REPORTING ON MINERAL RESOURCES

The following section of the JSE Listing Requirements regarding the minimum contents of Annual Reports (Mineral Companies) refers:

Section 12.11 iii (7) - *description of the methods and the key assumptions and parameters by which the Mineral Resources and Mineral Reserves were estimated and classified.*

This section dealing with key assumptions and parameters utilised during the classification of Mineral Resources and estimation of Mineral Reserves was non-purposefully omitted in the Wesizwe Integrated Annual Report (IAR) of 2015. This information has been and still is available within the company and was prepared by Wesizwe's Competent Persons as disclosed in the 2015 IAR.

Wesizwe will never wilfully omit or withhold material information from the JSE and other stakeholders and therefore release this SENS to correct any misconception that might have arose from not disclosing information pertaining to **Section 12.11 iii (7).**

MINERAL RESOURCE CLASSIFICATION

The following considerations have been employed in the final classification of the Mineral Resources.

STRUCTURE

The structural model and subsequent 3D seismic survey of the project has identified a structurally complex area in the south-western corner of the project. Further, a number of drill holes in the extreme west of the project area have not had acceptable intersections of Merensky Reef or UG2 Reef as a result of IRUPs or faulting.

The area to the southwest has been interpreted by the 3D seismic survey as being a basement high of older Transvaal age lithologies into which the RLS was intruded and against which these lithologies now abut. It has been interpreted that both the Merensky Reef and UG2 Reef on-lap against this basement high at depth and thus no Merensky Reef or UG2 Reef occurs in this region.

The area to the far west of Ledig which abuts against the farm Koedoesfontein 94JQ has a number of faults, intrusives and IRUPs all of which have been intersected in the drill holes and which has been identified in the 3D seismic survey. As number of drill holes did not achieve reliable and identifiable intersections of either the Merensky Reef or UG2 Reef, it is for this reason that an "Exclusion Zone" has been created.

As a result these two areas have not been estimated and are not included in the Mineral Resource. Cognizance is taken of the local structural complexity before upgrading any blocks to the Indicated or Measured category.

BOUNDARY CONDITIONS

An overriding consideration is taken of the risk associated with the confidence of the boundary of the facies types before upgrading blocks from Inferred to Indicated Mineral Resources.

KRIGING EFFICIENCY

KE is calculated using the formula:

$$KE = \frac{BlockVariance - Kriging\ Variance}{Block\ Variance}$$

KE has been chosen as the guideline for classification over other more stringent methods previously applied to this project due to the support given by the geological continuity of the two reefs from the 3D seismic survey.

CLASSIFICATION PROCESS

All blocks within the Merensky Reef and UG2 Reef Mineral Resource area are considered to be in the Inferred category as a minimum and due to either a lack of data density or the effect of structure certain blocks within both the Merensky Normal Footwall and Detached facies remain in the Inferred category.

For the Merensky Reef Blocks with a KE > 0.3 are deemed to be in the Indicated category and a KE > 0.5 are deemed to be in the measured category.

GEOLOGICAL LOSSES

A percentage geological loss has been applied to the tonnage estimate for each block. The geological loss is estimated by considering the geological losses encountered while drilling as a percentage of the completed holes. The percentage of geological losses encountered due to faulting, intrusive activity, IRUPs and potholing is below 25% in both the Merensky Reef and UG2 Reef however, based on the experience of The Mineral Corporation in dealing with other Merensky Reef and UG2 Reef projects in this area, a minimum geological loss of 25% is applied to the Merensky Reef and 27.5% to the UG2 Reef.

MINERAL RESERVE CLASSIFICATION

The Basic Grade Equation (BGE) for the lease area provides a compilation of geological and mining information relevant to the project.

Tables 1 and 2 below summarise the key modifying factors identified from the nature of the resources and the mining methods employed.

In these tables the geological losses have been split into geological losses including faults and intrusions; and geological losses included in the scheduling efficiency (bracket pillars, inaccessible areas etc.) and off reef mining losses.

Table 1: BGE for Merensky reef (indicated and inferred resources included)

BASIC GRADE EQUATION				
Resource	Geological information	Reef-type	Ind.& Inf.	Merensky
		Average reef dip	Degrees	5°
		Mining width	m	1.45
		Mining width grade	g/t	6.05
		Average relative density	t/m^3	3.16
		Geological losses	%	25
		Resource tonnage	Mil. ton	36.032
		4E resource content	Mil. oz	7.010
	Mining information	Planned dilution (ASD, raises, winch beds)	%	10.8
		Over-break/dilution (incl. Fall of ground (FOG), scaling, etc.)	%	5.7
		Total dilution	**%**	**16.5**
		Gulley pillars	%	4.2
		Regional pillars	%	4.1
		Boundary pillar	%	1.4
		Reef in foot (RIF) /Reef in hanging (RIH)	%	1.0
		Mining quality (off-reef mining)	%	0.1
		Total mining losses	**%**	**9.8**
		4E content (after dilution)	Mil. oz	6.940
		4E content (after mining losses)	Mil. oz	6.287
		Head grade before applying MCF	**g/t**	**5.15**
		Mine Call Factor (MCF)	%	95
		4E content (after 95% MCF)	M oz	5.972
Head grade		**Head grade after applying MCF of 95%**	**g/t**	**4.90**

The total grade dilution for Merensky is considered in line with typical industry dilution values.

Table 2: BGE for UG2 reef (indicated and inferred resources included)

BASIC GRADE EQUATION				
Resource	Geological information	Reef type	Ind.& Inf.	UG2
		Average reef dip	Degrees	5°
		Mining width	m	1.46
		Mining width grade	g/t	4.52
		Average relative density	t/m^3	3.80
		Geological losses	%	27.5
		Resource tonnage	Mil. ton	42.973
		4E resource content	Mil. oz	6.250
	Mining information	Planned dilution (ASG, raises, winch beds)	%	9.9
		Over-break/dilution (including FOG, scaling, etc.)	%	7.9
		Total dilution	**%**	**17.8**
		Gulley pillars	%	4.2
		Regional pillars	%	4.1
		Boundary Pillar	%	1.4
		Reef in foot (RIF) /Reef in hanging (RIH)	%	1.0
		Mining quality (off-reef mining)	%	0.1
		Total mining losses	**%**	**9.8**
		4E content (after dilution)	Mil. oz	6.188
		4E content (after mining losses)	Mil. oz	5.605
		Head grade before applying MCF	**g/t**	**3.81**
		Mine Call Factor (MCF)	%	95
		4E Content (after 95% MCF)	Mil. oz	5.325
Head grade		**Head grade after applying MCF of 95%**	**g/t**	**3.62**

The total grade dilution for UG2 is higher than the typical industry dilution and is thus considered conservative.

DISCUSSION OF MERENSKY REEF MODIFYING FACTORS

1. Planned waste dilution

The planned waste dilution accounts for the waste generated from the development of reef access drive (RADs), reef raises, ASGs and the blasting of winch beds.

For the development of the hanging wall tipping points it is assumed that a low-profile single-boom drill rig is used (e.g. Sandvik DD210) and the hole length drilled is 3.4m, then the total boom length is 5.7m (12 foot type). Therefore, in a 3.0m high excavation, it will not be possible to drill the additional 2.0m for the slyping required for the planned 5.0m high tipping points out vertically.

> (© Mineral Corporation Consultancy (Pty) Ltd Report No. C-BAK-ORA-1465-907, February 2014. A Review of the Mineral Resource Inputs and Mineral Resource to Mineral Reserve Conversion for the Bakubung Platinum Mine Optimisation Study)

Thus, based on The Mineral Corporation's experience, it is likely that at the planned tipping point positions, the face height will be increased to 5.0m for possibly three advances of 3.0m each, and thereafter reduced back to the planned reef raise height of 3.0m. Generally, to minimise damaged ground and thus potential risks, best practice dictates the use of smooth wall blasting, which will not be possible if the holes are drilled either vertically or at a steep (greater than 65°) angle. It should be noted that the maximum reach in terms of height of the DD210 is 4.4m so the top holes may have to be drilled at a slight upward angle.

The Mineral Corporation recognises that it would be possible to carry out the slyping operation in two horizontal cuts, but once again past experience indicates that, due to timing constraints and potential increase in costs, this is unlikely to happen.

As a result of the likely approach to excavating the tipping points, there is a risk that the resultant waste produced could be trammed to reef, thereby potentially reducing the run of mine head grade by 1.1%.

However, it has been indicated in the Optimisation that the waste generated from the development of the hanging wall tipping points (i.e. via slyping) has been excluded, because it has been assumed that the waste will be hauled directly to the shaft waste rock passes (using trucks). This is potentially achievable but will however require strict management controls. Failure to implement these controls will result in the reduction in the head grade as indicated above.

2. Planned and unplanned over-break

Taking into account the relatively thick Mineral Resource width and benchmarking against similar operations, the levels of over-break planned appears reasonable.

3. Pillar losses

An extensive rock engineering study has been conducted for the Study utilising cores from over 53 boreholes and information gathered from operations in the area and taking into account the local geotechnical environment.

The key elements utilised in the study are:

- The general geological and geotechnical environment;
- Rock quality designation;
- Rock mass rating;
- Rock mass uniaxial compressive strength;

- Rock quality index;
- The potential presence of groundwater;
- Weathering status;
- Stress regimes;
- Average mining depths;
- Mining sequence; and
- Support regimes.

The elements listed above were utilised to design the various pillar support requirements. The pillar designs were then integrated into the physical mine model for scheduling purposes.

4. Gulley pillar losses

The Merensky Reef gully pillar losses account for the in-stope panel crush pillars. As these pillars are accounted for in the stope designs, the planned loss associated with the pillars appear reasonable and benchmarks well against general industry practice. 6

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5. Regional pillar losses

The Merensky Reef regional pillar losses account for the pillars required between the RADs in addition to the 5m bracket pillars allowed for on either side of the various geological structures (faults and dykes) identified in the structural model. As these pillars are accounted for in the stope and mine design schedules the planned loss associated with the pillars appear reasonable and benchmarks well against general industry practice.

6. Boundary pillar losses

A 9m boundary pillar on the Merensky Reef has been designed as per legal requirements to isolate the Bakubung Platinum Mine from its surrounding mines (Styldrift, WBJV Project 1 Platinum Mine and BRPM). As this pillar has been accounted for in the mine design, the forecasted loss associated with it is appropriate.

7. Reef left in the footwall / hangingwall

The allowance for reef losses in the BGE appears reasonable considering the Mineral Resource width and is aligned with general industry practice and benchmarks for orebodies with the same width.

8. Mining quality

Reviewing the general on-reef mining layout for the Merensky Reef and the limited amount of forecasted off-reef mining and based on the limited amount of information available, the planned level of losses associated with this off-reef mining appears reasonable. However, these losses will have to be monitored closely during the development of the mine as faults with a throw of less than 7m have probably not been identified by the 3D seismic survey.

To possibly mitigate the risk that the actual loss of reef and in-stope dilution could increase due to increasing amounts of fault negotiation required, it is suggested that the currently estimated frequency of faulting between the major identified faults 7m is benchmarked against mining operations in close proximity to Bakubung i.e. BRPM North Shaft and the forecasted loss adjusted as required.

9. Mine Call Factor (MCF)

The Mine Call Factor (MCF) applied of 95% benchmarks well against general industry performance.

10. Grade dilution

The total planned grade dilution for the Merensky Reef appears reasonable at 16.6%; however, if controls implemented to manage the waste dilution generated from the slyping of tipping points fail, this dilution could be increased by a further 1.1%.

DISCUSSION OF UG2 REEF MODFYING FACTORS

1. Planned waste dilution

The planned waste dilution accounts for the waste generated from the development of reef access drive (RADs), reef raises, ASGs and the blasting of winch beds.

As indicated previously, as a result of the likely approach to excavating the tipping points there is a risk that the resultant waste produced could be trammed to reef therefore potentially reducing the run of mine head grade by 0.9%.

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However as indicated previously, the Optimisation states that the waste generated from the development of the hanging wall tipping points has been excluded, because it has been assumed that the waste will be hauled directly to the shaft waste rock passes. As stated above, this is potentially achievable but will however require strict management controls. Failure to implement these controls will result in the reduction in the head grade.

2. Planned and unplanned over-break

Taking into account the relatively thick orebody width and benchmarking against similar operations, the levels of over-break planned appears reasonable.

3. Pillar losses

An extensive rock engineering study has been conducted for the Bakubung Platinum Mine operation. The pillar designs from this study were then integrated into the physical mine model for scheduling purposes.

4. Gulley pillar losses

The UG2 Reef gully pillar losses account for the in-stope panel crush pillars and the pillars required between the RADs. As these pillars are accounted for in the stope designs the planned loss associated with the pillars appear reasonable and benchmarks well against general industry practice.

5. Regional pillar losses

The UG2 Reef regional pillar losses account for the pillars required between twin RADs in addition to the 5m bracket pillars allowed for on either side of the various geological structures identified in the structural model. As these pillars are accounted for in the stope and mine designs, the

planned loss associated with the pillars appears reasonable and benchmarks well against general industry practice.

6. Boundary pillar losses

A 9m boundary pillar on the UG2 Reef has been designed as per legal requirements to isolate the Bakubung mining operation from surrounding mines. As this pillar has been accounted for in the mine design, the forecasted loss associated with it is appropriate.

7. Reef in the footwall / hangingwall

The allowance for reef losses in the BGE appears reasonable considering the Mineral Resource width and is aligned with general industry practice and benchmarks.

8. Mining quality

As with the Merensky Reef, the forecasted off-reef mining appears reasonable. However this will have to be monitored closely during the development of the mine as faults with a throw of less than 7m have probably not been identified in the 3D seismic survey.

To mitigate the risk that the actual loss of reef and in-stope dilution could increase due to increasing amounts of fault negotiation, it is suggested that the currently estimated frequency of faulting between the major identified faults (7m) is benchmarked against mining operations in close proximity to Bakubung Platinum Mine.

9. Mine call factor

The MCF applied of 95% benchmarks well against general industry performance.

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10. Grade dilution

The total planned grade dilution for the UG2 Reef appears reasonable at 17.9%; however, if controls implemented to manage the waste dilution generated from the slyping of tipping points fail, this dilution could be increased by a further 0.9%.