover and increase to levels sufficient to justify the continuation of mining operations again. In addition to the aforesaid, the continuation of Bauba's key offtake agreement with ASA Metals Proprietary Limited ("ASA"), which flowed from the strategic relationship established with ASA in the previous financial year, is currently uncertain as ASA commenced business rescue proceedings in terms of the Companies Act during February 2016. The board is currently exploring other potential offtake agreements with third parties and is cautiously optimistic that sufficient markets will be found for its chrome run of mine product, once the mineral resources market stabilises and returns to economically profitable levels.

11. Going concern

The financial period under review reflects a challenging financial period. The post year-end results indicate an increase in revenues. The overall net loss after tax for the period under review was R9,265 million and the cash flow forecasts prepared by the directors indicate that the Company will require additional funding within the next 12 months in order to meet its commitments as they fall due and to continue funding the Group expenditures. These conditions indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. The board, however, remains confident that additional funding should be forthcoming. Though the board appreciates that formalised funding commitments have not yet been secured, 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.

30 March 2016

Johannesburg

Corporate information

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")

Country of incorporation and domicilium: South Africa

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Dr NM Phosa[#]

DS Smith^{*}

King TV Thulare (Alternate)

SJM Caddy

CH Gernandt

NW van der Hoven

[#](Non-executive, ^{*} Independent non-executive)

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