

REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2012

HIGHLIGHTS

- > At 30 June 2012 a total of 68 894 shifts, equalling 655 927 man hours, were recorded free of any fatality or lost time injury. Since the beginning of the project up to 30 June 2012 the project is fatality and injury free.
- > The priority attention to safety has again yielded very good results and we also acknowledge the major role that our various contractors play in this result.
- > The Bakubung Platinum Mine has over the last six months employed an average of 30% of total workforce from the local community.
- > Wesizwe announced a revised capital budget estimate for the Bakubung Platinum Mine of R7.9 billion (real terms in 2011) compared to R6.5 billion previously estimated.
- > Appointment of Aveng Grinaker-LTA Mining as the shaft sinking contractor for the Bakubung Platinum Mine.

Wesizwe Registration number 2003/020161/06

Share code: WEZ ISIN: ZAE000075859 ("Wesizwe" or "the Group")

www.wesizwe.com

Condensed consolidated statement of financial position

Note	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2 886 939	2 584 184	2 664 691
Available-for-sale financial asset	1 951 091	1 657 227	1 734 383
Investment in equity accounted investee	15 719	11 749	13 760
	920 129	915 208	916 548
Current assets			
Loan to the Bakubung community	1 126 632	1 333 820	1 276 472
Other receivables	31 859	4 464	30 128
Taxation	4 724	–	9 544
Restricted cash	61 494	28 244	69 307
Cash and cash equivalents	1 028 555	1 285 900	1 167 493
Total assets	4 013 571	3 918 004	3 941 163
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	16	16	16
Share premium	3 425 528	3 425 528	3 425 528
Share-based payment reserve	472 179	472 179	472 179
Available-for-sale financial asset reserve	1 948	1 012	1 529
Accumulated loss	(270 030)	(309 015)	(274 030)
Non-current liabilities	281 977	285 251	281 362
Deferred tax liability	268 844	285 251	268 775
Environmental rehabilitation obligation	13 131	–	12 587
Current liabilities	101 953	43 033	34 579
Trade and other payables	100 673	23 800	33 299
Taxation	1 280	19 233	1 280
Total equity and liabilities	4 013 571	3 918 004	3 941 163

Condensed consolidated statement of comprehensive income

Note	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Operations			
Other income	83	96	–
Administration expenditure	(27 256)	(17 491)	(51 895)
Share of profit/(loss) of equity accounted investee (net of tax)	3 581	(7 012)	3 515
Impairment of loan to the Bakubung community	(2 741)	(3 793)	(8 257)
Loss on dilution of interest in equity accounted investee	–	–	(9 187)
Net operating costs	(26 333)	(28 200)	(65 824)
Financial			
Interest income	35 225	3 403	46 255
Foreign exchange loss	–	(4 666)	(4 666)
Interest expense	(1)	(2 061)	(486)
Net financial income/(expense)	35 224	(3 324)	41 103
Profit/(loss) from operations	8 891	(31 524)	(24 721)
Equity financing			
Share based payment expense	–	(408 002)	(408 002)
Foreign exchange gain on proceeds	–	60 585	60 585
Net equity financing costs	–	(347 417)	(347 417)
Profit/(loss) before tax	8 891	(378 941)	(372 138)
Income tax	(4 891)	(14 371)	13 811
Profit/(loss) for the period	4 000	(393 312)	(358 327)
Other comprehensive income			
Increase in fair value of the available-for-sale financial asset	419	–	517
Total other comprehensive income	419	–	517
Total comprehensive income/(loss) for the period	4 419	(393 312)	(357 810)
Earnings/(Loss) per share			
Basic earnings/(loss) per share (cents)	0.25	(36.97)	(26.58)
Diluted earnings/(loss) per share (cents)	0.25	(36.97)	(26.58)
Headline earnings/(loss) per share (cents)	0.25	(36.61)	(25.90)

Condensed consolidated statement of changes in equity

	Share capital R'000	Share premium R'000	Share-based payment reserve R'000	Available-for-sale reserves R'000	(Accumulated loss)/retained earnings R'000	Total R'000
Balance at 1 January 2011	8	1 955 159	65 384	1 012	84 297	2 105 860
Shares issued – Chinese consortium	8	1 505 002	–	–	–	1 505 010
Share issue expenses	–	(34 633)	–	–	–	(34 633)
Share-based payment expenditure	–	–	406 795	–	–	406 795
Loss for the period	–	–	–	–	(393 312)	(393 312)
	16	1 470 369	406 795	–	(393 312)	1 483 860
Balance at 30 June 2011	16	3 425 528	472 179	1 012	(309 015)	3 589 720
Other comprehensive income	–	–	–	517	–	517
Profit for the period	–	–	–	–	34 985	34 985
	–	–	–	517	34 985	35 502
Balance at 31 December 2011	16	3 425 528	472 179	1 529	(274 030)	3 625 222
Other comprehensive income	–	–	–	419	–	419
Profit for the period	–	–	–	–	4 000	4 000
	–	–	–	419	4 000	4 419
Balance at 30 June 2012	16	3 425 528	472 179	1 948	(270 030)	3 629 641

Condensed consolidated statement of cash flows

Note	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Cash flows from operating activities			
Finance income	36 423	(27 015)	(61 548)
Finance expense	37 008	3 403	26 068
Taxation paid	(1)	(2 061)	(156)
	–	–	(15 791)
Cash generated by/(utilised in) operations	73 430	(25 673)	(51 427)
Cash flows utilised by investing activities			
Acquisition of property, plant and equipment	(216 858)	(74 284)	(139 571)
Purchase of available-for-sale financial asset	(1 540)	(1 466)	(2 906)
Net cash utilised in investing activities	(218 398)	(75 750)	(142 531)
Cash flows from financing activities			
Capital raised from issue of shares	–	1 565 595	1 565 595
Share issue expenses	–	(34 633)	(34 633)
Bridging loan raised	–	17 800	17 800
Bridging loan	–	(51 070)	(51 070)
Equalisation liability repaid	–	(120 834)	(125 830)
Net cash from financing activities	–	1 376 858	1 371 862
Net (decrease)/increase in cash and cash equivalents	(144 968)	1 275 435	1 177 904
Cash and cash equivalents at the beginning of the period	1 216 613	38 709	38 709
Cash and cash equivalents at the end of the period	1 071 645	1 314 144	1 216 613
Cash and cash equivalents at the end of the period comprises:			
Cash and cash equivalents	1 010 151	1 285 900	1 147 306
Restricted cash	61 494	28 244	69 307
Cash at end of year	1 071 645	1 314 144	1 216 613
Interest accrued	18 404	–	20 187
	1 090 049	1 314 144	1 236 800

Notes to the condensed consolidated interim financial information

For the six months ended 30 June 2012

1. Reporting entity

Wesizwe Platinum Limited ("Wesizwe" or "the Company") is a Company domiciled in the Republic of South Africa. The condensed consolidated interim financial information of the Company as at 30 June 2012 comprise the Company, its subsidiaries and the Group's interest in its equity accounted investee (together referred to as the "Group"). The consolidated financial statements of the Group for the year ended 31 December 2011 are available upon request from the Company's registered office at Unit 13, 2nd Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg, 2076 or at www.wesizwe.com.

2. Statement of compliance

The condensed consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board and AC 500 standards issued by the Accounting Practice Committee and the requirements of the Companies Act of South Africa, No 71 of 2008. It does not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011. The condensed consolidated interim financial information was approved by the board of directors on 20 September 2012.

3. Significant accounting policies

The accounting policies applied by the Group in the condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2011.

4. Estimates

The preparation of the interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were, except as described below, the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

During the six months ended 30 June 2012 management reassessed its estimates in respect of:

- The investment in Maseve Investments 11 (Pty) Ltd, (refer note 7)
- Rehabilitation liability (refer to the 2011 integrated report page 97)

5. Going concern

The current cash resources are adequate to fund the project development and administrative costs up to the end of the first quarter 2013. At that stage the Company will become dependent on the availability of the loan funding in the amount of US\$650 million that China-Africa Jinchuan Investments Ltd, is committed to provide in terms of the subscription agreement signed in May 2011 and is in process, together with the executive directors of Wesizwe, of securing a loan facility with China Development Bank.

In view of the prevailing market conditions, and recent events in the local platinum sector, management regarded it prudent to make contingency plans in the event that delays are experienced in finalising the US\$650 million debt facility. To this end a local bridging facility is being pursued for an amount sufficient to fund the project until December 2013. In addition, the Company is in the process of implementing an aggressive cash preservation plan to postpone, or eliminate if possible, all expenditure not directly associated with the project's critical path. The Company will maintain a minimum cash reserve to ensure cash commitments can be met at all times.

Every endeavour is being made to ensure the most favourable result for the Group, but should none of the above come to fruition, a material uncertainty exists whether the Group would be able to realise its assets and discharge its liabilities in the ordinary course of business.

6. Property, Plant and Equipment

During the period under review an amount of R217.4 million was capitalised to property, plant and equipment as part of the activities to develop the mine.

At the reporting date property, plant and equipment consisted of the following categories of assets:

	Property, plant and equipment R'000	Construction work-in-progress R'000	Mineral rights R'000	Total R'000
Opening balance	13 139	663 515	1 057 729	1 734 383
Acquisitions during the period	11 201	206 207	–	217 408
Disposals	(6)	–	–	(6)
Depreciation	(694)	–	–	(694)
Closing balance	23 640	869 722	1 057 729	1 951 091

No additions have been made in respect of mineral rights during the period under review.

7. Investment in equity accounted investee

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Opening balance	916 548	922 220	922 220
Share of profit/(loss) of equity accounted investee	3 581	(7 012)	3 515
Loss on dilution of interest	–	–	(9 187)
Closing balance	920 129	915 208	916 548

8. Impairment of loan to the Bakubung community

As previously reported, the Company was requested by the DMR to assist the Bakubung-Ba-Ratheo Royal Family and the community in their efforts to obtain proper accounting for the community's assets in relation to Wesizwe. Consequently, funds were advanced by Wesizwe by way of direct payment to service providers. In 2010 the courts made a ruling in favour of the community that the cost of legal proceedings be paid by the respondents.

In evaluating the recoverability of the loan, management is of the opinion that the recoverability of the non-legal fees within the next 6 to 12 months is doubtful and, in adopting a conservative approach, has accordingly impaired the loan for accounting purposes.

At the reporting date, Wesizwe had accrued for further legal expenses incurred in 2010 with reference to the matter explained above. An amount of R2.7 million was paid to service providers subsequent to the reporting date on behalf of the community.

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Opening balance	–	8 257	8 257
Loan advanced to the community	2 741	–	–
Loan impaired	(2 741)	(3 793)	(8 257)
Closing balance	–	4 464	–

9. Restricted cash

Restricted cash covers the following guarantees:

- R28.7 million (June 2011: R27.4 million) in favour of the DMR on issue of the mining licence;
- R0.9 million (June 2011: R0.8 million) guaranteed to the landlord for the operating lease agreement; and
- R31.8 million (June 2011: Rnil) in favour of Eskom for phase 1 bulk power supply to the Bakubung Platinum Mine.

10. Share capital and share premium

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Authorised	2 000 000 000 (2011: 2 000 000 000) ordinary shares of R0.00001 each	20	20
Issued	1 627 827 058 (2011: 1 627 827 058) ordinary shares of R0.00001 each	16	16

Share premium

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Opening balance	3 425 528	1 955 159	1 955 159
Premium on issue of shares	–	1 505 002	1 505 002
Share issue expenses	–	(34 633)	(34 633)
Closing balance	3 425 528	3 425 528	3 425 528

A special resolution in respect of the Share Capital Conversion and the Memorandum of Incorporation adoption was registered with CIPC on Monday, 3 September 2012. Shareholders were accordingly advised that the Company's shares commenced trading as shares of no par value on 6 September 2012.

11. Taxation

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Current year – normal taxation	(4 820)	(19 233)	(7 527)
Current year – deferred taxation	(71)	4 862	21 338
Total	(4 891)	(14 371)	13 811

Reconciliation of effective tax rate

	%	%	%
Standard tax rate	28.0	28.0	28.0
Assessed loss utilised/not utilised	–	7.9	7.9
Non-deductible expenses	27.0	(32.1)	(32.5)
Share of loss on dilution of equity accounted investee	–	–	0.3
	55.0	3.8	3.7

12. Financial results

As the Group is developing a mine, it will not earn revenue from mining activities until such time as the mine is brought into production.

The profit after tax for the six months under review was R4.0 million (2011: total loss of R393.3 million). The total profit for the period comprises administration expenses of R27.3 million, share of income of equity accounted investee of R3.6 million, and net financial income of R35.2 million.

Administration expenses of R27.3 million comprise the following:

- Depreciation – R0.7 million (June 2011: R0.6 million)
- Professional fees – R2.9 million (June 2011: R0.5 million)
- Directors' expenses – R3.5 million (June 2011: R1.5 million)
- Salaries and payroll related expenses – R11.2 million (June 2011: R6.7 million)
- Marketing expenses and investor relations – R2.7 million (June 2011: R1.9 million)
- Community sustainability projects – R1.8 million (June 2011: R1.1 million)
- Other administrative overheads – R4.5 million (June 2011: R5.2 million)

The basic earnings per share for the period was 0.25 cents per share (June 2011: basic loss of 36.97 cents per share). The headline earnings per share was 0.25 cents per share