



CONDENSED CONSOLIDATED RESULTS

for the six month period ended 31 December 2016

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six month period ended 31 December 2016

	Unaudited 31 Dec	Unaudited 31 Dec	Audited 30 Jun
	2016 R'000	2015 R'000	2016 R'000
Revenue	14 486	69 477	78 743
Cost of sales	(20 162)	(28 301)	(29 191)
Gross profit	(5 676)	41 176	49 552
Bad debt recovery	10 392	–	–
Operating and administrative expenses	(12 176)	(45 923)	(53 961)
Finance income	590	671	1 061
Loss before taxation	(6 870)	(4 076)	(3 348)
Income tax	567	(5 189)	(1 884)
Loss for the period	(6 303)	(9 265)	(5 232)
Other comprehensive income	–	–	–
Comprehensive loss for the period	(6 303)	(9 265)	(5 232)
Loss attributable to:			
Equity holders of the parent	(5 674)	(7 047)	(6 406)
Non-controlling interest	(629)	(2 218)	1 174
Comprehensive loss attributable to:			
Equity holders of the parent	(5 674)	(7 047)	(6 406)
Non-controlling interest	(629)	(2 218)	1 174
Basic loss per share (cents)	(1,50)	(1,86)	(1,69)
Diluted loss per share (cents)	(1,50)	(1,86)	(1,69)
Weighted average number of shares ('000)	379 020	379 020	379 020
Diluted weighted average number of shares ('000)	379 020	379 020	379 020
Number of shares in issue at the end of the period ('000)	379 020	379 020	379 020
Headline earnings reconciliation:			
Loss attributable to equity holders of the parent	(5 674)	(7 047)	(6 406)
Loss on sale of property, plant and equipment	–	–	3
Headline loss	(5 674)	(7 047)	(6 403)
Headline loss per share (cents)	(1,50)	(1,86)	(1,69)
Diluted headline loss per share (cents)	(1,50)	(1,86)	(1,69)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 December 2016

	Share capital	Reverse asset acquisition reserve	Share option reserve	Retained loss	Non-controlling interest	Total equity
	R'000	R'000	R'000	R'000	R'000	R'000
Balance at 1 July 2015	550 402	(282 988)	–	(88 390)	1 142	180 166
Total comprehensive 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
Total comprehensive profit for the period	–	–	–	641	3 392	4 033
Balance at 30 June 2016	550 402	(282 988)	–	(94 796)	2 316	174 934
Share-based payment reserve movement	–	–	68	–	–	68
Total comprehensive loss for the period	–	–	–	(5 674)	(629)	(6 303)
Balance at 31 December 2016	550 402	(282 988)	68	(100 470)	1 687	168 699

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Unaudited 31 Dec	Unaudited 31 Dec	Audited 30 Jun
	2016 R'000	2015 R'000	2016 R'000
Notes			
ASSETS			
Non-current assets	169 013	171 151	171 410
Intangible assets	10 161 241	167 211	164 324
Property, plant and equipment	1 074	1 115	955
Deferred tax	6 698	2 825	6 131
Current assets	12 667	21 159	13 885
Inventory	–	3 084	–
Tax receivable	476	–	476
Trade and other receivables	1 923	526	1 670
Cash and cash equivalents	10 268	17 549	11 739
Total assets	181 680	192 310	185 295
EQUITY AND LIABILITIES			
Equity	168 699	170 901	174 934
Share capital	550 402	550 402	550 402
Reverse asset acquisition reserve	(282 988)	(282 988)	(282 988)
Share option reserve	68	–	–
Retained loss	(100 470)	(95 437)	(94 796)
Non-controlling interest	1 687	(1 076)	2 316
Non-current liabilities	5 552	–	5 552
Provision for rehabilitation	6 5 552	–	5 552
Current liabilities	7 429	21 409	4 809
Trade and other payables	3 520	7 510	1 052
Other financial liabilities	5 3 909	8 347	3 757
Provision for rehabilitation	6 –	5 552	–
Total equity and liabilities	181 680	192 310	185 295

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

for the six month period ended 31 December 2016

	Unaudited 31 Dec	Unaudited 31 Dec	Audited 30 Jun
	2016 R'000	2015 R'000	2016 R'000
Net cash effects from operating activities	(1 157)	15 428	6 358
Net cash effects from investing activities	(314)	(771)	(1 196)
Investments in intangible asset	(598)	(1 442)	(2 232)
Investments in property, plant and equipment	(306)	–	(25)
Interest received	590	671	1 061
Net cash effects from financing activities	–	(30 216)	(26 531)
Repayment of other financial liabilities	–	(30 216)	(26 531)
Total cash movement for the period	(1 471)	(15 559)	(21 369)
Cash and cash equivalents at the beginning of the period	11 739	33 108	33 108
Cash and cash equivalents at the end of the period	10 268	17 549	11 739

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS

for the six month period ended 31 December 2016

1. BASIS OF PREPARATION

These condensed consolidated financial results have been prepared by Jonathan Knowlden CA(SA), the financial director, 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 2016 as were applied in the preparation of the Group's annual financial statements for the year ended 30 June 2016.

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

2. FINANCIAL REVIEW

The Group's only operating mine, Moeijeljik, remained under care and maintenance for the full period under review. These results, as such, reflect the Group operating under substantial challenges. The price of chrome ore has returned to economically viable levels and production at the Moeijeljik Mine was restarted at the beginning of the 2017 calendar year.

The Group reported a loss attributable to equity holders of the parent for the period ended 31 December 2016 of R5,674 million (2015: R7,047 million) resulting in a loss per share of 1,50 cents (2015: 1,86 cents). Headline loss per share for the period ended 31 December 2016 was 1,50 cents (2015: 1,86 cents).

3. OUTLOOK

The Group has had a strong start to the calendar year since resuming production at our Moeijeljik Mine, capitalising on favourable chrome ore prices. For the first two months of the year, we have sold free-on-truck (FOT) approximately 20 000 metric tonnes (Mt) of LG6 chrome ore for a total sales consideration (exclusive of VAT) of R72,9 million. Furthermore, we have contracted to sell a further 10 000Mt of LG6 chrome ore from February's production at an FOT price, exclusive of VAT, of R3 187 per Mt, which is estimated to generate R31,9 million in sales.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM RESULTS continued for the six month period ended 31 December 2016

3. OUTLOOK continued

Our open cast production target for the six month period to year end 30 June 2017 remains unchanged at 105 000Mt.

Our underground mine plans are well advanced and first development is planned to start, all things being equal, at the end of March 2017 with the build-up to a stable monthly production of 30 000Mt of LG6 chrome ore expected to be achieved before the end of the 2018 financial year. Our total estimated capital expenditure for the development of the underground mine is R24,5 million.

4. DIVIDENDS

No dividends were declared during the period under review.

5. OTHER FINANCIAL LIABILITIES

	Unaudited 31 Dec	Unaudited 31 Dec	Audited 30 Jun
	2016 R'000	2015 R'000	2016 R'000
Royalty taxes	2 921	–	2 849
The amount relates to royalty taxes due according to the Mineral and Petroleum Resources Royalty Act			
Other	988	8 347	908
	3 909	8 347	3 757
Current liabilities			
At amortised cost	3 909	8 347	3 757

6. PROVISION FOR REHABILITATION

	Unaudited 31 Dec	Unaudited 31 Dec	Audited 30 Jun
	2016 R'000	2015 R'000	2016 R'000
Balance at the beginning of the year	5 552	2 520	2 520
Movement in provision during the period recognised in profit or loss	–	3 032	3 032
Balance at the end of the period	5 552	5 552	5 552
Due within one year or less	–	5 552	–
Due after more than one year	5 552	–	5 552

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 provision has been classified as a non-current liability due to the Group's chrome mine being placed under care and maintenance with rehabilitation commencing once the mine resumes production.

The provision for rehabilitation was previously disclosed under other financial liabilities. This has now been separately presented on the face of the statement of financial position for improved disclosure.

7. BOARD

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

Appointment

JA Knowlden (Financial director) – 1 December 2016.

Resignation

CH Gernandt (Financial director) – 1 December 2016.

8. OPERATING SEGMENTS

	Chrome project R'000	Platinum exploration R'000	Corporate R'000	Total R'000
31 December 2016 (unaudited)				
Revenue	14 486	–	–	14 486
Loss before tax	(2 140)	–	(4 730)	(6 870)
Taxation	567	–	–	567
Loss after tax	(1 573)	–	(4 730)	(6 303)
Interest received	39	–	551	590
Depreciation, amortisation and impairment	(3 860)	–	(8)	(3 868)
Investment in intangible assets	598	–	–	598
Total assets	133 211	20 161	28 308	181 680
Total liabilities	(12 409)	–	(572)	(12 981)
31 December 2015 (unaudited)				
Revenue	69 477	–	–	69 477
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
Depreciation, amortisation and impairment*	(3 761)	–	(13)	(3 774)
Investment in intangible assets	1 442	–	–	1 442
Total assets	154 983	20 161	17 166	192 310
Total liabilities	(21 031)	–	(378)	(21 409)
30 June 2016 (audited)				
Revenue	78 743	–	–	78 743
Profit/(loss) before tax	4 820	–	(8 168)	(3 348)
Taxation	(1 884)	–	–	(1 884)
Profit/(loss) after tax	2 936	–	(8 168)	(5 232)
Interest received	–	–	1 061	1 061
Depreciation, amortisation and impairment	(7 605)	–	(27)	(7 632)
Investment in intangible assets	2 232	–	–	2 232
Total assets	153 417	20 161	11 717	185 295
Total liabilities	(10 130)	–	(231)	(10 361)

**Depreciation, amortisation and impairment of R178 000 was incorrectly disclosed in the December 2015 interim condensed consolidated results. The correct amount of R3 774 000 has now been disclosed. This was only a prior period disclosure error relating to this note and had no impact on the statement of comprehensive income, statement of financial position or any other note in these financial results.*

The Group's 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

There were no changes to the issued share capital during the period under review.

10. INTANGIBLE ASSETS

	Cost R'000	Accumulated amortisation and impairments R'000	Carrying value R'000
31 December 2016 (unaudited)			
Platinum mineral rights	30 555	(10 394)	20 161
Chrome mineral rights	154 440	(13 360)	141 080
Total mineral rights	184 995	(23 754)	161 241
31 December 2015 (unaudited)			
Platinum mineral rights	30 555	(10 394)	20 161
Chrome mineral rights	153 052	(6 002)	147 050
Total mineral rights	183 607	(16 396)	167 211
30 June 2016 (audited)			
Platinum mineral rights	30 555	(10 394)	20 161
Chrome mineral rights	153 842	(9 679)	144 163
Total mineral rights	184 397	(20 073)	164 324

	Opening balance R'000	Additions R'000	Amor- tisation R'000	Closing balance R'000
Reconciliation				
31 December 2016 (unaudited)				
Platinum mineral rights	20 161	–	–	20 161
Chrome mineral rights	144 163	598	(3 681)	141 080
Total mineral rights	164 324	598	(3 681)	161 241
31 December 2015 (unaudited)				
Platinum mineral rights	20 161	–	–	20 161
Chrome mineral rights	149 204	1 442	(3 596)	147 050
Total mineral rights	169 365	1 442	(3 596)	167 211
30 June 2016 (audited)				
Platinum mineral rights	20 161	–	–	20 161
Chrome mineral rights	149 204	2 232	(7 273)	144 163
Total mineral rights	169 365	2 232	(7 273)	164 324

11. GOING CONCERN

The period under review reflects a challenging six months. The overall net loss after tax for the period under review was R6,303 million. Since resuming production at the start of the 2017 calendar year, to the date of this report, the Group has capitalised on the improved chrome ore prices and has generated significant positive cash flows with a cash and cash equivalents balance of R68,8 million and no interest-bearing borrowings. These results were made possible by the cost reduction measures implemented while the mine was under care and maintenance. The cash flow forecasts, prepared by the directors based on current available information, indicate the Company will be able to meet its commitments within the next 12 months as they fall due. 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.

13 March 2017
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.
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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, JA Knowlden
**Non-executive *Independent non-executive*

Sponsor

Merchantec Capital

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Hyde Park, Johannesburg, 2196 (PO Box 41480, Craighall, 2024)

Registered Office

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Company Secretary

Merchantec Proprietary Limited

Transfer Secretaries

Computershare Investor Services Proprietary Limited, Rosebank Towers,
15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107)

Auditors

BDO South Africa Incorporated
22 Wellington Road, Parktown, 2193