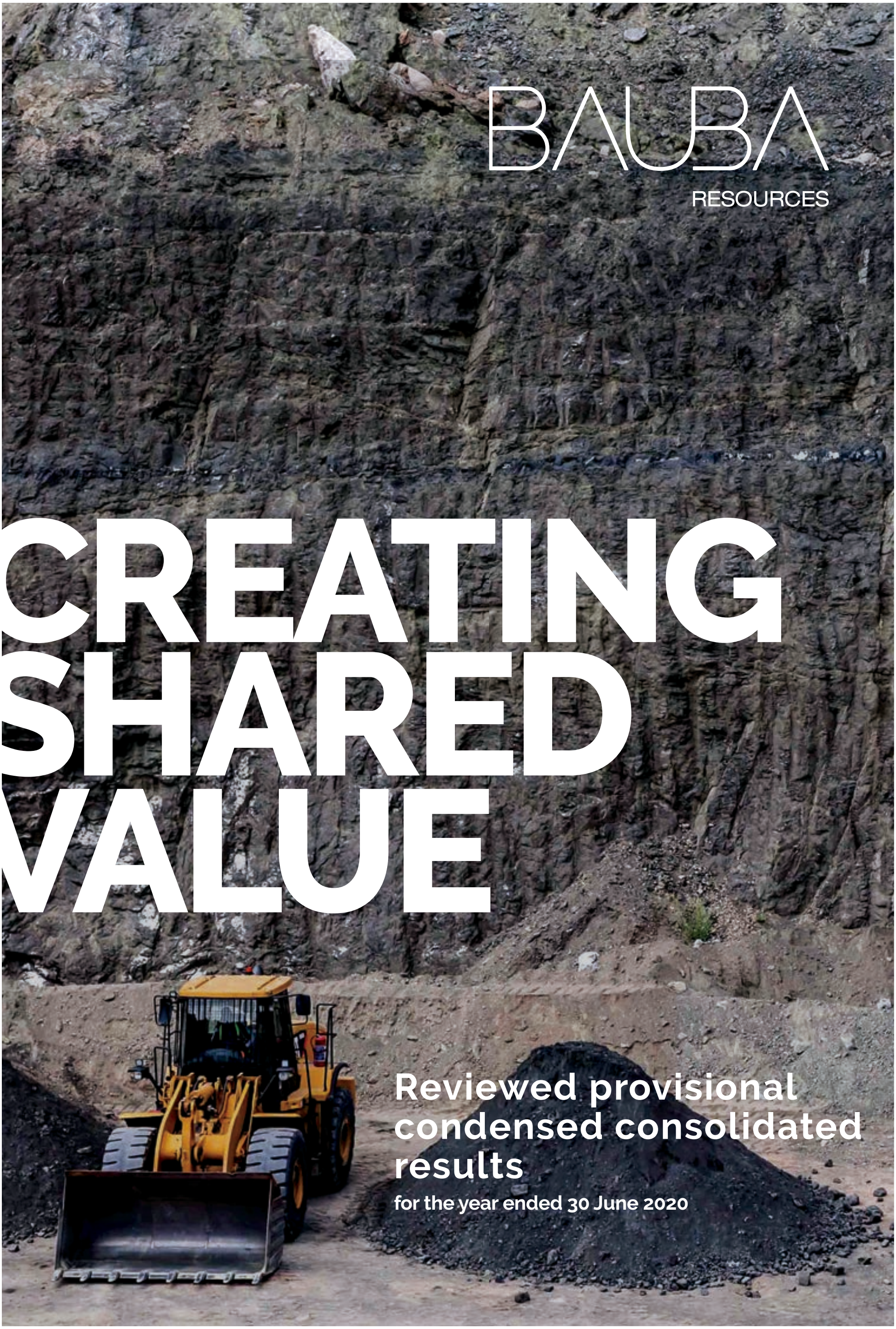

BAUBA RESOURCES

# CREATING SHARED VALUE

## Reviewed provisional condensed consolidated results

for the year ended 30 June 2020

# 2020 SALIENT POINTS

Long-term funding

**US$5 million**

Obtained to finance the expansion of underground operations

Revenue

**R260,394 million** ↓ 14%

(2019: R302,122 million)

Investment in property, plant and equipment

**R51,578 million** ↓ 17%

(2019: R62,215 million)

Investment in Nuco Chrome

**R10 million**

Basic and headline (loss)/earnings per share

**(8,07) cents** ↓ 271%

(2019: 4,73 cents)

Corporate social investment spend

**R10,520 million** ↑ 72%

(2019: R6,125 million)

**Three lost-time incidents**

(2019: two)

Community projects completed

- Over 200 food parcels distributed during lockdown
- Planting of indigenous trees, assisting with control of dust and noise levels
- Expansion of water provision project

Execution of Hartebeesfontein prospecting rights

Increase in Moeijelijk Mineral Reserves and Mineral Resources

# COMMENTARY

## The COVID-19 pandemic

Our operating environment in 2020 was dominated by the COVID-19 pandemic. The unfolding, global pandemic is a human crisis of historic scale and complexity. It is straining global markets and economies and the ability of many organisations to cope with the changes wrought by the virus and the related lockdowns. COVID-19 issues experienced included extremely weak pricing, extremely high operating costs during the lockdown with limited production and no underground mining, delayed underground development and financing.

## Safety

Bauba experienced three lost-time incidents (2019: two) during the current financial year. It is with regret that we report a fatal accident that occurred on 7 March 2020. Mr Garry Selepe, an employee of our contractor, who was employed as a dumptruck operator, lost his life in a transport related accident. The board and management of Bauba extend their deepest condolences to Garry's family, colleagues, and friends.

## Financial and operational results

Unlike many other mining companies, COVID-19 has had a particularly disruptive impact on Bauba's operations due to the timing of the pandemic. Our opencast was depleted in December 2019 with underground development being ramped up to planned 30 000 tonnes per month production in June 2020 which would timeously replace the loss of opencast. Our opencast chrome ore tonnes, the majority of which were produced in December 2019, were sold in a weak and nervous Chinese chrome market at the beginning of 2020 that was plagued with COVID-19 uncertainty. The COVID-19 lockdown significantly delayed the development of our underground operations with high lockdown and start-up costs and a delayed restart due to a change in the underground mining contractor. During lockdown, low chrome ore pricing did not justify running the underground operation at 50% capacity due to significantly higher mining costs. Various advanced funding discussions pre-COVID-19 with lenders were also materially delayed further impacting the development of our Moeijelijk underground mine.

Chrome ore CIF prices for benchmark 42% concentrate as reported by FerroAlloyNet averaged US$129 per tonne for January 2020 to March 2020 before lockdown disrupted our operations, the third lowest quarter of pricing since January 2011. To emphasise how low this quarter of pricing was, H1 2020 prices averaged US$145 per tonne, full year 2019 averaged US$167 per tonne and the average CIF price since January 2011 was US$188 per tonne.

Capital expenditure incurred in respect of mine infrastructure and equipment for Moeijelijk Chrome Mine totalled R44,289 million (2019: R61,942 million). This capital expenditure was less than the prior year due to the impact of the COVID-19 lockdown. Moeijelijk's opencast was depleted at the start of December 2020 with only 65 707 tonnes of opencast mined during the year. Total run-of-mine (RoM) production for the 2020 financial year was 290 695 tonnes versus 332 882 tonnes in the prior year, considering that there was no mining from the start of March 2020 to the end of June 2020. 218 214 tonnes of RoM and concentrates were sold during the year compared to 202 002 tonnes in the prior year. A higher proportion of premium speciality concentrates was also produced and sold in the current year versus the prior year. Unfortunately, the drop in market prices far outweighed the increase in saleable production and premium speciality grade concentrates resulting in revenue declining 14% from R302,122 million in the prior year to R260,394 million.

## Outlook

Currently Bauba's underground development and ramp up is progressing positively with over 25 000 tonnes of material hauled in the months of September and October 2020, and 31 500 tonnes hauled in November 2020. A steep ramp up is expected to reach full stable production in February 2021. Chrome ore pricing is, however, still weak with this weakness expected to linger due to reduced global demand for stainless steel from developed markets that are now currently experiencing a second wave or have never properly dealt with COVID-19 from the outset.

The market price for 42% chrome concentrate has dropped from US$160 (China CIF) at financial year-end to the current market price of US$135 (China CIF) in mid-November 2020, while the US dollar/ZAR exchange rate has strengthened from 17,36 at the end of the financial year to 15,33 on 30 November 2020. If the chrome price drops below this level for an extended period, or if the US dollar/ZAR exchange rate strengthens further, it could cause a material uncertainty for the group to meet its obligations as they fall due and its ability to continue as a going concern.

Global market uncertainties, driven by COVID-19 and now a rising global second wave of infections and renewed lockdowns in Western Europe, have lowered global demand for stainless steel and, in turn, demand for chrome ore. The proposed chrome ore export tax in South Africa to support the local ferrochrome industry has also created further uncertainty. These issues 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 and that long-term pricing will improve to above the industry's cost of production.

# REVIEWED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

| | Note | Reviewed 2020 R'000 | Audited 2019 R'000 |
|---|---|---|---|
| **Revenue** | | **260 394** | 302 122 |
| Cost of sales | | **(249 325)** | (190 475) |
| Gross profit | | **11 069** | 111 647 |
| Other income | | **–** | 71 |
| Operating and administrative expenses | | **(69 390)** | (67 834) |
| Finance income | | **885** | 3 939 |
| Finance cost | | **(2 005)** | (74) |
| Share of loss of associate accounted for using the equity method | | **(54)** | – |
| **(Loss)/profit before tax** | | **(59 495)** | 47 749 |
| Income tax credit/(expense) | | **14 219** | (14 718) |
| **(Loss)/profit for the year** | | **(45 276)** | 33 031 |
| Other comprehensive income | | **–** | – |
| **Total comprehensive (loss)/profit for the year** | | **(45 276)** | 33 031 |
| **(Loss)/profit attributable to:** | | | |
| Equity holders of the parent | | **(30 592)** | 17 930 |
| Non-controlling interest | | **(14 684)** | 15 101 |
| **Total comprehensive (loss)/profit attributable to:** | | | |
| Equity holders of the parent | | **(30 592)** | 17 930 |
| Non-controlling interest | | **(14 684)** | 15 101 |
| Basic (loss)/earnings per share (cents) | 5 | **(8,07)** | 4,73 |
| Diluted (loss)/earnings per share (cents) | 5 | **(8,07)** | 4,71 |
| Headline (loss)/earnings per share (cents) | 5 | **(8,07)** | 4,73 |
| Diluted headline (loss)/earnings per share (cents) | 5 | **(8,07)** | 4,71 |



# REVIEWED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

| | Note | Reviewed 2020 R'000 | Audited 2019 R'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | **332 405** | 285 144 |
| Intangible assets | | **141 838** | 145 315 |
| Property, plant and equipment | 6 | **180 621** | 139 829 |
| Investment in associate | 7 | **9 946** | – |
| **Current assets** | | **128 099** | 130 754 |
| Inventory | 8 | **64 985** | 87 033 |
| Trade and other receivables | | **14 600** | 10 899 |
| Cash and cash equivalents | | **48 514** | 32 822 |
| **Total assets** | | **460 504** | 415 898 |
| **Equity and liabilities** | | | |
| **Equity** | | **278 371** | 321 019 |
| Stated capital | | **512 500** | 512 500 |
| Reverse asset acquisition reserve | | **(282 988)** | (282 988) |
| Share-based payment reserve | | **6 973** | 4 345 |
| Retained (loss)/earnings | | **(13 454)** | 17 138 |
| Non-controlling interest | | **55 340** | 70 024 |
| **Non-current liabilities** | | **82 184** | 37 396 |
| Environmental rehabilitation provision | | **5 794** | 6 650 |
| Deferred tax | | **16 527** | 30 746 |
| Borrowings | 9 | **46 578** | – |
| Loan from shareholder | 10 | **10 000** | – |
| Lease liability | 11 | **3 285** | – |
| **Current liabilities** | | **99 949** | 57 483 |
| Trade and other payables | | **54 354** | 32 610 |
| Prepayment | | **–** | 13 364 |
| Borrowings | 9 | **24 059** | – |
| Loan from shareholder | 10 | **194** | – |
| Lease liability | 11 | **1 790** | – |
| Other financial liabilities | 12 | **17 911** | 7 449 |
| Current tax payable | | **1 641** | 4 060 |
| **Total equity and liabilities** | | **460 504** | 415 898 |

# REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 30 June 2020

| | Note | Reviewed 2020 R'000 | Audited 2019 R'000 |
|---|---|---|---|
| Operating profit before working capital changes | | (22 823) | 55 839 |
| Working capital changes | | 31 745 | (48 542) |
| Tax paid | | (2 419) | (2 670) |
| **Net cash effects from operating activities** | | 6 503 | 4 627 |
| **Net cash effects from investing activities** | | (54 788) | (55 246) |
| Acquisition of property, plant and equipment | 6 | (45 673) | (59 185) |
| Acquisition of investment in associate | 7 | (10 000) | – |
| Finance income | | 885 | 3 939 |
| **Net cash effects from financing activities** | | 63 977 | 13 364 |
| Proceeds from prepayment | | – | 73 500 |
| Repayment of prepayment | | (13 364) | (60 136) |
| Proceeds from borrowing | 9 | 68 853 | – |
| Advance of loan from shareholder | 10 | 10 000 | – |
| Principal paid on lease liabilities | 11 | (910) | – |
| Finance cost | | (602) | – |
| **Total cash movement for the year** | | 15 692 | (37 255) |
| Cash and cash equivalents at the beginning of the year | | 32 822 | 70 077 |
| **Cash and cash equivalents at the end of the year** | | 48 514 | 32 822 |



# REVIEWED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

| | Stated capital R'000 | Reverse asset acquisition reserve R'000 | Share-based payment reserve R'000 | Retained (loss)/ earnings R'000 | Non-controlling interest R'000 | Total equity R'000 |
|---|---|---|---|---|---|---|
| **GROUP** | | | | | | |
| **Balance as at 1 July 2018 (audited)** | 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 year | – | – | – | 17 930 | 15 101 | 33 031 |
| **Balance as at 30 June 2019 (audited)** | 512 500 | (282 988) | 4 345 | 17 138 | 70 024 | 321 019 |
| Share-based payment reserve movement | – | – | 2 628 | – | – | 2 628 |
| Total comprehensive loss for the year | – | – | – | (30 592) | (14 684) | (45 276) |
| **Balance as at 30 June 2020 (reviewed)** | 512 500 | (282 988) | 6 973 | (13 454) | 55 340 | 278 371 |

# NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS

for the year ended 30 June 2020

## 1. Basis of presentation

These reviewed provisional condensed results were 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 Pronouncements 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 reviewed provisional condensed results for the year ended 30 June 2020 as were applied in the preparation of the group's annual financial statements for the year ended 30 June 2019, except for the adoption of IFRS 16, which did not have a material impact on the results of the group. The group adopted IFRS 16 as issued by the IASB, which came into effect for financial years beginning on or after 1 January 2019.

## 2. Auditor's review conclusion

These provisional condensed consolidated financial results for the year ended 30 June 2020 have been reviewed by the group's external auditor BDO South Africa Incorporated, who issued an unqualified review conclusion with a material uncertainty related to going concern paragraph on the group's consolidated annual financial statements for the year ended 30 June 2020. The material uncertainty relates to the current subdued market conditions such as low chrome ore prices and the strengthening of the South African Rand to United States Dollar exchange rate which, should they continue for an extended period of time, could cause a material uncertainty for the group to meet its obligations as they become due.

The auditor's report does not necessarily report on all the information contained in these provisional condensed consolidated 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. The board

Mr Sholto Dolamo resigned from his position as an independent non-executive director on 5 December 2019. During the financial year under review, no other changes were made to the board.

## 4. Changes to share capital

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



## 5. (Loss)/earnings per share

| | Reviewed 2020 R'000 | Audited 2019 R'000 |
|---|---|---|
| **Headline (loss)/earnings reconciliation** | | |
| (Loss)/profit attributable to equity holders of the parent | **(30 592)** | 17 930 |
| Loss on disposal of asset | **21** | – |
| **Headline (loss)/earnings** | **(30 571)** | 17 930 |
| **Reconciliation of weighted average number of shares to diluted weighted average number of shares** | | |
| Weighted average number of shares in issue ('000) | **379 020** | 379 020 |
| Dilutive potential ordinary shares relating to long-term incentive scheme ('000) | **323** | 1 448 |
| **Diluted weighted average number of shares in issue ('000)** | **379 343** | 380 468 |
| Basic (loss)/earnings per share (cents) | **(8,07)** | 4,73 |
| Diluted (loss)/earnings per share (cents) | **(8,07)** | 4,71 |
| Headline (loss)/earnings per share (cents) | **(8,07)** | 4,73 |
| Diluted headline (loss)/earnings per share (cents) | **(8,07)** | 4,71 |
| Number of shares in issue at the end of the year ('000) | **379 020** | 379 020 |

The dilutive impact arose from the performance shares granted in terms of the long-term 2013 share incentive plan in 2019 and had an anti-dilutive effect on the diluted loss per share calculation in 2020 thus no impact has been noted.

Headline earnings per share has been calculated in accordance with the SAICA Circular 1/2019 entitled 'Headline Earnings' which forms part of the JSE Listings Requirements.

# NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS continued

for the year ended 30 June 2020

## 6. Property, plant and equipment

| | Motor vehicles R'000 | Right-of-use assets R'000 | Furniture and office equipment R'000 | Mine infra-structure and equipment R'000 | Total R'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 July 2019 | 2 998 | – | 612 | 144 793 | 148 403 |
| Additions | 1 201 | 5 905 | 183 | 44 289 | 51 578 |
| Disposal | – | – | (21) | – | (21) |
| **As at 30 June 2020 (reviewed)** | 4 199 | 5 905 | 774 | 189 082 | 199 960 |
| **Accumulated depreciation** | | | | | |
| As at 1 July 2019 | 1 677 | – | 269 | 6 628 | 8 574 |
| Depreciation | 426 | 1 049 | 197 | 9 102 | 10 774 |
| Disposal | – | – | (9) | – | (9) |
| **As at 30 June 2020** | 2 103 | 1 049 | 457 | 15 730 | 19 339 |
| **Carrying value as at 30 June 2020 (reviewed)** | 2 096 | 4 856 | 317 | 173 352 | 180 621 |
| **Cost** | | | | | |
| As at 1 July 2018 | 2 998 | – | 339 | 82 851 | 86 188 |
| Additions | – | – | 273 | 61 942 | 62 215 |
| **As at 30 June 2019 (audited)** | 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 (audited)** | 1 321 | – | 343 | 138 165 | 139 829 |

During the current financial year, there were additions of R44,289 million (2019: R61,942 million) to the mine infrastructure and equipment. The additions relate mainly to the development of the Moeijelijk underground mine of R46,889 million (2019: R35,222 million), additions to the wash plant of R3,955 million (2019: R20,761 million) and the decrease in the capitalisation of the pre-stripping costs in accordance with IFRIC 20 of R14,002 million (2019: R1,885 million). Additions to right-of-use assets amounted to R5,905 million (2019: Rnil) during the current financial year (refer to note 11).

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



## 7. Investment in associate

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 (Nuco Chrome) for an aggregate purchase consideration of R60 million which represents 74% of the issued share capital of the Nuco Chrome. Bauba has initially obtained 22% of the issued share capital for a cash consideration of R10 million. Bauba has significant influence over this investment and it is accounted for using the equity method of accounting. Nuco Chrome's principal place of business is Rustenburg, South Africa.

Investment in associate is evaluated for impairment by comparing the carrying value of the investment to the recoverable amount, which is the higher of value in use or fair value less costs to sell. A discounted cash flow model is used to calculate the net present value of the investments. The impairment valuation during the current year resulted in Rnil impairment being recognised.

The carrying amount of the equity-accounted investment is as follows:

| | Reviewed 2020 R'000 |
|---|---|
| **Balance at the beginning of the year** | |
| – acquisition of associate | 10 000 |
| – share of loss of associate for the year | (54) |
| **Balance at the end of the year** | 9 946 |

### Summary of the significant financial information of Nuco Chrome

The information disclosed reflects the amounts presented in the financial statements of Nuco Chrome and not the group's share of those amounts.

| | Reviewed 2020 R'000 |
|---|---|
| Non-current assets | 13 225 |
| Current assets | 627 |
| Non-current liabilities | 20 079 |
| Current liabilities | 43 |
| Investment revenue | 35 |
| Loss for the year | (366) |
| Total comprehensive loss for the year | (366) |

Nuco Chrome's non-current assets balance consists of intangible assets (R13,225 million), current assets includes cash and cash equivalents (R0,627 million), and the non-current liabilities consist of loans from shareholders (R7,718 million) and other financial liabilities (R12,361 million).

# NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS continued

for the year ended 30 June 2020

## 7. Investment in associate continued

### Summary of the significant financial information of Nuco Chrome continued

| | Reviewed 2020 R'000 |
|---|---|
| **Reconciliation to carrying amounts** | |
| Opening net assets | (5 903) |
| Loss for the year | (366) |
| **Closing net assets** | **(6 269)** |
| Group's share in % | 22 |
| Group's share in net assets | (1 379) |

## 8. Inventory

| | Reviewed 2020 R'000 | Audited 2019 R'000 |
|---|---|---|
| Chrome ore | 83 787 | 87 033 |
| Write-off of inventory to net realisable value | (18 802) | – |
| **Total** | **64 985** | 87 033 |

Inventory is based on direct and indirect costs incurred in the production of chrome ore.



## 9. Borrowings

In March 2020, the group entered into a long-term loan agreement to finance the expansion of the underground operations. The total principal amount under the agreement is US$5 million of which US$4 million has been drawn down as at 30 June 2020. The loan is repayable in 33 equal monthly instalments, commencing at the end of August 2020.

The loan is a variable rate (three-month LIBOR plus 6,45%) US dollar-denominated loan which is carried at amortised cost. A loan structuring fee of US$27 500 was payable on draw down of the first utilisation of the loan amount.

| | Reviewed 2020 R'000 |
|---|---|
| Balance at the beginning of the year | – |
| Drawdowns | 68 853 |
| Finance costs capitalised | 731 |
| Structuring fee payable | 477 |
| Foreign exchange loss | 576 |
| **Balance at the end of the year** | **70 637** |
| Current | 24 059 |
| Non-current | 46 578 |
| **Maturity analysis – contractual undiscounted cash flows:** | |
| Less than one year | 27 740 |
| Between one to two years | 28 133 |
| Between two to five years | 22 109 |

# NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS continued

for the year ended 30 June 2020

## 10. Loan from shareholder

In October 2019, the group entered into a short-term loan agreement with a shareholder for an amount of R10 million repayable on demand. The loan is a fixed rate loan that is carried at amortised cost.

| | Reviewed 2020 R'000 |
|---|---|
| Balance at the beginning of the year | – |
| Loan advanced | 10 000 |
| Finance costs capitalised | 194 |
| **Balance at the end of the year** | 10 194 |
| Current | 194 |
| Non-current | 10 000 |
| **Maturity analysis – contractual undiscounted cash flows:** | |
| Less than one year | 787 |
| Between one to two years | 10 468 |
| Between two to five years | – |



## 11. Leases

The group entered into lease arrangements for the renting of mining equipment and motor vehicles. Leases relating to mining equipment are for a period of three years and interest at between 11,0% and 13,0%. Right-of-use asset has been included as a part of property, plant and equipment.

Leases relating to motor vehicles are for a period of five years and bear interest at the South African prime interest rate plus 1,5%.

| | Reviewed | | |
|---|---|---|---|
| | Motor vehicle 2020 R'000 | Mining equipment 2020 R'000 | Total 2020 R'000 |
| **Right-of-use asset** | | | |
| Balance at the beginning of the year | – | – | – |
| – additions | 534 | 5 371 | 5 905 |
| – depreciation | (45) | (1 004) | (1 049) |
| **Balance at the end of the year** | 489 | 4 367 | 4 856 |
| **Lease liability** | | | |
| **Maturity analysis – contractual undiscounted cash flows** | | | |
| Less than one year | 148 | 2 157 | 2 305 |
| Between one to two years | 148 | 2 157 | 2 305 |
| Between two to five years | 389 | 946 | 1 335 |
| **Total at the end of the year** | 685 | 5 260 | 5 945 |
| **Lease liability included in statement of financial position** | 562 | 4 513 | 5 075 |
| Current | 103 | 1 687 | 1 790 |
| Non-current | 459 | 2 826 | 3 285 |

# NOTES TO THE REVIEWED CONDENSED CONSOLIDATED RESULTS continued

for the year ended 30 June 2020

## 12. Other financial liabilities

| | Reviewed 2020 R'000 | Audited 2019 R'000 |
|---|---|---|
| Royalty taxes | 2 719 | 1 747 |
| Revenue received in advance | 14 534 | 5 421 |
| Other | 658 | 281 |
| **Balance at the end of the year** | 17 911 | 7 449 |

## 13. Operating segments

| | Chrome projects R'000 | Platinum exploration R'000 | Corporate R'000 | Intragroup elimination R'000 | Total R'000 |
|---|---|---|---|---|---|
| **30 June 2020 (reviewed)** | | | | | |
| Revenue | 260 394 | – | 13 611 | (13 611) | 260 394 |
| Loss before tax | (54 303) | – | (5 192) | – | (59 495) |
| Income tax credit | 14 219 | – | – | – | 14 219 |
| Loss after tax | (40 084) | – | (5 192) | – | (45 276) |
| Finance income | 25 | – | 1 183 | (323) | 885 |
| Finance cost | (2 328) | – | – | 323 | (2 005) |
| Depreciation and amortisation | (14 158) | – | (94) | – | (14 252) |
| Share of loss of associate | (54) | – | – | – | (54) |
| **Total assets** | 380 196 | 20 161 | 38 964 | 21 183 | 460 504 |
| **Total liabilities** | (136 540) | – | (24 410) | (21 183) | (182 133) |
| **30 June 2019 (audited)** | | | | | |
| 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) |

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

## 14. Fair value and financial instrument

The carrying values of all financial instruments approximate their fair value.

## 14. Going concern

The group has net current assets of R28,150 million (2019: R73,271 million) and shareholder's equity of R278,371 million (2019: R321,019 million). The cash flow forecast prepared by Bauba management, based on current available information, indicates that the group will have funds 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 exploration and mining companies, the group raises capital for exploration and other projects as and when required. There can be no assurance that the group's projects will be fully developed in accordance with current plans or completed on time or to budget. Future work on the development of these projects may be adversely affected by factors outside the control of the group as the group's operating results are subject to changes in the average chrome price and US dollar exchange rate. The market price of 42% chrome concentrate has dropped from US$160 (China CIF) at financial year-end to the current market price of US$135 (China CIF) in mid-November 2020. While the US dollar/ZAR exchange rate has strengthened from 17,36 at the end of the financial year to 15,33 on 30 November 2020. If the chrome price drops below this level for an extended period or if the US dollar/ZAR exchange rate strengthens further, it could cause a material uncertainty for the group to meet its obligations as they fall due and its ability to continue as a going concern.

The directors, subject to the aforesaid events, have a reasonable expectation that the group will have adequate resources to continue in operational existence for at least the next 12 months from the reporting date.

## 16. Subsequent events

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 financial statements, which significantly affect the financial position of the group or the results of its operations to the date of this report.

18 December 2020
Johannesburg

# CORPORATE **INFORMATION**

## Nature of business

Exploration and mining of mineral resources
Registration number:1986/004649/06
Country of incorporation: Republic of South Africa
Share code: BAU
ISIN code: ZAE000145686

## Registered address

Cube Workspace
1 Wedgewood Link
Bryanston, Johannesburg, 2191
Republic of South Africa
Telephone: +27 (0) 11 699 5720
Fax: +27 (0) 11 388 3962
Email: info@bauba.co.za
web: www.baubaresources.co.za

## Postal address

PO Box 71036
Bryanston, 2021

## Directors

### Non-executive

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

** Independent*

### Executive

NW van der Hoven *(Chief executive officer)*
JA Knowlden *(Financial director)*

## Company secretary

Merchantec Proprietary Limited
Email: bauba@acorim.co.za

## Transfer secretaries

Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
Private Bag X9000
Saxonwold, 2132
Telephone: +27 (0) 11 370 5000

## Sponsor

Merchantec Capital

## Auditor

BDO South Africa Incorporated

## Attorney

Venter de Villiers Tabacks Legal Advisors

## Banker

Nedbank Limited