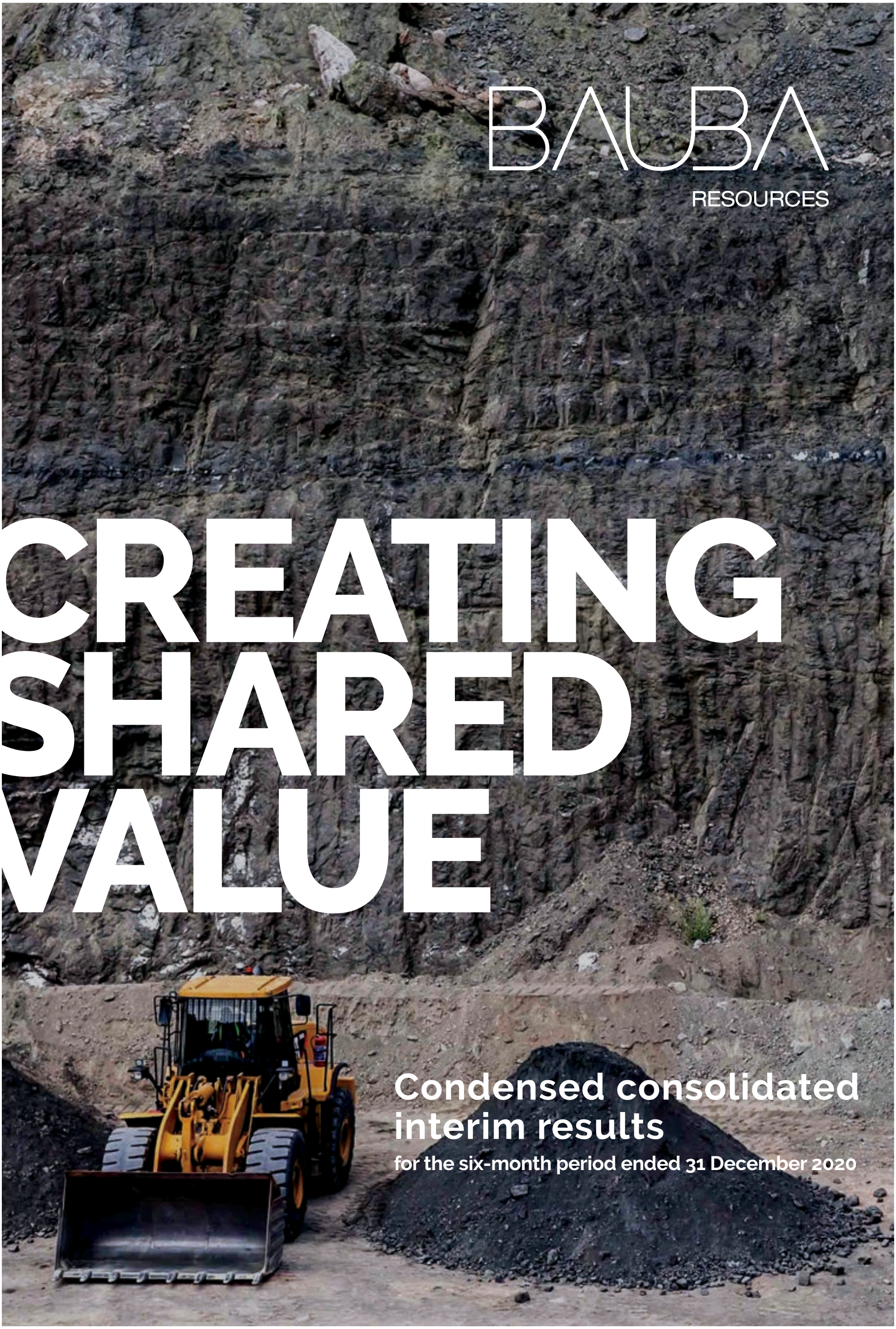


BAUBA
RESOURCES

CREATING SHARED VALUE

Condensed consolidated interim results

for the six-month period ended 31 December 2020

2020 SALIENT POINTS

Revenue
R110,459 million 45,1%
(2019: R201,228 million)

Total comprehensive loss for the period
R30,932 million
(2019: profit of R1,842 million)

Foreign exchange gain realised
R12,611 million
(2019: Rnil)

Investment in property, plant and equipment
R82,960 million 211,9%
(2019: R26,599 million)

Provision of COVID-19
supplies
to schools within the local community

Continued
supply of water
to the local community

COMMENTARY

COVID-19

Our operating environment for the six-month period ended 31 December 2020 was dominated by the continued fallout from the COVID-19 pandemic. It has been over a year since the first case was recorded in South Africa, and the pandemic has since strained 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 chrome ore pricing, extremely high unit operating costs during the lockdown with limited production, no underground mining, delayed underground development, financing and associated ramp up of stoping production.

Financial and operational review

There was a significant delay to the development of our underground operations. This was the result of a combination of the COVID-19 lockdown together with the appointment of a new underground mining contractor. This negatively impacted unit costs. During lockdown, low chrome ore pricing did not justify running the underground operation at 50% capacity due to significantly higher mining costs, therefore Bauba did not produce any material from the underground operations from April to June 2020, which impacted the restart of operations where minimal tonnes were produced in July and August as these were site establishment months.

The current financial period under review commenced in July, three months after the announcement of the national lockdown. Ramp up in production began in July 2020 and progressed positively to over 25 000 tonnes of material hauled in the months of September and October, 31 500 tonnes hauled in November and 29 700 tonnes hauled in December. Total run-of-mine production for the six months under review was 125 200 tonnes versus 77 200 tonnes for the six months ended 31 December 2019. 77 800 tonnes of chrome concentrate was sold during the period under review, compared to 94 960 tonnes sold in the previous six-month period, due to lower wash plant yields as a result of the high on-reef development tonnes (including in stope) in proportion to stoping tonnes as the ramp up progresses.

Chrome ore CIF prices for benchmark 42% concentrate, as reported by FerroAlloyNet, averaged US$137 per tonne (China CIF) for July 2020 to December 2020. The price as at 31 December 2020 was US$132 per tonne (China CIF) but increased to US$165 (China CIF) in mid-March 2021. H1 2020 prices averaged US$145 per tonne (China CIF) while full year 2019 averaged US$167 per tonne (China CIF).

Revenue decreased by 45,1% to R110,459 million. This is due to considerably lower chrome concentrate prices over the period under review, as well as no production over effectively four months due to COVID-19.

During the period under review, we experienced an increase in cost of sales due to a high volume of development tonnes being processed through our wash plant, resulting in a decrease in production yields.

There have been no material changes to the Mineral Reserves and Mineral Resources as disclosed in the integrated annual report for the year ended 30 June 2020.

Outlook

Currently, Bauba's underground development and ramp up is progressing positively with 26 500 tonnes hauled in February 2021. Chrome ore pricing has improved significantly from December 2020 to March 2021. Risks still remain of reduced global demand due to production capacity constraints in China and potential additional COVID-19 waves, despite the availability of vaccines.

Bauba anticipates that opencast mining will commence before the end of this financial year of our Kookfontein project near Rustenburg. This first phase of opencast mining will target approximately 400 000 tonnes of opencast UG2 ore which includes an estimated 326 000 tonnes of fresh and transitional UG2 ore. The Kookfontein UG2 project will be for an anticipated 14 months allowing Bauba to capitalise on current elevated PGM pricing, thereafter Bauba will commence mining the opencast LG/MG and UG1 chrome ore seams on this project. This information has not been reviewed or reported on by the company's auditor.

CONDENSED CONSOLIDATED
STATEMENT OF COMPREHENSIVE INCOME
for the six-month period ended 31 December 2020

	Note	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Revenue		110 459	201 228	260 394
Cost of sales		(113 767)	(162 861)	(249 325)
Gross profit		(3 308)	38 367	11 069
Other income		–	132	–
Operating and administrative expenses		(44 107)	(35 060)	(68 814)
Finance income		300	498	885
Finance cost		(5 401)	(127)	(2 005)
Foreign exchange gain/(loss)	6	12 611	–	(576)
Share of loss of associate accounted for using the equity method		(40)	(108)	(54)
(Loss)/profit before tax		(39 945)	3 702	(59 495)
Income tax credit/(expense)		9 013	(1 860)	14 219)
(Loss)/profit for the period		(30 932)	1 842	(45 276)
Other comprehensive income		–	–	–
Total comprehensive (loss)/profit for the period		(30 932)	1 842	(45 276)
(Loss)/profit attributable to:				
Equity holders of the parent		(21 595)	(23)	(30 592)
Non-controlling interest		(9 337)	1 865	(14 684)
Total comprehensive (loss)/profit attributable to:				
Equity holders of the parent		(21 595)	(23)	(30 592)
Non-controlling interest		(9 337)	1 865	(14 684)
Basic loss per share (cents)	11	(5,70)	(0,01)	(8,07)
Diluted loss per share (cents)	11	(5,70)	(0,01)	(8,07)

CONDENSED CONSOLIDATED
STATEMENT OF FINANCIAL POSITION
as at 31 December 2020

	Note	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
ASSETS				
Non-current assets		396 259	314 875	332 405
Intangible assets		139 313	142 773	141 838
Property, plant and equipment	4	247 039	162 210	180 621
Investment in associate		9 907	9 892	9 946
Current assets		73 674	100 517	128 099
Inventory	5	57 896	77 400	64 985
Trade and other receivables		5 004	6 339	14 600
Loan to associate		13	–	–
Cash and cash equivalents		10 761	16 778	48 514
Total assets		469 933	415 392	460 504
EQUITY AND LIABILITIES				
Equity		248 524	324 251	278 371
Share capital and share premium		512 500	512 500	512 500
Reverse asset acquisition reserve		(282 988)	(282 988)	(282 988)
Share-based payment reserve		8 058	5 735	6 973
Retained (loss)/earnings		(35 049)	17 115	(13 454)
Non-controlling interest		46 003	71 889	55 340
Non-current liabilities		97 896	42 583	82 184
Environmental rehabilitation provision		4 467	6 281	5 794
Deferred tax		7 514	32 606	16 527
Borrowings	6	35 987	–	46 578
Loans from shareholders	7	20 249	–	10 000
Lease liability	8	29 679	3 696	3 285
Current liabilities		123 513	48 558	99 949
Trade and other payables		67 452	33 430	54 354
Borrowings	6	26 990	–	24 059
Loans from shareholders	7	50	10 000	194
Lease liability	8	15 491	1 585	1 790
Other financial liabilities	9	13 530	1 902	17 911
Current tax payable		–	1 641	1 641
Total equity and liabilities		469 933	415 392	460 504

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

for the six-month period ended 31 December 2020

	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Cash flow from operating activities			
Net cash effects from operating activities	(3 495)	18 140	6 503
Operating (loss)/profit before working capital changes	(20 412)	11 153	(22 823)
Working capital changes	19 151	9 406	31 745
Tax paid	(2 234)	(2 419)	(2 419)
Cash flow from investing activities			
Net cash effects from investing activities	(39 456)	(30 820)	(54 788)
Acquisition of intangible asset	(1 675)	–	–
Acquisition of investment in associate	–	(10 000)	(10 000)
Acquisition of property, plant and equipment	(38 081)	(21 318)	(45 673)
Finance income	300	498	885
Cash flow from financing activities			
Net cash effects from financing activities	5 198	(3 364)	63 977
Repayment of prepayment	–	(13 364)	(13 364)
Repayment of borrowings	(12 407)	–	–
Proceeds from borrowing	17 358	–	68 853
Advance of loan to associate	(13)	–	–
Advance of loan from shareholder	10 000	10 000	10 000
Principal paid on lease liabilities	(4 784)	–	(910)
Finance cost paid – lease liabilities	(1 995)	–	(375)
Finance cost paid – loan from shareholder	(438)	–	–
Finance cost paid – borrowings	(2 523)	–	(227)
Total cash movement for the period	(37 753)	(16 044)	15 692
Cash and cash equivalents at the beginning of the period	48 514	32 822	32 822
Cash and cash equivalents at the end of the period	10 761	16 778	48 514

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six-month period ended 31 December 2020

	Stated capital R'000	Reverse asset acquisition reserve R'000	Share-based payment reserve R'000	Retained earnings/ (loss) R'000	Non-controlling interest R'000	Total equity R'000
Balance as at 1 July 2019	512 500	(282 988)	4 345	17 138	70 024	321 019
Share-based payment reserve movement	–	–	1 390	–	–	1 390
Total comprehensive (loss)/profit for the period	–	–	–	(23)	1 865	1 842
Balance as at 31 December 2019	512 500	(282 988)	5 735	17 115	71 889	324 251
Share-based payment reserve movement	–	–	1 238	–	–	1 238
Total comprehensive loss for the period	–	–	–	(30 569)	(16 549)	(47 118)
Balance as at 1 July 2020	512 500	(282 988)	6 973	(13 454)	55 340	278 371
Share-based payment reserve movement	–	–	1 085	–	–	1 085
Total comprehensive loss for the period	–	–	–	(21 595)	(9 337)	(30 932)
Balance as at 31 December 2020	512 500	(282 988)	8 058	(35 049)	46 003	248 524

NOTES TO THE CONDENSED CONSOLIDATED RESULTS

for the six-month period ended 31 December 2020

1. Basis of presentation

These condensed consolidated financial 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;
- 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, 2008 (Act 71 of 2008); 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 condensed consolidated financial results for the six-month period ended 31 December 2020 as were applied in the preparation of the group's annual financial statements for the year ended 30 June 2020.

These condensed consolidated results for the period ended 31 December 2020 have not been reviewed or audited by the group's auditor.

2. The board

On 6 January 2021, King Victor Thulare III tragically passed away. The board is saddened by his sudden passing and will miss his valuable contributions. There has currently been no impact on our business or operations resulting from his passing.

On 22 January 2021, Mr Thomas Baring was appointed as a non-executive director. Mr Baring has over 16 years' experience working in Financial Services, Emerging Markets and Commodities. Most recently, Mr Baring spent two years working in the Democratic Republic of Congo for the Haskell Group, before leaving to assist a Singapore based Coal Merchant to establish their African Metal Trading business (Avra Commodities Pte Ltd). In 2016, Mr Baring established Pelagic Resources Proprietary Limited who have been trading Bauba's chrome since January 2017.

There were no other changes to the board.

3. Changes in share capital

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

In January 2021, subsequent to the period-end, the company issued 113 683 334 shares to a third party for an aggregate amount of R35 241 833,54. Total issued shares in the company have therefore increased to 492 703 583 shares. Refer to note 15 for additional changes to share capital.

4. 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
31 December 2020 (unaudited)					
Cost					
As at 1 July 2020	**4 199**	**5 905**	**774**	**189 082**	**199 960**
Additions	**–**	**44 879**	**58**	**38 023**	**82 960**
Disposal	**(135)**	**–**	**(16)**	**–**	**(151)**
As at 31 December 2020	**4 064**	**50 784**	**816**	**227 105**	**282 769**
Accumulated depreciation					
As at 1 July 2020	**2 103**	**1 049**	**457**	**15 730**	**19 339**
Depreciation	**312**	**6 880**	**97**	**9 117**	**16 406**
Disposal	**(8)**	**–**	**(7)**	**–**	**(15)**
As at 31 December 2020	**2 407**	**7 929**	**547**	**24 847**	**35 730**
Carrying value as at 31 December 2020	**1 657**	**42 855**	**269**	**202 258**	**247 039**
31 December 2019 (unaudited)					
Cost					
As at 1 July 2019	2 998	–	612	144 793	148 403
Additions	212	–	123	26 264	26 599
As at 31 December 2019	3 210	–	735	171 057	175 002
Accumulated depreciation					
As at 1 July 2019	1 677	–	269	6 628	8 574
Depreciation	231	–	103	3 884	4 218
As at 31 December 2019	1 908	–	372	10 512	12 792
Carrying value as at 31 December 2019	1 302	–	363	160 545	162 210

NOTES TO THE CONDENSED CONSOLIDATED RESULTS continued

for the six-month period ended 31 December 2020

4. Property, plant and equipment continued

	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
30 June 2020 (audited)					
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	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	2 096	4 856	317	173 352	180 621

During the six-month period ended 31 December 2020, there were additions of R38,023 million (2019: R26,264 million) to the mine infrastructure and equipment. The additions relate mainly to the development of the Moeijelijk underground mine of R35,011 million (2019: R28,703 million) and additions to the wash plant of R2,889 million (2019: R2,303 million). Additions to right-of-use assets amounted to R44,879 million (2019: R5,371 million) (refer to note 8).

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

5. Inventory

	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Chrome ore	**63 929**	77 400	83 787
Write-off of inventory to net realisable value	**(6 033)**	–	(18 802)
Balance at the end of the period	**57 896**	77 400	64 985

Inventory is based on direct and indirect costs incurred in the production of chrome ore. Write-off of inventory to net realisable value arose due to a decrease in the chrome concentrate price from US$162,50 (China CIF) at the beginning of the reporting period to US$132 (China CIF) at the end of the financial period.

6. 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 which was fully drawn down by the beginning of August 2020. The loan is repayable in 33 equal monthly instalments, which commenced 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 paid in August 2020.

	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Opening balance	**70 637**	–	–
Drawdowns	**17 358**	–	68 853
Repayment	**(14 930)**	–	–
Finance costs	**2 523**	–	731
Structuring fee payable	**–**	–	477
Foreign exchange (gain)/loss[1]	**(12 611)**	–	576
Balance at the end of the year	**62 977**	–	70 637
Current	**26 990**	–	24 059
Non-current	**35 987**	–	46 578
The maturity of the borrowings is as follows:			
Less than one year	**30 498**	–	27 740
Between one to two years	**28 660**	–	28 133
Between two to five years	**9 145**	–	22 109

[1] *A foreign exchange gain of R12,611 million (2019: Rnil) was realised due to strengthening of the US dollar/ZAR exchange rate from 17,36 as at 30 June 2020 to 14,62 as at 31 December 2020.*

NOTES TO THE CONDENSED CONSOLIDATED RESULTS continued

for the six-month period ended 31 December 2020

7. Loans from shareholders

In October 2019, the group entered into a loan agreement with a shareholder for an amount of R10 million, repayable on 31 March 2022. The loan is a fixed rate loan that is carried at amortised cost.

In October 2020, the group entered into loan agreements with two additional shareholders for an amount of R5 million each, repayable on 30 April 2022. The loans are unsecured variable rate loans (prime plus 2%) that are carried at amortised cost.

	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Opening balance	10 000	–	–
Loan advanced	10 000	10 000	10 000
Finance costs capitalised	299	–	194
Closing balance	**20 299**	10 000	10 194
Current	50	10 000	194
Non-current	20 249	–	10 000
The maturity of the borrowings is as follows:			
Less than one year	597	–	787
Between one to two years	21 751	–	10 468
Between two to five years	–	–	–

8. Leases

There were no long-term operating leases in the previous financial year that were subject t the first-time adoption of IFRS 16. No disclosures are shown for the six-month period ended 31 December 2019 as Bauba did not own leased assets as at that date.

The group entered into lease arrangements for the rental of mining equipment and motor vehicles. Leases relating to mining equipment are for a period of three years and bear interest at between 11,0% to 13,6%. Right-of-use asset has been included as 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%.

	Unaudited 31 Dec 2020		
	Motor vehicles R'000	Mining equipment R'000	Total R'000
Right-of-use asset			
Balance at the beginning of the period	489	4 367	4 856
– additions	–	44 879	44 879
– depreciation	(45)	(6 835)	(6 880)
Balance at the end of the period	444	42 411	42 855
Lease liability			
Balance at the beginning of the period	562	4 513	5 075
– additions	–	44 879	44 879
– finance costs	23	1 972	1 995
– lease payments	(74)	(6 705)	(6 779)
Balance at the end of the period	511	44 659	45 170
Lease liability included in the statement of financial position	511	44 659	45 170
Current	108	15 383	15 491
Non-current	403	29 276	29 679
Maturity analysis – contractual undiscounted cash flows			
Less than one year	148	20 338	20 486
Between one to two years	148	20 205	20 353
Between two to five years	314	12 555	12 869

NOTES TO THE CONDENSED CONSOLIDATED RESULTS continued

for the six-month period ended 31 December 2020

8. Leases continued

	Audited 30 Jun 2020		
	Motor vehicles R'000	Mining equipment R'000	Total R'000
Right-of-use asset			
Balance at the beginning of the period	–	–	–
– additions	534	5 371	5 905
– depreciation	(45)	(1 004)	(1 049)
Balance at the end of the period	489	4 367	4 856
Lease liability			
Balance at the beginning of the period	–	–	–
– additions	614	5 371	5 985
– finance costs	21	354	375
– lease payments	(73)	(1 212)	(1 285)
Balance at the end of the period	562	4 513	5 075
Lease liability included in the statement of financial position	562	4 513	5 075
Current	103	1 687	1 790
Non-current	459	2 826	3 285
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

There are no contingent payables, restrictions or covenants imposed on these leases. Leases are all fixed-term leases with no variable portion.

9. Other financial liabilities

	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Royalties payable	–	1 621	2 719
Revenue received in advance	13 048	–	14 534
Other	482	281	658
Balance at the end of the period	13 530	1 902	17 911
Current liabilities			
At amortised cost	13 530	1 902	17 911

10. Operating segments

	Chrome projects R'000	Platinum exploration R'000	Corporate R'000	Intragroup elimination R'000	Total R'000
31 December 2020 (unaudited)					
Revenue	110 459	–	5 817	(5 817)	110 459
Loss before tax	(36 433)	–	(3 512)	–	(39 945)
Income tax credit	9 013	–	–	–	9 013
Loss after tax	(27 420)	–	(3 512)	–	(30 932)
Finance income	29	–	298	(27)	300
Finance cost	(5 148)	–	(280)	27	(5 401)
Depreciation and amortisation	(20 562)	–	(44)	–	(20 606)
Share of loss of associate	(40)	–	–	–	(40)
Total assets	430 469	20 161	15 111	4 192	469 933
Total liabilities	(212 585)	–	(4 632)	(4 192)	(221 409)
31 December 2019 (unaudited)					
Revenue	201 228	–	9 575	(9 575)	201 228
Profit/(loss) before tax	4 057	–	(355)	–	3 702
Income tax expense	(1 860)	–	–	–	(1 860)
Profit/(loss) after tax	2 197	–	(355)	–	1 842
Finance income	21	–	787	(310)	498
Depreciation and amortisation	(6 709)	–	(51)	–	(6 760)
Total assets	390 706	20 161	20 059	(15 534)	415 392
Total liabilities	(104 849)	–	(1 826)	15 534	(91 141)

NOTES TO THE CONDENSED CONSOLIDATED RESULTS continued

for the six-month period ended 31 December 2020

10. Operating segments continued

	Chrome projects R'000	Platinum exploration R'000	Corporate R'000	Intragroup elimination R'000	Total R'000
30 June 2020 (audited)					
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)

The segmental analysis is based on the Moeijelijk chrome project, platinum exploration and corporate activities. All revenue was generated in South Africa, therefore no geographical segments are presented.

11. Earnings per share

	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Headline loss reconciliation:			
Loss attributable to equity holders of the parent	**(21 595)**	(23)	(30 592)
Loss on disposal of assets	**136**	–	21
Headline earnings	**(21 459)**	(23)	(30 571)
Basic loss per share (cents)	**(5,70)**	(0,01)	(8,07)
Diluted loss per share (cents)	**(5,70)**	(0,01)	(8,07)
Headline loss per share (cents)	**(5,70)**	(0,01)	(8,07)
Diluted headline loss per share (cents)	**(5,70)**	(0,01)	(8,07)
Number of shares in issue at the end of the period ('000)	**379 020**	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	379 020
Dilutive effect of share options	**–**	323	323
Diluted weighted average number of shares ('000)	**379 020**	379 343	379 343

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 CONDENSED CONSOLIDATED RESULTS continued

for the six-month period ended 31 December 2020

12. Fair value of financial instruments

All financial assets and liabilities are measured at amortised cost.

The directors are of the opinion that the carrying value of the financial assets and liabilities as reflected on the face of the consolidated statement of financial position approximates the fair value of these financial assets and liabilities.

		Unaudited 31 Dec 2020		Unaudited 31 Dec 2019		Audited 30 Jun 2020	
	Note	Amortised cost R'000	Fair value R'000	Amortised cost R'000	Fair value R'000	Amortised cost R'000	Fair value R'000
GROUP							
Financial assets							
Trade and other receivables		3 449	3 449	6 339	6 339	13 247	13 247
Cash and cash equivalents		10 761	10 761	16 778	16 778	48 514	48 514
Total		14 210	14 210	23 117	23 117	61 761	61 761
Financial liabilities							
Trade and other payables		65 821	65 821	32 842	32 842	52 810	52 810
Other financial liabilities	9	13 530	13 530	1 902	1 902	17 911	17 911
Borrowings	6	62 977	62 977	–	–	70 637	70 637
Loans from shareholders	7	20 299	20 299	10 000	10 000	10 194	10 194
Leases	8	45 170	45 170	–	–	5 075	5 075
Total		207 797	207 797	44 744	44 744	156 627	156 627

13. Related parties

Transactions and balances

Transactions between the group and its subsidiaries, which are related parties of the group, have been eliminated on consolidation. Bauba has not acquired or disposed of any subsidiaries and/or associates during the six months ended 31 December 2020. Refer to note 7 for detail on loans from shareholders.

	Unaudited 31 Dec 2020 R'000	Unaudited 31 Dec 2019 R'000	Audited 30 Jun 2020 R'000
Loans (from)/to subsidiary and associate			
Loan (from)/to subsidiary	(4 192)	15 534	(21 183)
Loan (from)/to associate	13	–	–
Trade payable – Bauba A Hlabirwa	686	686	686
Trade receivable – Bauba A Hlabirwa	476	476	476
Related party transaction			
Consultancy fee paid to director of Nuco Chrome by Bauba Resources Limited	270	–	270
Management fees raised between Bauba Resources Limited and Bauba A Hlabirwa for the management of the chrome and platinum projects	5 817	9 575	13 611
Interest charged on the intercompany loan between Bauba A Hlabirwa and Bauba Resources Limited	27	310	323
VDH Holdings Proprietary Limited – legal fees	–	–	6

NOTES TO THE CONDENSED CONSOLIDATED RESULTS continued

for the six-month period ended 31 December 2020

14. Going concern

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. Global market uncertainties, driven by COVID-19 waves, have lowered the global demand for stainless steel and, in turn, demand for chrome. The market price of 42% chrome concentrate decreased from US$162,5 (China CIF) at the beginning of the financial period to US$132 (China CIF) at the end of the financial period. The market price was US$165 (China CIF) in mid-March 2021. While the US dollar/ZAR exchange rate has weakened from 14,62 at the end of the period under review to 15.06 on 29 March 2021. If the chrome price drops below this level for an extended period, or if the US dollar/ZAR exchange rate strengthens significantly, 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 proposed chrome ore export tax in South Africa to support the local ferrochrome industry has also created further uncertainty that will continue to have a negative impact on short-term chrome ore pricing.

The directors have, subject to the aforesaid caveats, 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.

15. Subsequent events

In January 2021, the company issued 113 683 334 shares to a third party, for an aggregate amount of R35 241 822,54. Total issued shares in the company have therefore increased to 492 703 583 shares.

During March 2021, the company entered into a binding subscription agreement with Raubex Proprietary Limited for 147 811 073 ordinary shares for an aggregate amount of R54 690 097. The conditions precedent, to effect the issue of the subscription shares, were fulfilled on 29 March 2021.

On 24 February 2021, the Minister of Finance announced a change in the corporate income tax rate from 28% to 27% effective 1 April 2022. This change may affect the group's recorded deferred tax liability and our effective tax rate in the future.

The directors are not aware of any 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 affects the financial position of the group or the results of its operations to the date of this report.

31 March 2021
Johannesburg

CORPORATE INFORMATION

Nature of business

Bauba Resources Limited
(Bauba or the company or the group)
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*
T Baring

** 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

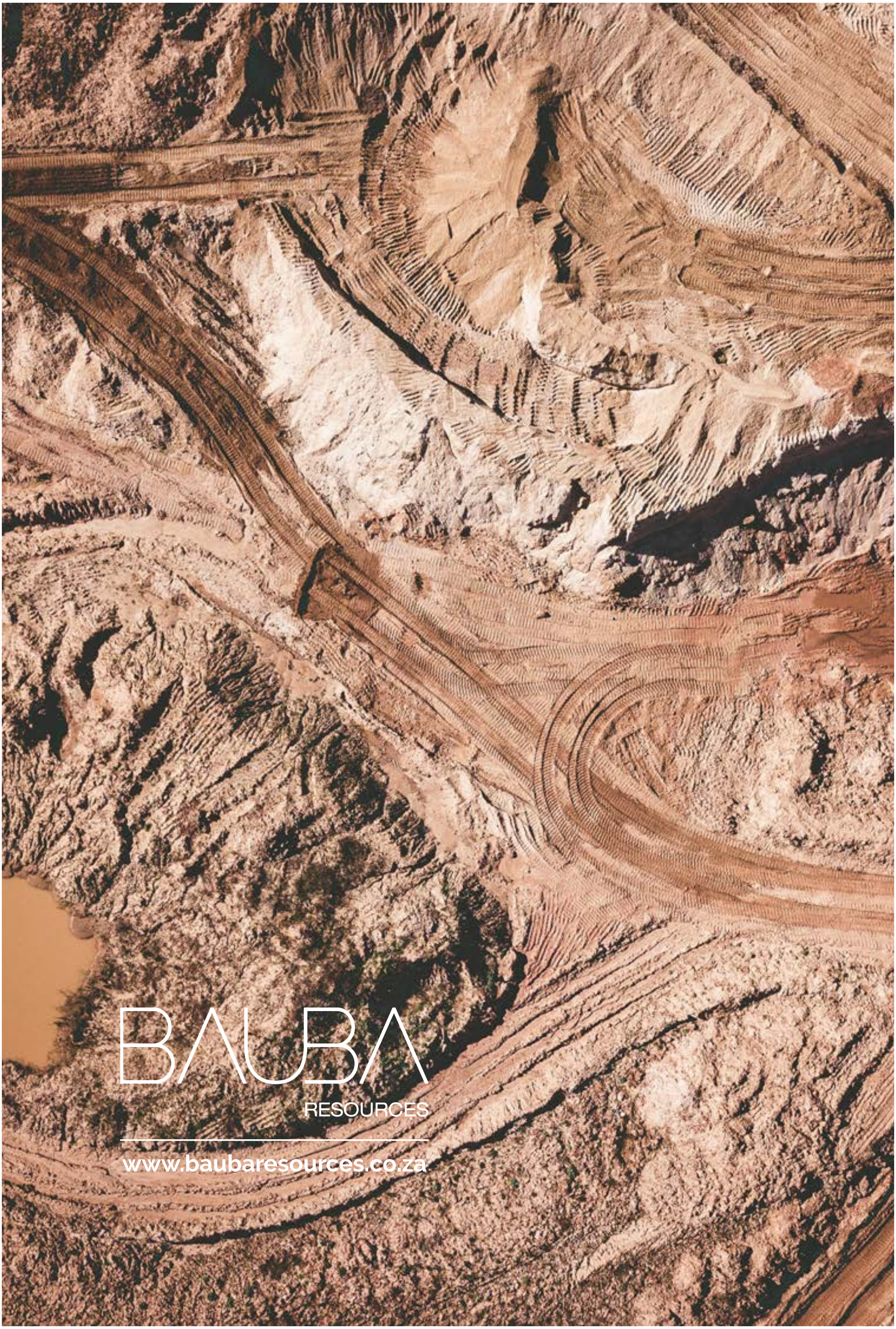
Attorney

Venter de Villiers Tabacks Legal Advisors

Banker

Nedbank Limited

purple.frog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