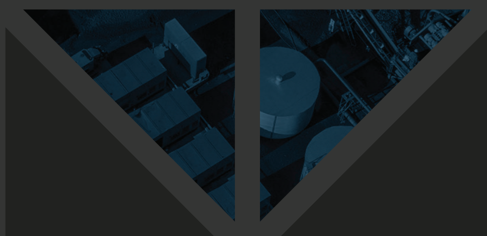
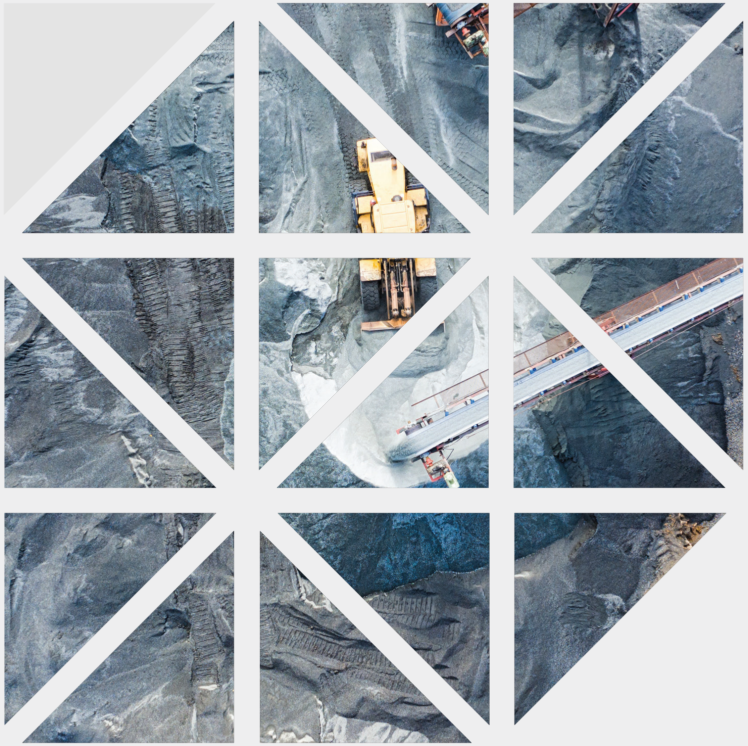
21.

BAUBA
RESOURCES



Condensed consolidated interim results

for the six months ended 31 December 2021



SALIENT FEATURES

for the six months ended 31 December 2021

R202,2 MILLION

Revenue

(2020: R110,5 million)

▲ 83,1%

R53,6 MILLION

Total comprehensive loss for the period

(2020: R32,4 million)

▲ 65,3%

PRODUCTION

Nuco Chrome has commenced production

R179,5 MILLION

Investment in property, plant and equipment and intangible assets

(2020: R109,9 million)

▲ 63,3%

107,2K TONNES

Chrome concentrate production

(2020: 77,8K tonnes)

▲ 37,8%

COMMENTARY

Financial and operational review

Run-of-mine (RoM) production was 150 000 tonnes for the six months to 31 December 2021 compared to 125 000 tonnes in the prior comparable period, an increase of 20,0%. This period's chrome concentrate production was 107 187 tonnes compared to 77 800 tonnes in the prior comparable period, an increase of 37,8%. The improvement in concentrate production yield from 62,2% to 71,2% was driven by 32,6% higher stoping production while on-reef development production was flat. Production was negatively impacted by adverse geological conditions necessitating a revision of underground support standards and a reduction in stoping panel length, requiring significant redevelopment as well as prolonged safety stoppages effectively impacting production by a combined month over the period October 2021 to December 2021.

Chrome ore cast, insurance and freight (CIF) prices for benchmark 42% concentrate, as reported by FerroAlloyNet, averaged US$168 per tonne (China CIF) for July 2021 to December 2021. The price as at 31 December 2021 was US$175 per tonne (China CIF) and has increased to US$223,50 (China CIF) in mid-March 2022. July 2020 to December 2020 prices averaged US$137 per tonne (China CIF), while full year 2020 averaged US$148 per tonne (China CIF). The US$21 per tonne increase in the average chrome ore China CIF prices for benchmark 42% concentrate was offset by a similar increase in freight costs and a strong South African rand.

Freight costs during the current reporting period have more than doubled (in US dollar terms) compared to the previous period. The increase in freight pricing to record levels has been caused by global demand exceeding available capacity and new capacity not becoming available quickly enough. In South Africa, factors negatively impacting freight costs are the COVID-19 pandemic, key port terminal assets requiring regular maintenance, the recent civil unrest, the port cyberattack and poor port operations.

Turnover, however, increased to R202,248 million from R110,459 million, an increase of 83,10% driven by a 37,8% increase in chrome concentrate production and a 241,1% increase in chrome speciality-grade concentrate sales. This was while the rand benchmark 42% mine gate pricing remained flat.

Cost of sales increased by 63,9% mainly due to increased RoM production of 20,0%, a 30,4% increase in diesel costs, prolonged safety stoppages and adverse geological conditions resulting in the mine running below capacity and incurring substantial fixed costs without associated production. The cost per tonne of concentrate produced increased by 19,0%.

Acquisition of Kookfontein (Nuco Chrome)

The Kookfontein chrome project is situated in the North West province of the Republic of South Africa.

Bauba purchased a 74% shareholding in Nuco Chrome Bophuthatswana Proprietary Limited (Nuco Chrome), as detailed in the SENS announcements published on 23 July 2019 and 5 July 2021. 22% was acquired in July 2019 with the remaining 52% being acquired subsequent to the year ended 30 June 2021 (in July 2021).

Nuco Chrome is an exploration and mining company with mineral rights for various minerals, including chrome ore and platinum group elements (PGEs).

This first phase of opencast mining will target approximately 400 000 tonnes of opencast fresh and transitional UG2 ore.

There have been no material changes to the Mineral Resources and Mineral Reserves as reported in the June 2021 integrated annual report.

Outlook

Bauba's underground development and ramp up are progressing positively after the setback experienced between October 2021 to December 2021 noted previously. 29 700 tonnes of production were hauled in February 2022 and over 32 400 production tonnes hauled in March 2022. Chrome ore pricing has significantly improved from December 2021 to March 2022 with the latest 44% concentrate CIF prices concluded at US$300 per tonne, US$72,50 per tonne higher than 12 months ago. COVID-19 risks have reduced as vaccines have been rolled out, global stainless steel production is expected to grow by 10% this year and strong Chinese consumption coupled with lower South African production has reduced Chinese port stocks from 3,8 million tonnes at the end of October 2021 to 2,7 million tonnes at 1 April 2022. This decrease in port stocks is expected to continue. In addition, there is a shortage of high-grade concentrates which Bauba produces.

Opencast mining has commenced at our Kookfontein project near Rustenburg. The Kookfontein UG2 project will be for an anticipated 14 months allowing Bauba to capitalise on current elevated platinum group metals (PGM) pricing. Bauba will commence mining the opencast LG/MG and UG1 chrome ore seams on this project should Nuco Chrome obtain the necessary mining right to do so.

This information has not been reviewed or reported on by the company's auditor.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2021

	Note	Unaudited 31 Dec 2021 R'000	Restated 31 Dec 2020 R'000	Restated 30 Jun 2021 R'000
Revenue	5	**202 248**	110 459	277 100
Cost of sales		**(186 502)**	(113 767)	(224 259)
Gross profit/(loss)		**15 746**	(3 308)	52 841
Operating and administrative expenses		**(61 203)**	(45 823)	(90 943)
Finance income		**73**	300	1 122
Finance costs		**(9 107)**	(5 731)	(11 697)
Foreign exchange (loss)/gain		**(10 433)**	12 611	12 324
Share of loss of associate – equity method		**–**	(40)	(519)
Loss before tax		**(64 924)**	(41 991)	(36 872)
Income tax credit		**11 361**	9 586	5 475
Total comprehensive loss for the period		**(53 563)**	(32 405)	(31 397)
Loss attributable to:				
Equity holders of the parent		**(39 431)**	(22 479)	(24 357)
Non-controlling interest		**(14 132)**	(9 926)	(7 040)
Headline loss per share before effect of rights issue (cents)	13	**(6,16)**	(5,89)	(5,20)
Headline loss per share restated for rights issue (cents)	13	**(5,86)**	(5,70)	(5,05)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	Unaudited 31 Dec 2021 R'000	Restated 31 Dec 2020 R'000	Restated 30 Jun 2021 R'000
ASSETS				
Non-current assets		**713 058**	469 275	492 323
Intangible assets		**189 421**	139 313	132 136
Property, plant and equipment	6	**523 237**	320 055	350 715
Investment in associate		**–**	9 907	9 427
Other non-current assets		**90**	–	45
Deferred tax		**310**	–	–
Current assets		**126 821**	73 674	117 589
Inventory	7	**77 601**	57 896	85 997
Trade and other receivables		**42 447**	5 004	19 708
Other current assets		**638**	–	–
Loan to associate		**–**	13	7 072
Cash and cash equivalents		**6 135**	10 761	4 812
Total assets		**839 879**	542 949	609 912
EQUITY AND LIABILITIES				
Equity		**310 254**	247 051	329 933
Stated capital		**636 316**	512 500	602 432
Reverse asset acquisition reserve		**(282 988)**	(282 988)	(282 988)
Share-based payment reserve		**–**	8 058	–
Retained loss		**(77 242)**	(35 933)	(37 811)
Non-controlling interest		**34 168**	45 414	48 300
Non-current liabilities		**167 117**	157 018	112 130
Environmental rehabilitation provision		**18 668**	4 467	5 078
Deferred tax		**–**	6 941	11 051
Borrowings	8	**73 947**	99 484	69 461
Share-based payment liability		**3 312**	–	6 691
Loan from shareholder	10	**–**	20 249	–
Lease liability	11	**71 190**	25 877	19 849
Current liabilities		**362 508**	138 880	167 849
Trade and other payables		**166 194**	67 452	69 226
Borrowings	8	**88 952**	46 130	63 171
Loan from shareholder	10	**84 833**	50	20 677
Lease liability	11	**21 628**	11 718	13 739
Other financial liabilities		**901**	13 530	1 036
Total equity and liabilities		**839 879**	542 949	609 912

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

for the six months ended 31 December 2021

	Unaudited 31 Dec 2021 R'000	Restated 31 Dec 2020 R'000	Restated 30 Jun 2021 R'000
Cash flow from operating activities			
Net cash effects from operating activities	**107 358**	(12 401)	(29 805)
Operating profit/(loss) before working capital changes	**74 641**	(31 552)	25 823
Working capital changes	**32 717**	19 151	(55 628)
Cash flow from investing activities			
Net cash effects from investing activities	**(180 087)**	(109 623)	(157 134)
Acquisition of intangible asset	**(63 971)**	–	–
Acquisition of property, plant and equipment	**(115 506)**	(109 910)	(151 139)
Advance on loan to associate	**–**	(13)	(7 072)
Investment in long-term deposits	**(45)**	–	(45)
Investments in other current assets	**(638)**	–	–
Finance income	**73**	300	1 122
Cash flow from financing activities			
Net cash effects from financing activities	**74 051**	84 271	143 237
Repayment of borrowings	**(37 285)**	(14 930)	(37 185)
Proceeds from borrowing (note 9)	**50 000**	99 468	103 265
Proceeds from issue of shares	**33 884**	–	89 932
Advance of loan from shareholders	**102 645**	10 000	20 500
Repayment of loan from shareholder	**(39 182)**	–	(10 000)
Principle paid on lease liabilities	**(26 652)**	(4 784)	(11 578)
Finance costs paid – lease liabilities	**(1 894)**	(1 995)	(3 688)
Finance costs paid – loan from shareholder	**(345)**	(438)	(1 315)
Finance costs paid – borrowings	**(7 119)**	(3 050)	(6 694)
Total cash movement for the period	**1 323**	(37 753)	(43 702)
Cash and cash equivalents – beginning of the period	**4 812**	48 514	48 514
Cash and cash equivalents – end of the period	**6 135**	10 761	4 812

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2021

	Stated capital R'000	Reverse asset acquisition reserve R'000	Share-based payment reserve R'000	Retained loss R'000	Non-controlling interest R'000	Total equity R'000
Balance as at 1 July 2020 (restated)	512 500	(282 988)	6 973	(13 454)	55 340	278 371
Share-based payment reserve movement	–	–	1 085	–	–	1 085
Total comprehensive profit/(loss) for the period	–	–	–	(21 595)	(9 337)	(30 932)
Restatement (note 4)				(884)	(589)	(1 473)
Balance as at 31 December 2020 (restated)	512 500	(282 988)	8 058	(35 933)	45 414	247 051
Share-based payment reserve movement	–	–	(1 367)	–	–	(1 367)
Issue of share capital	89 932	–	–	–	–	89 932
Reclassification from equity-settled to cash-settled	–	–	(6 691)	–	–	(6 691)
Total comprehensive profit/(loss) for the period	–	–	–	(260)	3 965	3 705
Restatement (note 4)				(1 618)	(1 079)	(2 697)
Balance as at 30 June 2021 (restated)	**602 432**	**(282 988)**	**–**	**(37 811)**	**48 300**	**329 933**
Issue of share capital	**33 884**	**–**	**–**	**–**	**–**	**33 884**
Total comprehensive profit/(loss) for the period	**–**	**–**	**–**	**(39 431)**	**(14 132)**	**(53 563)**
Balance as at 31 December 2021 (unaudited)	**636 316**	**(282 988)**	**–**	**(77 242)**	**34 168**	**310 254**

NOTES TO THE CONDENSED CONSOLIDATED RESULTS

for the six months ended 31 December 2021

1. Basis of preparation

These condensed consolidated financial results have been prepared under the supervision of Jonathan Knowlden CA(SA), the acting chief executive officer, in accordance with:

- IAS 34: *Interim Financial Reporting*;
- The framework concepts and the measurement and recognition requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board;
- The Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council;
- The requirements of the Companies Act of South Africa (Act 71 of 2008), as amended (Companies Act); and
- The listings requirements of the JSE Limited (JSE Listings Requirements).
- The SAICA Financial Reporting Guide, as issued by the Accounting Practices Committee.

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 2021 as were applied in the preparation of the group's annual financial statements for the year ended 30 June 2021.

These condensed consolidated results for the period ended 31 December 2021 have not been reviewed or audited by the group's auditor.

2. Board

Nico van der Hoven, Martin Luyt and Damian Smith resigned as non-executive directors with effect from 30 July 2021.

Nick van der Hoven resigned as chief executive officer with effect from 15 September 2021. Jonathan Knowlden, the previous financial director, continues in the role of acting chief executive officer. Fred Geldenhuys resigned as non-executive director with effect from 15 September 2021 and Tinus Slabber resigned as non-executive director with effect from 29 October 2021.

Thabile Makgala resigned with effect from 1 October 2021.

3. Changes in share capital

In November 2021, the company issued 109 302 842 shares by way of a clawback offer. Total issued shares in the company has therefore increased to 749 817 498 shares.

4. Restatement of prior period error

The prior year periods had to be restated for the effect of additional financing that was secured in October 2020 amounting to R82 million by a key contractor from a bank that was deemed to be borrowings for Bauba (refer to note 8).

R71 million of the secured finance facility from the bank was capitalised to mine operations and R11 million of the finance proceeds was used for deposits on leased equipment.

In addition, several of the existing lease agreements were also accounted for over 36 months instead of 22 months.

The cumulative effect of the above changes is an additional cost of R5,8 million before tax to the income statement due to extra depreciation and borrowing costs resulting from the above.

The restatement had the following effect in the restated periods:

	31 Dec 2020 R'000	30 Jun 2021 R'000
Change in consolidated statement of comprehensive income		
Additional finance cost	330	1 213
Additional depreciation	1 716	4 578
Total extra costs before tax	2 046	5 791
Tax	(573)	(1 621)
Non-controlling interest	(627)	(1 298)
Retained income	846	2 872
Effect on basic earnings per share (cents)	(0,22)	(0,60)

Change in financial position as at	31 Dec 2020 R'000	30 Jun 2021 R'000
Borrowings	(82 637)	(79 059)
Lease liability	7 185	8 054
Property, plant and equipment	70 811	62 233
Right-of-use asset	2 595	2 981
Retained income	846	2 872
Non-controlling interest	573	1 298
Deferred tax	627	1 621

5. Revenue

	Group		Company	
	Dec 2021 R'000	Dec 2020 R'000	Dec 2021 R'000	Dec 2020 R'000
Revenue comprises:				
Sale of chrome ore	202 248	110 459	–	–
Management fees from subsidiary (eliminated on consolidation)	–	–	(5 870)	(9 373)

The company derives revenue from management fees at a point in time.

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
31 December 2021 (unaudited)					
Cost					
As at 1 July 2021	3 723	57 344	837	339 479	401 383
Additions	–	77 438	99	115 407	192 944
Disposal	–	–	–	–	–
As at 31 December 2021	3 723	134 782	936	454 886	594 327
Accumulated depreciation					
As at 1 July 2021	1 851	8 941	634	39 242	50 668
Depreciation	249	4 694	91	15 388	20 422
Disposal	–	–	–	–	–
As at 31 December 2021	2 100	13 635	725	54 630	71 090
Carrying value as at 31 December 2021	1 623	121 147	211	400 256	523 237
31 December 2020 (restated)					
Cost					
As at 1 July 2020	4 199	5 905	774	189 082	199 960
Additions	–	47 782	58	109 852	157 692
Disposal	(135)	–	(16)	–	(151)
As at 31 December 2020	4 064	53 687	816	298 934	357 501
Accumulated depreciation					
As at 1 July 2020	2 103	1 049	457	15 730	19 339
Depreciation	312	7 579	97	10 134	18 122
Disposal	(8)	–	(7)	–	(15)
As at 31 December 2020	2 407	8 628	547	25 864	37 446
Carrying value as at 31 December 2020	1 657	45 059	269	273 070	320 055

6. 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 2021 (restated)					
Cost					
As at 1 July 2020	4 199	5 905	774	189 082	199 960
Additions	663	51 439	79	150 397	202 578
Disposal	(1 139)	–	(16)	–	(1 155)
As at 30 June 2021	3 723	57 344	837	339 479	401 383
Accumulated depreciation					
As at 1 July 2020	2 103	1 049	457	15 730	19 339
Depreciation	591	7 892	184	23 512	32 179
Disposal	(843)	–	(7)	–	(850)
As at 30 June 2021	1 851	8 941	634	39 242	50 668
Carrying value as at 30 June 2021	1 872	48 403	203	300 237	350 715

During the six-month period ended 31 December 2021, there were additions of R115,4 million (2020: R109,8 million) to mine infrastructure and equipment. The additions relate mainly to the development of the Moeijelijk underground mine and additions to the wash plant of R3,3 million (2020: R3,6 million).

7. Inventory

	Unaudited 31 Dec 2021 R'000	Restated 31 Dec 2020 R'000	Restated 30 Jun 2021 R'000
Chrome ore	127 447	63 929	105 840
Write-off of inventory to net realisable value	(49 846)	(6 033)	(19 843)
Balance at the end of the period	77 601	57 896	85 997

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 lower PGM pricing, with the average basket price decreasing by 18,3% in rand terms from the 30 June 2021 year-end, and significantly increased road hauling costs due to the increased diesel price. Together, this has reduced Bauba's profit share from processing its PGM-rich chrome tailings at Moeijelijk Mine.

8. Borrowings

Bauba A Hlabirwa US dollar loan

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$5,0 million which had been fully drawn down by July 2020. The loan is repayable in 33 equal monthly instalments. Repayment 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.

Bauba A Hlabirwa mining contractor financed loan

In October 2020, a key mining contractor entered into a long-term loan agreement with a bank to finance mining infrastructure and purchased equipment in order to mine the resource as per their agreement with Bauba. The total principal amount under the agreement is ZAR82,1 million which had been fully drawn down by October 2020. The loan is repayable in 30 equal monthly instalments. Repayment commenced at the end of May 2021. Bauba must repay the contractor these exact loan instalments until the loan is fully settled. Bauba Resources has also provided a parent guarantee and indemnity for execution of a guarantee issued by the insurer to the lender in respect of the loan. The recognition of this loan has resulted in a prior year restatement (refer to note 13).

The loan is a fixed rate (7%), rand-denominated loan which is carried at amortised cost. A 3,25% per annum premium rate was charged by the insurer to guarantee the repayment of the loan to the lender.

8. Borrowings continued

Bauba Resources

In April 2021, the company entered into a long-term agreement to finance the acquisition of the remaining 52% of Nuco Chrome and for the development of Nuco Chrome's opencast operations. The total principal amount in terms of the agreement is US$5,0 million. The loan is repayable in 30 equal monthly instalments, commencing at the end of January 2022.

The loan is a fixed rate (6,25%), US dollar-denominated loan which is carried at amortised cost. A loan structuring fee of 5,00% and an administration fee of 2,75% are also payable on the outstanding loan amount.

Borrowings	Unaudited 31 Dec 2021 R'000	Restated 31 Dec 2020 R'000	Restated 30 Jun 2021 R'000
Opening balance	132 632	70 637	70 637
Drawdowns	50 000	99 468	103 265
Repayment	(37 285)	(14 930)	(37 185)
Finance costs	7 119	3 050	8 048
Foreign exchange loss/(gain)	10 433	(12 611)	(12 133)
	162 899	145 614	132 632
Current	88 952	46 130	63 171
Non-current	73 947	99 484	69 461

A foreign exchange loss of R10,4 million (2020: gain of R12,3 million) was incurred for the six months ended at 31 December 2021 due to the weakening of the US$/ZAR exchange rate from 14,62 as at 31 December 2020 to 15,95 as at 31 December 2021.

9. Proceeds from borrowing

Proceeds from borrowing of R50 million were used to fund the acquisition of a further 52% in Nuco Chrome.

Bauba purchased a 74% shareholding in Nuco Chrome, as detailed in the SENS announcements published on 23 July 2019 and 5 July 2021. 22% was acquired in July 2019 with the remaining 52% being acquired subsequent to the year ended 30 June 2021 (in July 2021). Nuco Chrome is an exploration and mining company with mineral rights for various minerals, including chrome ore and PGEs.

	31 Dec 2021 R'000
Net assets of Nuco Chrome at acquisition date	8 629

9. Proceeds from borrowing continued

	30 Jun 2021 R'000
Nuco Chrome balance sheet	
ASSETS	
Intangible assets	19 543
Property, plant and equipment	2 213
Trade and other receivables	552
Cash and cash equivalents	611
Investment in subsidiary	–
Total assets	22 919
LIABILITIES	
Loan from shareholder	(15 795)
– Bauba Resources	(7 072)
– DC Butler (taken over by Bauba Resources Limited)	(8 623)
– RBNDT	(100)
Other financial liabilities	(12 762)
– DC Butler (taken over)	(781)
– Evergreen Legacy (taken over)	(11 981)
Payables control	(2 991)
Total liabilities	(31 548)
EQUITY	
Share capital	–
Accumulated loss	8 629
Total equity	8 629
Amount paid	
– June 2019 (22% shareholding)	10 000
– July 2021 (additional 52% shareholding)	50 000
Net income of Nuco Chrome since acquisition	(2 047)

10. Loans from shareholders

In October 2019, the group entered into a loan agreement with a shareholder for an amount of R10 million repayable on 30 April 2022. Interest on the loan is fixed at 5,8% and the loan is carried at amortised cost.

In March 2021, the company entered into a loan agreement with a shareholder for an amount of R10,5 million repayable on or before 28 February 2022. The loan is an unsecured variable rate loan (prime plus 2%) that is carried at amortised cost.

An additional working capital facility was made available to Bauba by the aforementioned shareholder. The loan bears interest at 12% and is unsecured.

Shareholder loans	Unaudited 31 Dec 2021 R'000	Restated 31 Dec 2020 R'000	Restated 30 Jun 2021 R'000
Opening balance	20 677	10 000	10 000
Loan advanced	102 645	10 000	20 500
Loan repaid	(39 145)	–	(10 000)
Finance costs capitalised	–	299	–
Finance costs incurred	1 038	–	1 492
Finance costs paid	(382)	–	(1 315)
Closing balance	84 833	20 299	20 677
Current	84 833	50	20 677
Non-current	–	20 249	–

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 bear interest at between 11,0% to 13,6%. Right-of-use assets have 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%.

Leases relating to the rental of land for mining bear interest at 3,67% and are repayable in monthly payments over 119 months.

	Unaudited 31 Dec 2021			
	Nuco lease – RBNDT	Motor vehicles R'000	Mining equipment R'000	Total R'000
Right-of-use assets				
Balance at the beginning of the period 1 July 2021	–	382	48 021	48 403
– additions	67 810	–	9 628	77 438
– depreciation	–	(133)	(4 561)	(4 694)
Balance at the end of the period 31 December 2021 (unaudited)	67 810	249	53 088	121 147
Lease liability				
Balance at the beginning of the period 1 July 2021	67 810	458	33 130	101 398
– finance costs	–	19	3 490	3 509
– lease payments	–	(75)	(12 014)	(12 089)
Balance at the end of the period 31 December 2021 (unaudited)	67 810	402	24 606	92 818
Current	5 703	118	15 807	21 628
Non-current	62 107	284	8 799	71 190

11. Leases continued

	Restated 31 Dec 2020		
	Motor vehicles R'000	Mining equipment R'000	Total R'000
Right-of-use assets			
Balance at the beginning of the period 1 July 2020	489	4 367	4 856
– additions	–	47 782	47 782
– depreciation	(45)	(7 534)	(7 579)
Balance at the end of the period 31 December 2020 (restated)	444	44 615	45 059
Lease liability			
Balance at the beginning of the period 1 July 2020	562	4 513	5 075
– additions	–	37 304	37 304
– finance costs	23	1 972	1 995
– lease payments	(74)	(6 705)	(6 779)
Balance at the end of the period 31 December 2020 (restated)	511	37 084	37 595
Current	108	11 610	11 718
Non-current	403	25 474	25 877

11. Leases continued

	Restated 30 Jun 2021		
	Motor vehicles R'000	Mining equipment R'000	Total R'000
Right-of-use assets			
Balance at the beginning of the period 1 July 2020	489	4 367	4 856
– additions	–	51 439	51 439
– depreciation	(107)	(7 785)	(7 892)
Balance at the end of the period 30 June 2021	382	48 021	48 403
Lease liability			
Balance at the beginning of the period 1 July 2020	562	4 513	5 075
– additions	–	40 961	40 961
– finance costs	44	3 644	3 688
– lease payments	(148)	(15 988)	(16 136)
Balance at the end of the period 30 June 2021	458	33 130	33 588
Current	113	13 626	13 739
Non-current	345	19 504	19 849

There are no contingent payables, restrictions nor covenants imposed on these leases. Leases are all fixed-term leases with no variable portion.

NOTES TO THE CONDENSED CONSOLIDATED RESULTS continued

for the six months ended 31 December 2021

12. Operating segments

	Chrome projects R'000	Platinum exploration R'000	Corporate R'000	Intragroup elimination R'000	Total R'000
31 December 2021 (unaudited)					
Revenue	**202 248**	**–**	**9 624**	**(9 624)**	**202 248**
Loss before tax	**(53 946)**	**–**	**(10 978)**	**–**	**(64 924)**
Income tax credit	**11 361**	**–**	**–**	**–**	**11 361**
Loss after tax	**(42 585)**	**–**	**(10 978)**	**–**	**(53 563)**
Finance income	**3**	**–**	**2 327**	**(2 257)**	**73**
Finance cost	**(6 449)**	**–**	**(3 813)**	**1 155**	**(9 107)**
Depreciation, amortisation and impairment	**(27 060)**	**–**	**(41)**	**–**	**(27 101)**
Share of loss of associate	**–**	**–**	**–**	**–**	**–**
Total assets	**785 401**	**20 161**	**196 767**	**(162 450)**	**839 879**
Total liabilities	**(548 815)**	**–**	**(143 260)**	**162 450**	**(529 625)**
31 December 2020 (restated)					
Revenue	110 459	–	5 817	(5 817)	110 459
Loss before tax	(38 479)	–	(3 512)	–	(41 991)
Income tax expense	9 586	–	–	–	9 586
Loss after tax	(28 893)	–	(3 512)	–	(32 405)
Finance income	29	–	298	(27)	300
Finance cost	(5 478)	–	(280)	27	(5 731)
Depreciation and amortisation	(22 278)	–	(44)	–	(22 322)
Share of loss of associate	(40)	–	–	–	(40)
Total assets	503 485	20 161	15 111	4 192	542 949
Total liabilities	(287 074)	–	(4 632)	(4 192)	(295 898)

12. Operating segments continued

	Chrome projects R'000	Platinum exploration R'000	Corporate R'000	Intragroup elimination R'000	Total R'000
30 June 2021 (restated)					
Revenue	277 100	–	13 795	(13 795)	277 100
Loss before tax	(32 490)	–	(4 382)	–	(36 872)
Income tax credit	5 475	–	–	–	5 475
Loss after tax	(27 015)	–	(4 382)	–	(31 397)
Finance income	590	–	1 208	(676)	1 122
Finance cost	(11 627)	–	(746)	676	(11 697)
Depreciation and amortisation	(42 730)	–	(82)	–	(42 812)
Share of loss of associate	(519)	–	–	–	(519)
Total assets	585 224	20 161	113 818	(109 291)	609 912
Total liabilities	(362 032)	–	(27 238)	109 291	(279 979)

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.

13. Earnings per share

	Unaudited 31 Dec 2021 R'000	Restated 31 Dec 2020 R'000	Restated 30 Jun 2021 R'000
Headline loss reconciliation			
Loss attributable to equity holders of the parent	**(39 431)**	(22 479)	(24 357)
Loss on disposal of assets	**–**	136	304
Headline earnings/(loss)	**(39 431)**	(22 343)	(24 053)
Reconciliation of weighted average number of shares			
Weighted average number of shares, before the rights issue ('000)	**640 515**	379 020	462 854
Bonus element of rights issue adjusted for prior periods ('000)	**13 236**	13 236	13 236
Rights issue 29 November 2021 ('000)	**19 113**		
Weighted average number of shares adjusted for rights issue ('000)	**672 864**	392 256	476 090
Basic and diluted headline loss per share (cents) as previously stated before the rights issue	**(6,16)**	(5,89)	(5,20)
Basic and diluted headline loss per share (cents) as previously restated before the rights issue	**(6,16)**	(5,89)	(5,20)
Basic and diluted loss per share (cents) as stated before the rights issue	**(6,16)**	(5,89)	(5,20)
Basic and diluted loss per share (cents) as restated before the rights issue	**(5,86)**	(5,70)	(5,05)

Headline earnings per share has been calculated in accordance with the SAICA Circular 1/2021 entitled Headline Earnings which forms part of the JSE Listings Requirements.

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. The market price of 42% chrome concentrate increased from US$157,50 (China CIF) at the beginning of the financial period to US$175,00 (China CIF) at the end of the financial period. The current market price is US$223,50 (China CIF) as at end March 2022, while the US$/ZAR exchange rate has remained relatively flat from 15,95 at the end of the financial period to 14,53 on 29 March 2022. If the chrome price drops below end June 2021 levels for an extended period, or if the US$/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 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.

To the extent necessary, shareholders have provided an indication of sufficient financial assistance to assure liquidity, where necessary, on Bauba's part.

15. Subsequent events

Raubex Proprietary Limited has acquired a beneficial interest in additional Bauba shares such that Raubex now holds and/or controls the voting rights in respect of an aggregate number of 382 881 113 shares, being circa 51% of the issued share capital. Consequently, Raubex is obliged to make a mandatory offer in terms of section 123 of the Companies Act (read with section 117 of the Companies Act and regulation 86 of the Takeover Regulations) as Raubex is in a position to exercise more than 35% of the voting rights attaching to the shares.

The closing date of the mandatory offer is Friday, 27 May 2022.

14 April 2022
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
"Bauba" or "the company" or "the group"

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Dr NM Phosa*
T Baring
R Shedlock
J Wessels
J Le Roux
E Nel*
** Independent*

Executive
JA Knowlden *(Acting chief executive officer)*

Company secretary
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Sponsor
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Attorneys
Tabacks Legal Advisors
Webber Wentzel

Banker
Nedbank Limited

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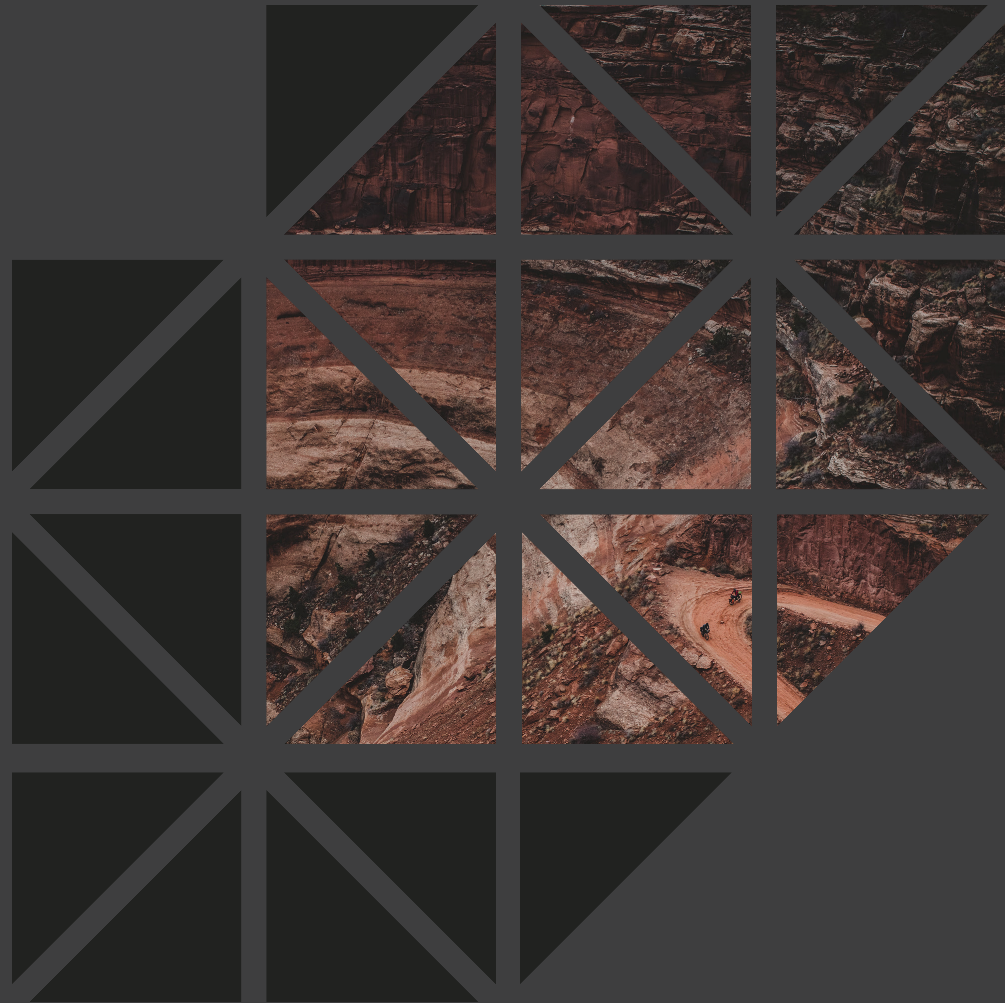

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