



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

NAME OF APPLICANT: K2018010850 (SOUTH AFRICA) (Pty) Ltd

REFERENCE NUMBER:

PROSPECTING WORK PROGRAMME

**SUBMITTED FOR A PROSPECTING RIGHT
APPLICATION WITHOUT BULK SAMPLING**

**AS REQUIRED IN TERMS OF SECTION 16 READ TOGETHER WITH
REGULATION 7(1) OF THE MINERAL AND PETROLEUM RESOURCES
DEVELOPMENT ACT (ACT 28 of 2002)**

STANDARD DIRECTIVE

All applicants for mining rights are herewith, in terms of the provisions of Section 16 and in terms of Regulation 7(1) of the Mineral and Petroleum Resources Development Act, directed to submit a Prospecting Work Programme, strictly under the following headings and in the following format together with the application for a prospecting right.

1. **REGULATION 7.1.(a): FULL PARTICULARS OF THE APPLICANT**

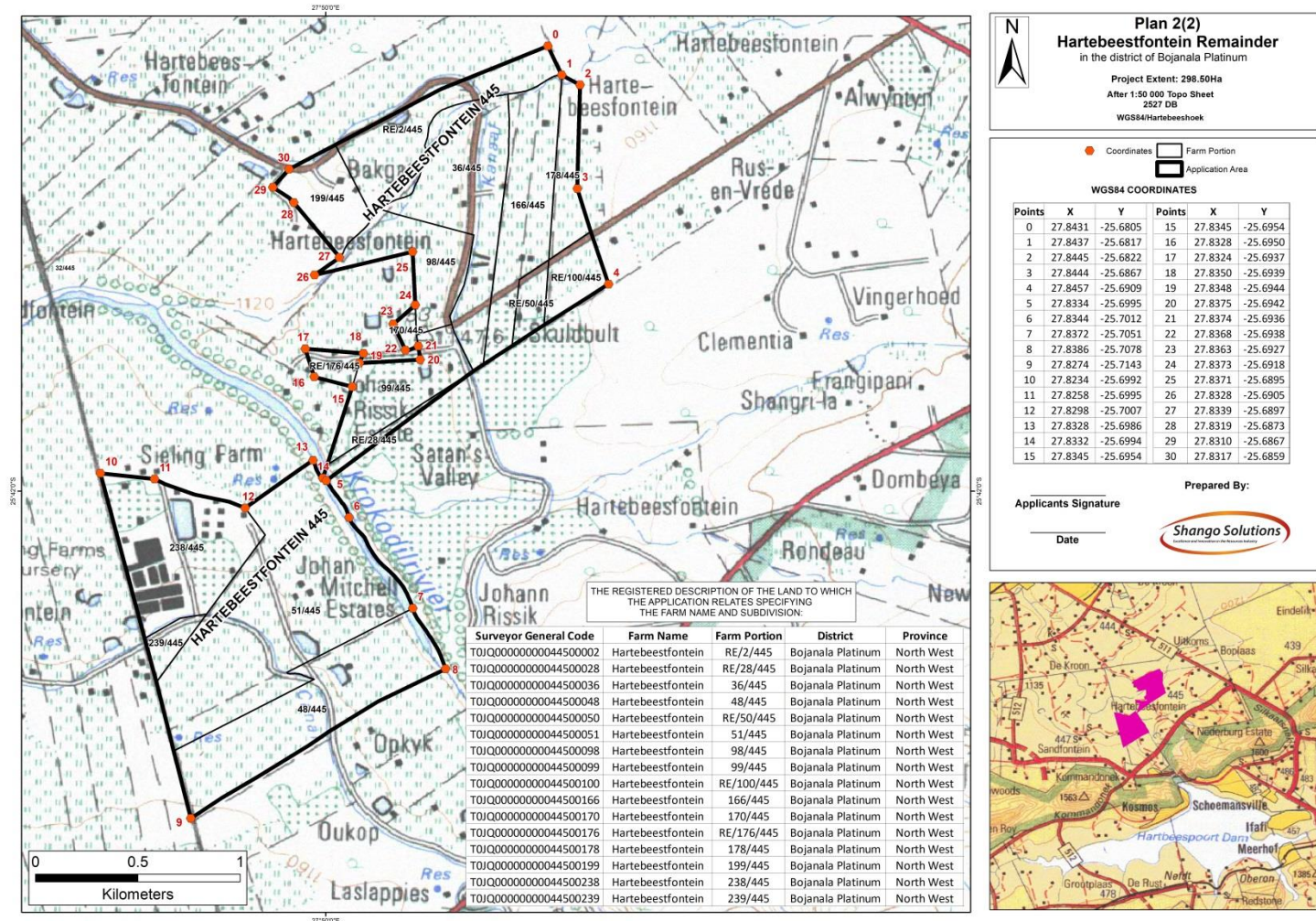
Table 1: Applicant's Contact Details

ITEM	COMPANY CONTACT DETAILS
Name	K2018010850 (SOUTH AFRICA) (Pty) Ltd
Tel no	011 699 5720
Fax no:	011 388 3962
Cellular no	082 332 4973
E-mail address	info@bauba.co.za
Postal address	PO Box 1658, Witkoppen, 2068

Table 2: Consultant's Details

ITEM	CONSULTANT CONTACT DETAILS (If applicable)
Name	Dunrose Trading 186 (Pty) Ltd t/a Shango Solutions
Tel no	011 678 6504
Fax no:	011 678 9731
E-mail address	info@shango.co.za
Postal address	P.O. Box 2591 Cresta Gauteng

2. REGULATION 7(1)(b): PLAN CONTEMPLATED IN REGULATION 2(2) SHOWING THE LAND TO WHICH THE APPLICATION RELATES



3. REGULATION 7(1)(c): THE REGISTERED DESCRIPTION OF THE LAND TO WHICH THE APPLICATION RELATES

Surveyor General Code	Farm Name	Farm Portion	District	Province
T0JQ00000000044500002	Hartebeestfontein	RE/2/445	Bojanala Platinum	North West
T0JQ00000000044500028	Hartebeestfontein	RE/28/445	Bojanala Platinum	North West
T0JQ00000000044500036	Hartebeestfontein	36/445	Bojanala Platinum	North West
T0JQ00000000044500048	Hartebeestfontein	48/445	Bojanala Platinum	North West
T0JQ00000000044500050	Hartebeestfontein	RE/50/445	Bojanala Platinum	North West
T0JQ00000000044500051	Hartebeestfontein	51/445	Bojanala Platinum	North West
T0JQ00000000044500098	Hartebeestfontein	98/445	Bojanala Platinum	North West
T0JQ00000000044500099	Hartebeestfontein	99/445	Bojanala Platinum	North West
T0JQ00000000044500100	Hartebeestfontein	RE/100/445	Bojanala Platinum	North West
T0JQ00000000044500166	Hartebeestfontein	166/445	Bojanala Platinum	North West
T0JQ00000000044500170	Hartebeestfontein	170/445	Bojanala Platinum	North West
T0JQ00000000044500176	Hartebeestfontein	RE/176/445	Bojanala Platinum	North West
T0JQ00000000044500178	Hartebeestfontein	178/445	Bojanala Platinum	North West
T0JQ00000000044500199	Hartebeestfontein	199/445	Bojanala Platinum	North West
T0JQ00000000044500238	Hartebeestfontein	238/445	Bojanala Platinum	North West
T0JQ00000000044500239	Hartebeestfontein	239/445	Bojanala Platinum	North West

4. REGULATION 7(1)(d) and (e): THE MINERAL OR MINERALS TO BE PROSPECTED FOR

Table 4.1: Minerals to be prospected for

ITEM	DETAIL
Type of mineral(s)	Chrome and Platinum Group Elements (PGE's)
Locality (Direction and distance from nearest town)	8 km south of Brits
Extent of the area required for prospecting	298.50 ha
Geological formation	The Bushveld Complex is present at the surface in the area of interest.

4.2 Description why the Geological formation substantiates the minerals to be prospected for (provide a justification as to why the geological formation supports the possibility that the minerals applied for could be found therein)

The Bushveld Complex hosts the world's largest known resources of PGE's, Chromium, and Vanadium. The PGE's (Platinum, Palladium, Rhodium, Ruthenium, Osmium and Iridium) are intimately associated with Gold,

Nickel, and Copper and in some instances Chromium, which form important bi-products of PGE mining in South Africa. The Bushveld Complex is divided into the Rustenburg Layered Suite, the Lebowa Granites, the Rashop Granophyre Suite and the Rooiberg Felsites (Chamber of Mines, 2018).

Of importance for Chrome and Platinum is the Rustenburg Layered Suite which contains mainly mafic rocks and is divided into a number of different zones namely: the Marginal Zone, the Lower Zone, the Critical Zone, the Main Zone and lastly the Upper Zone (Schurmann et al., 1998).

The chromitite seams in the Critical Zone are divided into the lower (LG), the middle (MG) and the upper groups (UG), (Figure 1) with the LG6, UG1 and UG2 being of greatest economic importance. The magnetite in the Upper Zone is rich in Vanadium (Chamber of Mines, 2018 and Schurmann et al., 1998).

The Rustenburg Layered Suite rocks are present in the project area. Hence, the potential of locating/intersecting the economic chrome and platinum horizons is high. In some places alluvium covers the Rustenburg Layered Suite. The chrome and PGE rich chromitite layers of the Lower Zone, Lower Critical Zone and Upper Critical Zone are potentially contained in the project area.

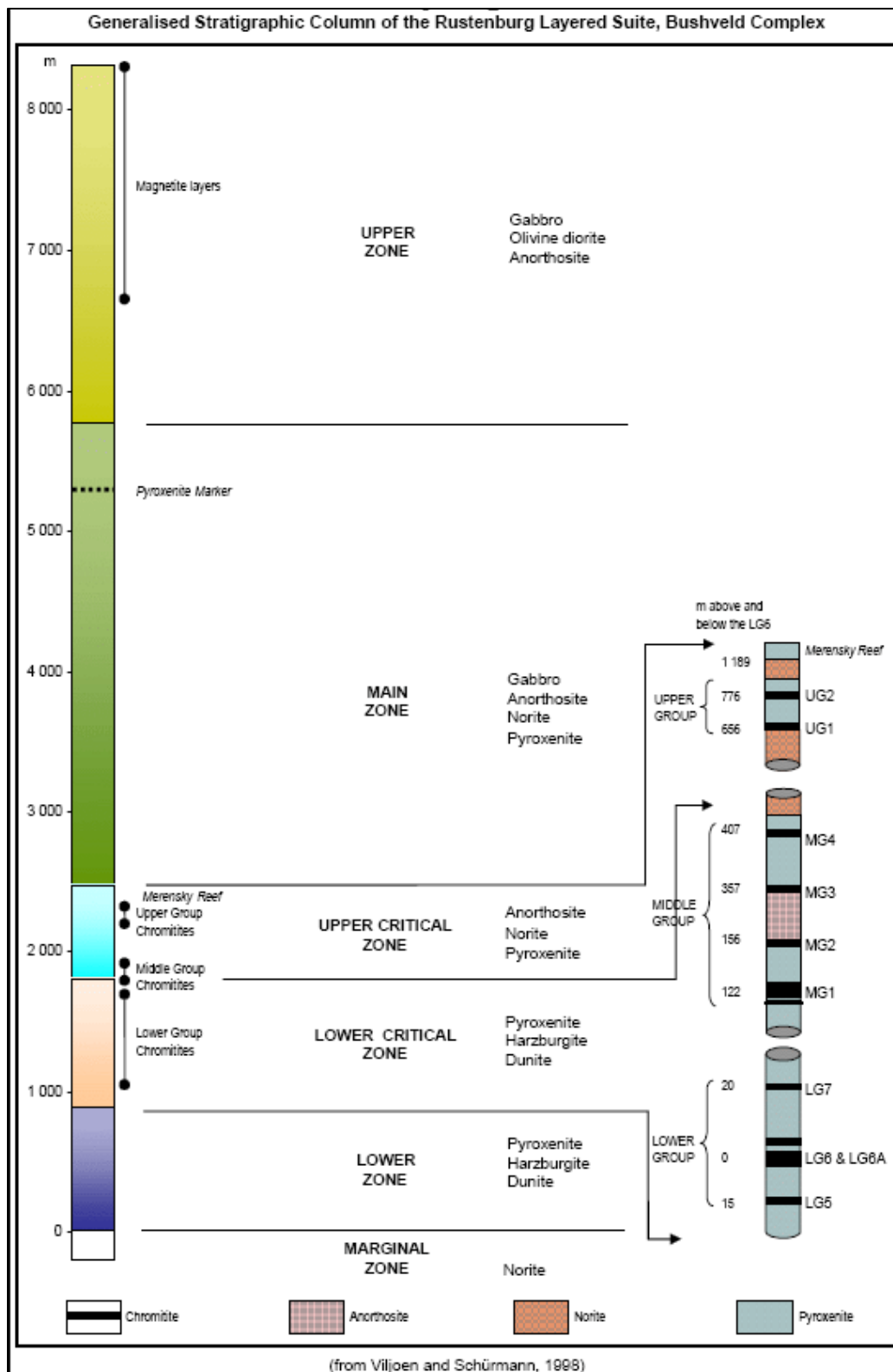


Figure 1: Simplified stratigraphic column of the Rustenburg Layered Suite of the Bushveld Complex (Viljoen and Schurmann, 1998).

4.3 Attach a geological map that justifies the description why there is a possibility that the minerals applied for could occur on the land concerned

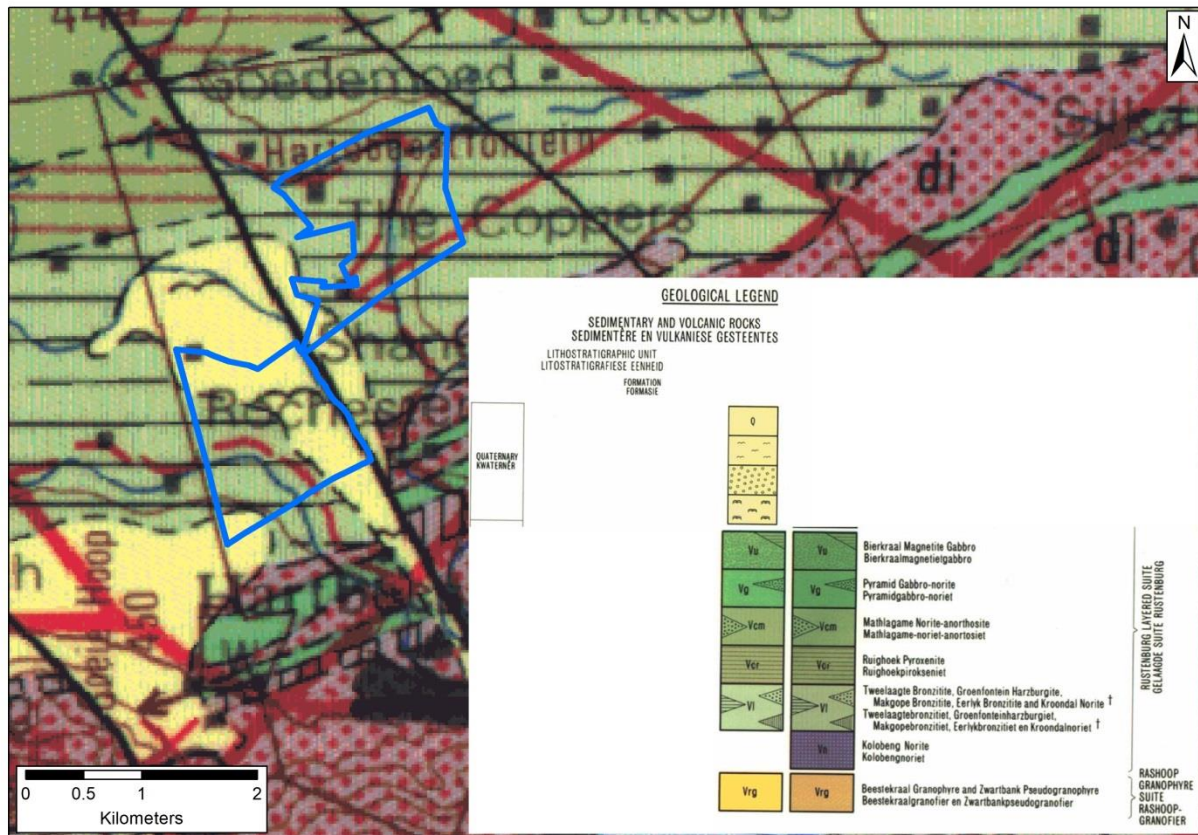


Figure 2: Geology of the Rustenburg Layered Suite present on the project area.

5. REGULATION 7(1)(f): A DESCRIPTION OF HOW THE MINERAL RESOURCE AND MINERAL DISTRIBUTION OF THE PROSPECTING AREA WILL BE DETERMINED

AND

REGULATION 7(1)(h): ALL PLANNED PROSPECTING ACTIVITIES MUST BE CONDUCTED IN PHASES AND WITHIN SPECIFIC TIMEFRAMES

AND

REGULATION 7(1)(i): TECHNICAL DATA DETAILING THE PROSPECTING METHOD OR METHODS TO BE IMPLEMENTED AND THE TIME REQUIRED FOR EACH PHASE OF THE PROPOSED PROSPECTING OPERATION

The table below incorporates the information required in respect of Regulations 7(1)(f), 7(1)(h) and 7(1)(i):

Table 5.1

Phase	Activity	Skill(s) required	Timeframe	Outcome	Timeframe for outcome	What technical expert will sign off on the outcome?
	(what are the activities that are planned to achieve optimal prospecting)	(refers to the competent personnel that will be employed to achieve the required results)	(in months) for the activity	(What is the expected deliverable, e.g. Geological report, analytical results, feasibility study, etc.)	(deadline for the expected outcome to be delivered)	(e.g. geologist, mining engineer, surveyor, economist, etc.)
1	Non-invasive Prospecting	Qualified geologists (B.Sc. (Hons.) a minimum qualification)			End of year 1	Senior Geologist
	Investigate possible sources for historical data		2 months	Establishment of historical data inventory		
	Inventorise, capture and QA/QC historical data		4 months	Electronic copies of historical data		
	Data synthesis and database creation		4 months	Establishment of geological and historical exploration databases		
	Desktop study		2 months	Report on the characterisation of geological features on the project area and surrounds		
2	Non-invasive Prospecting	Qualified geologists (B.Sc. Hons. a minimum qualification)			End of year 2	Senior Geologist
	Surface mapping and sampling		7 month	Compile a field-based structural and stratigraphic map and sample analysis database		
	Interpretation of field mapping and sample analysis results		5 months	Report on the results of field mapping and sample analysis		
3	Non-invasive Prospecting	Qualified geologists (B.Sc. Hons. a minimum qualification)			End of year 3	Senior Geologist
	Create a 3D geological model		7 months	Generation of a 3 dimensional geological model		
	Resource estimation and compilation of report	Qualified resource geologist	5 months	Resource estimate and report compilation		Resource Geologist

Activities for each subsequent year are dependent on the positive outcome of exploration results from the preceding year. Should the proposed exploration activity change, this will be indicated in the form of a S102 application together with the proposed revised prospecting plan

REGULATION 7(1)(g): A DESCRIPTION OF THE PROSPECTING METHOD OR METHODS TO BE IMPLEMENTED

(i) DESCRIPTION OF PLANNED NON-INVASIVE ACTIVITIES:

(These activities do not disturb the land where prospecting will take place e.g. aerial photography, desktop studies, aeromagnetic surveys, etc)

1.1 Investigate possible sources for historical data

[Year 1: 2 months]

Over 100 years of exploration and investigations of the Bushveld Complex have yielded significant historical exploration data. Obtaining and analysing any historical data relevant to the project will allow the fast-tracking of prospecting activities. The initial prospecting activity is to identify the historical information relevant to the project area.

1.2 Inventorise, capture and QA/QC historical data

[Year 1: 4 months]

Historical data detailing the position and economic potential of the target horizons will be identified and acquired. The data obtained is anticipated to be in the form of historical drill hole information, cadastral maps, geological maps, geophysical surveys (including existing published gravimetric, radiometric, magnetic, seismic and remote sensing data), as well as any information pertaining to previous exploration or mining will be consulted and integrated.

The data will be inventorised in Microsoft Access databases for future reference and ease of access to relevant information. The historical data will be captured into appropriate electronic databases. The captured data will undergo a rigorous QA/QC process to ensure the data is of appropriate quality and accuracy.

1.3 Data synthesis and database creation

[Year 1: 4 months]

Once the data has been captured into databases, these databases will be reviewed and transformed into formats that can be utilised for interpretation purposes in geological software packages (Leapfrog, ArcGIS, Datamine, etc.). These databases will form the base of geological information that will inform the geological model and resource estimate.

1.4 Desktop study

[Year 1: 2 months]

The databases will be interpreted during a desktop study. The findings of this study will form the basis for the future exploration strategy.

2.1 Surface mapping and sampling

[Year 2: 7 months]

A comprehensive field visit will be conducted whereby the outcrops will be mapped and sampled. A detailed field-based map will be compiled highlighting the relevant stratigraphic units in the project area. Surface samples will be sent for analysis.

2.2 Interpretation of field mapping and sample analysis results

[Year 2: 5 months]

Once the mapping and sampling is completed, the geological and assay data will be captured into the existing databases. Interpretation of the mapping and sampling data will provide a more detailed understanding of the geology.

3.1 Create a 3D geological model

[Year 3: 7 months]

Utilising the historical data together with the field mapping and sampling results, a preliminary 3 dimensional geological model will be developed. The finalised geological model will be utilised to determine the 3D position of the orebody, which will serve as an input to resource estimation.

3.2 Resource estimation and reporting

[Year 3: 5 months]

Utilising the geological database together with the sampling data a resource estimate will be performed to determine the grade and tonnage of the resource. Should this outcome be positive, the project will proceed to a concept study phase.

(ii) *DESCRIPTION OF PLANNED INVASIVE ACTIVITIES:

(These activities result in land disturbances e.g. sampling, drilling, bulk sampling, etc)

No invasive prospecting is planned for the application area.

(iii) DESCRIPTION OF PRE-/FEASIBILITY STUDIES

(Activities in this section includes but are not limited to: initial, geological modelling, resource determination, possible future funding models, etc)

Should the geological model and resource estimate yield a positive outcome, the information will be incorporated into a financial model for a potential future mine in a concept or pre-feasibility study.

Commitment to provide addendums in respect of additional prospecting activities

I herewith commit to provide the Department of Mineral Resources with an addendum in respect of both the EM Plan and Prospecting Work Programme regarding any future in-fill prospecting required but not described above, prior to undertaking such activities. The addendum will cover all the Regulations as per the Prospecting Work Programme.

I agree that the addendums will provide for similar activities only and if the scope changes I would be required to apply in terms of Section 102 of the MPRDA for an amendment of the Prospecting Work Programme

Mark with X

ACCEPT	X
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7 REGULATION 7(1)(j)(i):DETAILS WITH DOCUMENTARY PROOF OF THE APPLICANT'S TECHNICAL ABILITY OR ACCESS THERETO TO CONDUCT THE PROPOSED PROSPECTING OPERATION

7.1 Competencies to be employed in terms of the Mine Health and Safety Act

COMPETENCIES TO BE EMPLOYED (List the legal appointments that will be made in terms of the Mine Health and Safety Act, appropriate for the type of operation)

Dunrose Trading 186 (Pty) Ltd t/a Shango Solutions will be appointed as geological consultants. All relevant geological reports and resource determinations will be signed off by qualified and registered geo-scientists employed or contracted by them.

I herewith confirm that I, in Table 9.1 have budgeted and financially provided for the required skills listed above.

CONFIRMED (Mark with an X)

X

7.2 List of Appropriate equipment at your disposal (If Applicable)

Table D: Appropriate Equipment Available

Not Applicable

7.3 Technical skills provided Free of Charge

7.3.1 Information (CV's) in respect of skills already acquired (append)

7.3.2 Copy of the relevant contractual agreements between the service provider and the applicant relative to the duration of the planned prospecting period, where applicable.(append)

7.3.3 ALL other evidence of Technical Ability (append)

8 REGULATION 7(1)(j)(ii):DETAILS WITH DOCUMENTARY PROOF OF A BUDGET AND DOCUMENTARY PROOF OF THE APPLICANT'S FINANCIAL ABILITY OR ACCESS THERETO

AND

9 REGULATION 7(1)(k) A COST ESTIMATE OF THE EXPENDITURE TO BE INCURRED FOR EACH PHASE OF THE PROPOSED PROSPECTING OPERATION (remember to also include prospecting fees)

Table 9.1

ACTIVITY	YEAR 1	YEAR 2	YEAR 3
	Expenditure (R')	Expenditure (R')	Expenditure (R')
PHASE 1 (12 months)			
Investigate possible sources for historical data	17 000		
Inventorise, capture and QA/QC historical data	60 000		
Data synthesis and database creation	40 000		
Desktop studies	55 000		
Prospecting fees	299		
PHASE 2 (12 months)			
Surface mapping and sampling		80 000	
Interpretation of field mapping and sample analysis results		35 000	
Prospecting fees		449	
PHASE 3 (12 months)			
Create a 3D geological model			55 000
Resource estimation and compilation of report			90 000
Prospecting fee			598
Annual Total	172 299	115 449	145 598
		Total Budget	433 346

NOTE! If any person (including the applicant) provides services in any job or skills category at a reduced rate or free of charge, then such person's Curriculum Vitae (CV) must be attached as documentary proof of the technical ability available to the applicant.

10 FINANCIAL ABILITY TO GIVE EFFECT TO THE WORK PROGRAMME

10.1 The amount required to finance the Work Programme.

(State the amount required to complete the work)

An amount of R 433 400 will be required to finance the Work Programme.

The above cost estimate depicts an exploration budget planned in phases of exploration that naturally follow each other assuming the success of the previous phase. At any one point in time the scope and money allocated to a follow-up phase could be affected by success or failure to delineate the mineralisation in the previous stage. The above exploration budget could therefore change dramatically during the exploration process.

10.2 Detail regarding the financing arrangements

(Elaborate on the financing arrangements, in terms of where the finance will be sourced, extent to which the financing has been finalized and on the level of certainty that such financing can be secured.)

The company K2018010850 (SOUTH AFRICA) (Pty) Ltd is a subsidiary of Bauba Resources Limited and will be funded by Bauba Resources Limited to achieve the Prospecting Work Programme activities. Refer to Bauba Resources Limited's Annual Financial Statements detailing sufficient funding to finance this prospecting works programme at the following link: <https://www.baubaresources.co.za/wp-content/uploads/2019/10/Bauba-Resources-Limited-Condensed-Consolidated-Results-2019.pdf>

For your convenience the content of the above link has been added as Appendix A.

10.3 Confirmation of supporting evidence appended

(Attach evidence of available funding and or financing arrangements such as balance sheets, agreements with financial institutions, underwriting agreements, etc. and **specifically confirm** in this regard what documentation has been attached as appendices).

The company K2018010850 (SOUTH AFRICA) (Pty) Ltd is a subsidiary of Bauba Resources Limited and will be funded by Bauba Resources Limited to achieve the Prospecting Work Programme activities. Refer to Bauba Resources Limited's Annual Financial Statements detailing sufficient funding to finance this prospecting works programme at the following link: <https://www.baubaresources.co.za/wp-content/uploads/2019/10/Bauba-Resources-Limited-Condensed-Consolidated-Results-2019.pdf>

For your convenience the content of the above link has been added as Appendix A.

11 Confirmation of the availability of funds to implement the proposed project.

The company K2018010850 (SOUTH AFRICA) (Pty) Ltd is a subsidiary of Bauba Resources Limited and will be funded by Bauba Resources Limited to achieve the Prospecting Work Programme activities. Refer to Bauba Resources Limited's Annual Financial Statements detailing sufficient funding to finance this prospecting works programme at the following link: <https://www.baubaresources.co.za/wp-content/uploads/2019/10/Bauba-Resources-Limited-Condensed-Consolidated-Results-2019.pdf>

For your convenience the content of the above link has been added as Appendix A.

12 I herewith confirm that I have budgeted and financially provided for the total budget as identified in Regulation 7(1)(k).

Confirmed (Mark with an X)	X
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13 REGULATION 7(1) (m): UNDERTAKING, SIGNED BY THE APPLICANT, TO ADHERE TO THE PROPOSALS AS SET OUT IN THE PROSPECTING WORK PROGRAMME

Table: 13.1

Herewith I, the person whose name and identity number is stated below, confirm that I am the Applicant or the person authorised to act as representative of the Applicant in terms of the resolution submitted with the application, and undertake to implement this prospecting work programme and adhere to the proposals set out herein.	
Full Names and Surname	Nick van der Hoven
Identity Number	8512315193082

END

References

Chamber of Mines (2018) Platinum. <http://www.chamberofmines.org.za/sa-mining/platinum>. Accessed 23-01-2018.

Schurmann, L.W., Grabe, P-J. and Steenkamp, C.J. (1998) Chromuim. In: The Mineral Resources of South Africa (M.C.G. Wilson & C.R. Anhaeusser, eds). Council for Geoscience, Pretoria, South Africa, pp 90-105.

Viljoen, M.J. and Schurmann, L.W. (1998) Platinum-group metals. In: The Mineral Resources of South Africa (M.C.G. Wilson & C.R. Anhaeusser, eds). Council for Geoscience, Pretoria, South Africa, pp 532-568.

Appendix 1: Bauba Resources: Reviewed provisional condensed consolidated results for the year ended 30 June 2019



REVIEWED PROVISIONAL
CONDENSED CONSOLIDATED
RESULTS
for the year ended 30 June 2019

VISION, STRATEGY AND HIGHLIGHTS

Bauba Resources Limited (Bauba or the group) is a mining and exploration company listed on the Johannesburg Stock Exchange (JSE) since September 2010. The group is fully compliant with the equity requirements of the Mining Charter.



VISION

We are Bauba, an expanding and diversifying mining company.



OUR STRATEGY

Our strategy is to reward shareholders, employees, communities and countries by discovering, acquiring and mining low-cost, high-return natural resources through efficient and responsible mining practices.



Revenue

R302,122 million
(2018: R234,261 million)



Investment in property, plant and equipment

R62,215 million
(2018: R72,908 million)



12-month

Offtake agreement concluded with an advance of R73,500 million as part-payment received



Basic and headline earnings per share

4.73 cents
(2018: 10.09 cents)



Entered into Foundry Chrome – Commodity Purchase Contract with leading foundry chrome trader in February 2019



Community projects completed:

- Water provision project
- Street/high mast lighting
- Morwasi High School renovation



Moeijeljik chrome ore spiral wash plant successfully commissioned in November 2018

COMMENTARY

FINANCIAL AND OPERATIONAL REVIEW

Bauba's performance for the financial year was adversely impacted by administrative delays by the Department of Water and Sanitation (DWS) in processing an amended water use licence application and by the Department of Mineral Resources (DMR) in approving amendments to Moeijeljik's environmental authorisation in terms of section 102 of the Mineral and Petroleum Resources Development Act. This resulted in a loss of two months opencast production and three months of wash plant concentrate sales in the first half of the current period.

The wash plant only commenced full shift production from 1 November 2018 and operated for two-thirds of a month in December 2018 due to the festive season. During November and December 2018, the wash plant was still in the "ramp-up" phase and produced approximately 29 000 tonnes of chrome concentrate.

As a result of these delays, a loss attributable to equity holders of the parent of R9,688 million (loss per share of 2.55 cents) was incurred in the first half of the financial year.

The chrome ore market was weak during the financial period, with chrome ore prices for 44% metallurgical concentrate averaging US\$187 CIF per tonne as published by FerroAlloyNet, compared to US\$222 CIF per tonne in the prior year.

The above factors, together with a higher volume of lower grade underground development tonnes being processed through our wash plant, negatively impacted our gross profit margin, which decreased from 65.2% in the prior financial period to 37.0%. The lower grades and consequently lower wash plant yields are expected to continue until April 2020, when the proportion of stoping material to development material improves.

Despite the challenges noted, revenue of R211,759 million was realised during the six-month period ended 30 June 2019, aided by the Foundry Chrome – Commodity Purchase Contract entered into in February 2019. In addition, we continued to invest in our underground operations to ensure a sustainable future for Bauba, investing R62,215 million in property, plant and equipment.

OUTLOOK

In line with our vision of being an expanding and diversifying mining company, in June 2019 Bauba reported that the DMR accepted the group's application for a prospecting right in respect of chrome and platinum group metals (PGMs) over the farm Hartbeesfontein 445JQ situated in the Brits area of South Africa's North West Province, and that the prospecting right was expected to be granted imminently.

Furthermore, Bauba reported in July 2019, that it had entered into a Sale of Shares and Claims Agreement with Ms D C Butler to acquire her shares in Nuco Chrome Bophuthatswana Proprietary Limited (Nuco). Bauba is currently finalising our due diligence investigation before a decision is made whether to proceed with this acquisition. Nuco is the holder of various chrome and PGM mineral rights in the Rustenburg area of South Africa's North West Province.

Global market uncertainties, driven by increasing international trade conflicts and the possible Brexit date approaching, will continue to have a negative impact on short-term chrome ore pricing. This, together with higher local supply chain costs, will keep Bauba's chrome ore revenue generated per tonne subdued. Bauba is, however, optimistic that its future profit margins will be cushioned by the continued sales of premium speciality chrome ore concentrates.

CHANGES TO THE BOARD

On 8 February 2019, Ms Thabile Makgala was appointed as an independent non-executive director. Thabile holds a Bachelor of Science in Mining Engineering from the University of the Witwatersrand as well as a Master of Business Administration from the University of Stellenbosch Business School. She has dedicated almost two decades of service to the Mining Industry. Her diverse professional experience includes general management, strategy, business development and business planning.

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

	Note	Reviewed 30 June 2019 R'000	Audited 30 June 2018 R'000
Revenue		302 122	234 261
Cost of sales		(190 475)	(81 595)
Gross profit		111 647	152 666
Other income		71	1 169
Operating and administrative expenses		(67 834)	(56 259)
Finance income		3 939	7 281
Finance cost		(74)	–
Profit before tax		47 749	104 857
Income tax expense		(14 718)	(32 947)
Profit for the period		33 031	71 910
Other comprehensive income		–	–
Total comprehensive profit for the period		33 031	71 910
Profit attributable to:			
Equity holders of the parent		17 930	38 248
Non-controlling interest		15 101	33 662
Total comprehensive profit attributable to:			
Equity holders of the parent		17 930	38 248
Non-controlling interest		15 101	33 662
Basic earnings per share (cents)	12	4,73	10,09
Diluted earnings per share (cents)	12	4,71	10,02
Headline earnings per share (cents)	12	4,73	10,09
Diluted headline earnings per share (cents)	12	4,71	10,02

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Note	Reviewed 30 June 2019 R'000	Audited 30 June 2018 R'000
ASSETS			
Non-current assets		285 144	231 965
Intangible assets	5	145 315	149 010
Property, plant and equipment	6	139 829	82 955
Current assets		130 754	90 805
Inventory	7	87 033	17 441
Trade and other receivables		10 899	3 287
Cash and cash equivalents		32 822	70 077
Total assets		415 898	322 770
EQUITY AND LIABILITIES			
Equity		321 019	284 937
Share capital and share premium		512 500	512 500
Reverse asset acquisition reserve		(282 988)	(282 988)
Share-based payment reserve		4 345	1 294
Retained earnings/(loss)		17 138	(792)
Non-controlling interest		70 024	54 923
Non-current liabilities		37 396	23 082
Environmental rehabilitation provision	8	6 650	3 620
Deferred tax		30 746	19 462
Current liabilities		57 483	14 751
Trade and other payables		32 610	10 994
Prepayment	9	13 364	–
Other financial liabilities	10	7 449	461
Current tax payable		4 060	3 296
Total equity and liabilities		415 898	322 770

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 30 June 2019

	Reviewed 30 June 2019 R'000	Audited 30 June 2018 R'000
Cash flow from operating activities		
Operating profit before working capital changes	55 839	107 075
Working capital changes	(48 542)	(21 421)
Tax paid	(2 670)	(11 225)
Distribution/dividend paid	–	(58 730)
Net cash effects from operating activities	4 627	15 699
Cash flow from investing activities		
Acquisition of intangible asset	–	(2 193)
Acquisition of property, plant and equipment	(59 185)	(72 908)
Finance income	3 939	7 281
Net cash effects from investing activities	(55 246)	(67 820)
Cash flow from financing activities		
Proceeds from prepayment	73 500	–
Repayment of prepayment	(60 136)	–
Net cash effects from financing activities	13 364	–
Total cash movement for the period	(37 255)	(52 121)
Cash and cash equivalents the beginning of the period	70 077	122 198
Cash and cash equivalents at the end of the period	32 822	70 077

REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Share capital and premium R'000	Reverse asset acquisition reserve R'000	Share option reserve R'000	Retained earnings/ (loss) R'000	Non- controlling interest R'000	Total equity R'000
Balance as at 1 July 2017	550 402	(282 988)	477	(39 040)	42 089	270 940
Share-based payment reserve movement	–	–	817	–	–	817
Total comprehensive profit for the period	–	–	–	38 248	33 662	71 910
Distribution/dividend paid	(37 902)	–	–	–	(20 828)	(58 730)
Balance as at 30 June 2018	512 500	(282 988)	1 294	(792)	54 923	284 937
Share-based payment reserve movement	–	–	3 051	–	–	3 051
Total comprehensive profit for the period	–	–	–	17 930	15 101	33 031
Balance as at 30 June 2019	512 500	(282 988)	4 345	17 138	70 024	321 019

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS

for the year ended 30 June 2019

1. BASIS OF PREPARATION

These reviewed provisional condensed consolidated results have been prepared under the supervision of Jonathan Knowlden CA(SA), the financial director, in accordance with

- IAS 34: Interim Financial Reporting;
- The framework concepts and the measurement 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 Companies Act; and
- The Listings Requirements of the JSE Limited (JSE Listings Requirements).

The same accounting policies, presentation and measurement principles have been followed in the preparation of the provisional condensed consolidated financial results for the year ended 30 June 2019 as were applied in the preparation of the group's annual financial statements for the year ended 30 June 2018, except for the adoption of IFRS 9 and IFRS 15 which did not have a material impact on the results of the group.

2. AUDITOR'S REVIEW CONCLUSION

These provisional condensed consolidated financial results for the year ended 30 June 2019 have been reviewed by BDO South Africa Incorporated, who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the company's registered office.

The auditor's review report does not necessarily report on all of the information contained in the 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 issuer's registered office.

3. BOARD

Ms Thabile Makgala was appointed as an independent non-executive director on 8 February 2019. During the year under review, no other changes were made to the board.

4. CHANGES IN SHARE CAPITAL

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

5. INTANGIBLE ASSETS

	Cost R'000	Accumulated amortisation and impairments R'000	Carrying value R'000
30 June 2019			
Platinum mineral rights	30 555	(10 394)	20 161
Chrome mineral rights	156 907	(31 753)	125 154
Total mineral rights	187 462	(42 147)	145 315
30 June 2018			
Platinum mineral rights	30 555	(10 394)	20 161
Chrome mineral rights	156 907	(28 058)	128 849
Total mineral rights	187 462	(38 452)	149 010

	Opening balance R'000	Additions R'000	Amor- tisation R'000	Closing balance R'000
Reconciliation				
30 June 2019				
Platinum mineral rights	20 161	–	–	20 161
Chrome mineral rights	128 849	–	(3 695)	125 154
Total mineral rights	149 010	–	(3 695)	145 315
30 June 2018				
Platinum mineral rights	20 161	–	–	20 161
Chrome mineral rights	138 143	2 193	(11 487)	128 849
Total mineral rights	158 304	2 193	(11 487)	149 010

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS continued

for the year ended 30 June 2019

6. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles R'000	Furniture and office equipment R'000	Mine infra- structure and equipment R'000	Total R'000
30 June 2019				
Cost				
As at 1 July 2018	2 998	339	82 851	86 188
Additions	–	273	61 942	62 215
As at 30 June 2019	2 998	612	144 793	148 403
Accumulated depreciation				
As at 1 July 2018	1 217	131	1 885	3 233
Depreciation	460	138	4 743	5 341
As at 30 June 2019	1 677	269	6 628	8 574
Carrying value as at 30 June 2019	1 321	343	138 165	139 829
30 June 2018				
Cost				
As at 1 July 2017	2 849	191	10 497	13 537
Additions	406	148	72 354	72 908
Disposals	(257)	–	–	(257)
As at 30 June 2018	2 998	339	82 851	86 188
Accumulated depreciation				
As at 1 July 2017	796	56	805	1 657
Depreciation	460	75	1 090	1 615
Disposals	(39)	–	–	(39)
As at 30 June 2018	1 217	131	1 885	3 233
Carrying value as at 30 June 2018	1 781	208	80 966	82 955

During the current financial year, there were additions of R61,942 million (2018: R72,354 million) to the mine infrastructure and equipment. The additions relate mainly to the development of the Moesijik underground mine of R35,222 million (2018: R28,743 million), additions to wash plant of R20,761 million (2018: R23,699 million), recognition of a rehabilitation asset of R3,030 million (2018: R nil) and decrease in the capitalisation of the pre-stripping costs in accordance with IFRIC 20 of R1,885 million (2018: R17,624 million increase).

None of the items of property, plant and equipment have been encumbered.

7. INVENTORY

	30 June 2019 R'000	30 June 2018 R'000
Chrome ore	87 033	17 441

Inventory is based on direct and indirect costs incurred in the production of chrome ore. There were 124 810 tonnes of inventory held at the reporting date (2018: 37 200 tonnes).

8. PROVISION FOR REHABILITATION

	30 June 2019 R'000	30 June 2018 R'000
Balance at the beginning of the period	3 620	8 258
– Provision recognised during the period	3 030	–
– Provision reversed during the period	–	(4 638)
Balance at the end of the period	6 650	3 620
Due within one year or less	–	–
Due after more than one year	6 650	3 620

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, considering current mining and rehabilitation plans, contracted mining rates and surveyor's measurements, that have occurred up to the reporting date.

9. PREPAYMENT

	30 June 2019 R'000	30 June 2018 R'000
Opening balance	–	–
Add: Prepayment advanced	73 500	–
Less: Repayment	(60 136)	–
Closing balance	13 364	–

Bauba successfully concluded an offtake agreement for the supply of 240 000 tonnes of chrome ore to be supplied over a 12-month period. In August 2018, Bauba received a prepayment of R73,500 million which represents a part-payment in terms of the offtake agreement. This prepayment is repayable in equal monthly instalments of R6,682 million, with the final payment due at the end of August 2019.

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS continued

for the year ended 30 June 2019

10. OTHER FINANCIAL LIABILITIES

	30 June 2019 R'000	30 June 2018 R'000
Royalties payable	1 747	205
Revenue received in advance	5 421	–
Other	281	256
Balance at the end of the period	7 449	461
Current liabilities		
At amortised cost	7 449	461

11. OPERATING SEGMENTS

	Chrome Projects R'000	Platinum Exploration R'000	Corporate R'000	Intragroup elimination R'000	Total R'000
30 June 2019					
Revenue	302 122	–	14 876	(14 876)	302 122
Profit/(loss) before tax	48 885	–	(1 136)	–	47 749
Income tax expense	(14 718)	–	–	–	(14 718)
Profit/(loss) after tax	34 167	–	(1 136)	–	33 031
Finance income	1 499	–	4 590	(2 150)	3 939
Depreciation and amortisation	(8 956)	–	(80)	–	(9 036)
Total assets	375 905	20 161	43 194	(23 362)	415 898
Total liabilities	(115 477)	–	(2 764)	23 362	(94 879)

11. OPERATING SEGMENTS continued

	Chrome Projects R'000	Platinum Exploration R'000	Corporate R'000	Intragroup elimination R'000	Total R'000
30 June 2018					
Revenue	234 261	–	11 750	(11 750)	234 261
Profit before tax	105 953	–	30 146	(31 242)	104 857
Income tax expense	(32 947)	–	–	–	(32 947)
Profit after tax	73 006	–	30 146	(31 242)	71 910
Finance income	5 433	–	2 452	(604)	7 281
Depreciation and amortisation	(13 048)	–	(54)	–	(13 102)
Acquisition of intangible asset	2 193	–	–	–	2 193
Total assets	283 124	20 161	26 448	(6 963)	322 770
Total liabilities	(43 498)	–	(1 298)	6 963	(37 833)

The segmental analysis is based on the Moeijelijk chrome project, platinum exploration and corporate activities.

12. EARNINGS PER SHARE

	30 June 2019 R'000	30 June 2018 R'000
Headline earnings reconciliation		
Profit attributable to equity holders of the parent	17 930	38 248
Headline earnings	17 930	38 248
Basic earnings per share (cents)	4,73	10,09
Diluted earnings per share (cents)	4,71	10,02
Headline earnings per share (cents)	4,73	10,09
Diluted headline earnings per share (cents)	4,71	10,02
Number of shares in issue at the end of the year ('000)	379 020	379 020
Reconciliation of weighted average number of shares to diluted weighted average number of shares		
Weighted average number of shares ('000)	379 020	379 020
Dilutive effective of share options	1 448	2 560
Diluted weighted average number of shares ('000)	380 468	381 580

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS continued

for the year ended 30 June 2019

13. FAIR VALUE AND FINANCIAL INSTRUMENTS

The carrying values of all financial instruments approximate their fair values. All financial instruments are measured at amortised cost.

14. GOING CONCERN

The cashflow forecast prepared by Bauba management, based on current available information, indicates that the group will be able to meet its commitments in the next 12 months as they fall due. The group has sufficient resources to continue as a going concern and has therefore concluded that it is appropriate to prepare the provisional financial statements on a going concern basis.

15. SUBSEQUENT EVENTS

On 19 July 2019, Bauba entered into a Sale of Shares and Claims Agreement with Ms DC Butler to acquire her shares in Nuco Chrome Bophuthatswana Proprietary Limited for an aggregate purchase consideration of R60 million. This represents an acquisition of 74% of the issued share capital of the company.

On 25 July 2019, Bauba deposited R10 million into an escrow account. The acquisition remains subject to other conditions precedent, including approval by Bauba's board subject to the

outcome of a due diligence investigation, waiving of pre-emptive rights of minority shareholders of Nuco Chrome Bophuthatswana Proprietary Limited and section 11 approval from the DMR.

Due to the recent nature of the acquisition, the initial accounting for the acquisition has not been finalised as it is impractical to do so within the limited time frame available prior to publication of these provisional condensed consolidated financial results. Management is still in the process of determining all identifiable assets and liabilities, therefore, initial accounting for the business combination is incomplete and will be finalised during the next financial period.

The Directors are not aware of any other significant matter or circumstance arising since the end of the financial year, not otherwise dealt with in this report or the provisional condensed consolidated financial statements, which significantly affect the financial position of the group or the results of its operations to the date of this report.

18 September 2019
Johannesburg

CORPORATE INFORMATION

NATURE OF BUSINESS

Exploration and mining of mineral resources
Registration number
1988/004649/08
Country of incorporation
Republic of South Africa
Share code: BAU
ISIN code: ZAE000145696

DIRECTORS

Non-executive

Mr NPJ van der Hoven
Mr M Luyt*
Mr SM Dolamo*
Mr D Smith*
Dr NM Phosa
King TV Thulare (Alternate)
Ms T Makgala*

* Independent

Executive

Mr NW van der Hoven
Mr JA Knowlden

COMPANY SECRETARY

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BANKERS

Nedbank Limited

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Proprietary Limited

SPONSOR

Merchantec Capital

AUDITOR

BDO South Africa Incorporated

ATTORNEYS

Venter de Villiers
Tabacks Legal Advisors



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