

REVIEWED CONDENSED CONSOLIDATED PROVISIONAL RESULTS for the year ended 30 June 2016

www.bauba.co.za

BAUBA
PLATINUM

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed 30 June	Audited 30 June
Note	2016 R'000	2015 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	166 900	178 687
Intangible assets	10 164 324	169 365
Deferred tax	1 621	8 015
Current assets		
Trade and other receivables	13 737	40 406
Tax receivable	1 670	1 300
Cash and cash equivalents	328	–
Inventory	11 739	33 108
	–	5 998
Total assets	180 637	219 093
EQUITY AND LIABILITIES		
Equity		
Stated share capital	168 658	180 166
Reverse asset acquisition reserve	550 402	550 402
Retained loss	(282 988)	(282 988)
Non-controlling interest	(98 562)	(88 390)
	(194)	1 142
Non-current liabilities		
Provision for rehabilitation	5 552	–
	5 552	–
Current liabilities		
Other financial liabilities	6 427	38 927
Provision for rehabilitation	5 375	30 288
Trade and other payables	6 –	2 520
	1 052	6 119
Total equity and liabilities	180 637	219 093

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated share capital	Reverse acquisition adjustment	Retained loss	Non- controlling interest	Total equity
	R'000	R'000	R'000	R'000	R'000
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
Total comprehensive loss for the year	–	–	(10 172)	(1 336)	(11 508)
Balance at 30 June 2016	550 402	(282 988)	(98 562)	(194)	168 658

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed Year ended 30 June	Audited Year ended 30 June
Note	2016 R'000	2015 R'000
Chrome ore revenue	78 743	40 901
Cost of sales	(29 191)	(15 533)
Gross profit	49 552	25 368
Other income	–	10
Operating and administrative expenses	(55 579)	(21 110)
Impairment of intangible assets	–	(6 286)
Finance income	1 061	289
Loss before taxation	(4 966)	(1 729)
Taxation	(6 542)	8 015
(Loss)/profit for the year	(11 508)	6 286
Other comprehensive income	–	–
Total comprehensive (loss)/profit	(11 508)	6 286
(Loss)/profit attributable to:		
Owners of the parent	(10 172)	934
Non-controlling interests	(1 336)	5 352
Total comprehensive (loss)/profit attributable to:		
Owners of the parent	(10 172)	934
Non-controlling interests	(1 336)	5 352
Basic (loss)/earnings per share (cents)	11 (2,68)	0,34
Diluted (loss)/earnings per share (cents)	11 (2,68)	0,34
Weighted average number of shares ('000)	11 379 020	272 172
Diluted weighted average number of shares in issue ('000)	11 379 020	277 861

CONDENSED PROVISIONAL CONSOLIDATED STATEMENT OF CASH FLOW

	Reviewed 30 June	Audited 30 June
	2016 R'000	2015 R'000
Net cash generated/(utilised) in operating activities	4 740	4 105
Cash flows from investing activities		
Purchase of property, plant and equipment	(26)	(1 115)
Investments in intangible assets	(2 232)	–
Interest received	1 061	289
Net cash utilised in investing activities	(1 196)	(826)
Cash flows from financing activities		
Share issue expenses	–	(1 192)
Proceeds from other financial liabilities	–	30 106
Repayment of other financial liabilities	(24 913)	–
Net cash (utilised)/available from financing activities	(24 913)	28 914
Total cash movement for the year	(21 369)	32 193
Cash and cash equivalents at the beginning of the year	33 108	915
Cash and cash equivalents at end of the year	11 739	33 108

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), the financial director of Bauba, in accordance with the framework concepts and the measurements and recognition requirements of 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 and, as a minimum, contain the information required by IAS 34: Interim Financial Reporting. The Board takes full responsibility for the preparation of this provisional report and that the financial information has been correctly extracted from the underlying consolidated reviewed annual financial statements, which are available for inspection at the registered office of the Company.

The same accounting policies, presentation and measurement principles have been followed in the preparation of the condensed report for the year ended 30 June 2016 as were applied in the preparation of the group's annual financial statements for the year ended 30 June 2015.

2. FINANCIAL REVIEW

In the year under review, Bauba established itself as a chrome producer but, due to severe pressure on commodity prices, the Group had to place its chrome project ("Moeijelijk 412KS") under care and maintenance in January 2016. The board of directors of Bauba ("the Board") is cautiously optimistic that the chrome prices will recover by the last quarter of 2016 which will allow the Group to go back into production. The Board's focus for 2016 was mainly on generating revenue from its chrome operation and to reduce platinum exploration activities and corresponding expenditure. A full-scale 30-year Mining Right for Chrome Ore has also been granted by the Department of Mineral Resources and the Board is optimistic about the continued positive growth performance in earnings for the 2017 financial year.

The Group reported a loss attributable to the parents of the Group for the year ended 30 June 2016 of R10,172 million resulting in a loss per share of 2,68 cents (2015: earnings per share of 0,34 cents). Headline loss per share for the year was 2,68 cents (2015: headline earnings per share of 2,65 cents). The weighted average number of ordinary shares in issue for the year under review was 379 020 249 (2015: 272 172 872).

3. AUDITOR'S REVIEW CONCLUSION

These condensed consolidated financial statements for the year ended 30 June 2016 have been reviewed by BDO South Africa Incorporated, who expressed an unmodified 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.

5. OTHER FINANCIAL LIABILITIES (CURRENT)

	30 June 2016 R'000	30 June 2015 R'000
Chrome ore credit facility	–	12 000
An amount was received as a credit facility until ASA Metals Proprietary Limited 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	5 375	182
	5 375	30 288

NOTES TO THE REVIEWED PROVISIONAL CONDENSED RESULTS

continued

5. OTHER FINANCIAL LIABILITIES (CURRENT) continued

	30 June	30 June
	2016	2015
	R'000	R'000
Current liabilities		
At amortised cost	5 375	30 288
Non-current liabilities		
At amortised cost	-	-

6. PROVISION FOR REHABILITATION

	30 June	30 June
	2016	2015
	R'000	R'000
Provision for rehabilitation	5 552	2 520
Balance at the beginning of the year	2 520	-
Additions	3 032	2 520
Balance at the end of the year	5 552	2 520
Due within one year or less	-	2 520
Due after more than one year	5 552	-
	5 552	2 520

The provision for rehabilitation was previously included under other financial liabilities. The decision was taken to move the provision into separate line item on the face of the statement of financial position for better disclosure.

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. The change of reporting provisions as a non-current liability is due to the fact that Bauba's chrome project, Moeijelijk 412KS was placed under care and maintenance and the liability would only be paid in the long term.

7. BOARD

During the year under review, up to the date of this report, the following changes were made to the Board:

Change of role

NW van der Hoven (from Executive Director – Legal Compliance and New Business Development to Chief Executive Officer) – 31 May 2016.

Resignations

S Caddy (Chief Executive Officer) – 31 May 2016.

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

8. OPERATING SEGMENTS

	Chrome project	Platinum exploration	Corporate	Total
	R'000	R'000	R'000	R'000
2016				
Revenues	78 743	-	-	78 743
Profit/(loss) before tax	3 202	-	(8 168)	(4 966)
Taxation	(6 542)	-	-	(6 542)
Loss after tax	(3 340)	-	(8 168)	(11 508)
Interest received	-	-	1 061	1 061
Depreciation, amortisation and impairment	7 605	-	27	7 632
Total assets	148 759	20 161	11 717	180 637
Total liabilities	(11 748)	-	(231)	(11 979)

8. OPERATING SEGMENTS continued

	Chrome project	Platinum exploration	Corporate	Total
	R'000	R'000	R'000	R'000
2015				
Revenues	40 901	-	-	40 901
Other income	-	-	10	10
Loss before tax	8 802	-	(10 531)	(1 729)
Taxation	8 015	-	-	8 015
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)

The Bauba Group segmental analysis is based on the Moeijelijk chrome project, platinum exploration and corporate activities. The Group was reliant on one major customer in respect of the chrome ore sales.

9. CHANGES IN SHARE CAPITAL

During the year, there were no changes to the Company's issued share capital.

10. INTANGIBLE ASSETS

	Cost	Accumulated amortisation and impairments	Carrying value
	R'000	R'000	R'000
2016			
Platinum mineral rights	30 555	(10 394)	20 161
Chrome mineral rights	153 842	(9 679)	144 163
Exploration and evaluation assets	184 397	(20 073)	164 324
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

	Opening balance	Additions	Amor-tisation	Impair-ment	Total
	R'000	R'000	R'000	R'000	R'000
Reconciliation					
2016					
Platinum mineral rights	20 162	-	-	-	20 162
Chrome mineral rights	149 203	2 232	(7 273)	-	144 162
Exploration and evaluation assets	169 365	2 232	(7 273)	-	164 324
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

* The Board has satisfied itself that an impairment loss of R6 285 519 has been incurred on the central cluster due to uneconomical qualities on the drilling results. Therefore, the Board has not filed for retention permits on the central cluster.

11. EARNINGS PER SHARE

Basic (loss)/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	30 June
	2016	2015
	R'000	R'000
Basic (loss)/earnings per share		
From operations (cents)	(2,68)	0,34
Basic (loss)/earnings per share for the Bauba Group was based on (loss)/earnings of	(10 172)	934
Weighted average number of ordinary shares ('000)	379 020	272 172
Diluted basic (loss)/earnings per share		
From operations (cents)	(2,68)	0,34
(Loss)/profit for the year attributable to equity holders of the parent	(10 172)	934
Diluted weighted average number of shares in issue ('000)	379 020	277 861

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

	30 June	30 June
	2016	2015
	R'000	R'000
Reconciliation of earnings to headline (loss)/earnings attributable to equity holders of the parent:		
Headline (loss)/earnings per share (cents)	(2,68)	2,65
Reconciliation between (loss)/earnings and headline (loss)/earnings		
Basic (loss)/earnings	(10 172)	934
Adjusted for:		
Impairment of intangible assets	-	6 285
Profit on sale of asset	3	(8)
Headline (loss)/earnings	(10 169)	7 211
Weighted average number of shares in issue ('000)	379 020	272 172
Headline (loss)/earnings per share (cents)	(2,68)	2,65
Diluted weighted average number of shares in issue ('000)	379 020	277 861
Diluted headline (loss)/earnings per share (cents)	(2,68)	2,60
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	379 020	272 172
Additional weighted shares issued based on suspensive conditions on the acquisition of the Houtbosch transaction	-	5 689
Weighted average number of shares used in the calculation of diluted earnings per share	379 020	277 861

12. EVENTS AFTER THE END OF THE REPORTING PERIOD

Shareholders are referred to the announcement released on SENS on 26 July 2016 wherein shareholders were advised that on 24 March 2016, the Company announced that a provision had been made in the results for the six months ended 31 December 2015 for an amount of approximately R15 million in respect of a doubtful debtor ("the Debtor"). This provision arose from the delivery of approximately 20 000 MT of chrome ore (the "Original Delivery") to the Debtor, but which Original Delivery was not paid for by such party and who subsequently went into business rescue. The Group consequently wrote the debt pertaining thereto off as unrecoverable in the year under review. After vigorous legal action taken by its Directors, an agreement (the "Settlement Agreement") was entered into with the Debtor, in terms of which the Company is entitled to recover approximately 17 300 MT of the Original Delivery, from the Debtor's processing site.

Subsequent and pursuant to the Settlement Agreement, Bauba a Hlabirwa Mining Investments Proprietary Limited has now entered into an Agreement of Sale in terms of which the product at the Debtor's site is to be disposed of (subject to certain terms and conditions) forthwith at a value of R13 840 000 excluding VAT. The shortfall of the debt which arose from the Original Delivery will remain part of the Company's concurrent claim against the Debtor.

13. GOING CONCERN

The period under review reflects a challenging year. The overall net loss after tax for the period under review was R11,508 million and the cash flow forecasts prepared by the directors, based on current available information, indicate that the Company will be able to meet its commitments within the next 12 months as they fall due and to continue funding the Group expenditures. The Company has sufficient resources to continue as a going concern and has 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.

17 August 2016

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

Board of Directors

NPJ van der Hoven* (Chairman), M Luyt*, SM Dolamo*, Dr NM Phosa*, DS Smith*
King TV Thulare (Alternate), NW van der Hoven, CH Gernandt

*Non-executive *Independent non-executive

Sponsor

Merchantec Capital

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

Registered Office

Cube Workspace, 1 Wedgewood Link, Bryanston, Johannesburg, 2191, South Africa
(PO Box 1658, Witkoppen, 2068)

Company Secretary

Merchantec Proprietary Limited

Transfer Secretaries

Computershare Investor Services Proprietary Limited, 70 Marshall Street
Marshalltown, 2001 (PO Box 61051, Marshalltown, 2107)

Auditors

BDO South Africa Incorporated
22 Wellington Road, Parktown, 2193