

# INVESTOR News

wesizwe

October 2016

## **BPM Project update**

The project is  
progressing

## **Project Executive presents at the**

Southern Africa  
Mining Chapter  
2016 conference:  
25 – 26 October  
2016

## **Procurement successfully**

concludes an  
order for mine  
equipment



# Welcome



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**On Friday 21 October, Wesizwe held a media briefing in Johannesburg.**

The idea was to share some insight with all stakeholders about the work that has been taking place throughout the year. In a form of presentations, information was shared about the company's Social and Labour Plan (SLP) projects and activities as well as the status of the Bakubung Platinum Mine project.

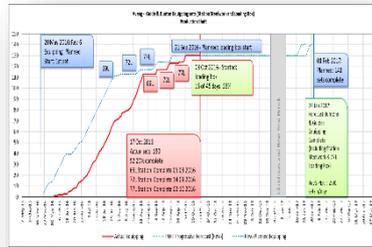
Amongst the things that were shared by the company for the benefit of its shareholders was the expenditure. So far, Wesizwe has spent R2.9bn on items such as electricity and water services, completing the services shaft, starting work on a ventilation shaft and bringing the main shaft near to completion.

An announcement was also made about a decision taken by management that for the first 10 years of the mine, Wesizwe will use two contract mining companies to mine on its behalf, while keeping procurement and construction management in-house. It is expected that the first contract will be awarded in about March next year.

As always, we hope you enjoy reading the edition of Investor news and we look forward to keeping you updated on all the latest project developments.

**Hamlet Morule**

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### BPM Project update

*The underground equipping is progressing well*

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### Project Executive presents at the Southern Africa Mining Chapter

*2016 conference: 25 – 26 October 2016*

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### Procurement successfully concludes an order for mine equipment

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### Events calendar

*Information on some of the forthcoming mining conferences and events to look out for*



## Project Executive presents at the Southern Africa Mining Chapter 2016 conference: 25 – 26 October 2016



The conference was a high powered delegation from most Southern African states hosted by the Mineral department of Mozambique. The theme of the conference was “**Accessing and Developing Southern Africa’s Mining Wealth**”

The topics ranged from looking at what should be done by the governments in the SADC region to package the mineral wealth as a viable investment opportunity to investors globally. The concepts of standardisation that are currently adopted internationally like CRISCO were discussed. It was also noted that most countries like China still need to develop the mineral reporting codes to be accepted internationally. But Africa needs to do this in order to assess and quantify the vast mineral resources that it possesses.

The capital required to bring in services and timing it takes normally causes investors to look elsewhere. However, according to Mr. Mothomogolo, “there are great developments and integration through the SADC on major transport and logistics programs to develop regional network or power, water and railway linkages.”

The first day of the conference was chaired by Wesizwe’s Project Executive: Mr. Mothomogolo and in his opening address he painted the context of the global economy against which any potential investment in the minerals industry is placed. “There is a systematic link to what is happening in the world in terms of economic growth, demand for minerals, commodity prices, and viability of mining projects and thus appetite for investment in the industry”, he said.

### Wesizwe shares survival strategies for junior miners

Wesizwe shared a paper on the second day of the conference on “**Strategies for survival by junior mining companies in the current market environment**”. The delegates were given an insight into how Wesizwe has since 2014 adopted a continual revision and option analysis of the anchor project the Bakubung Mine Project. The optimisation studies focusing on design reviews aimed to reduce capital spend, pull back on schedule but also process optimisation to create added capacity for flexibility.

The Wesizwe management and the board has also looked at and adopted strategic tactics like changing the project management model from traditional EPCM to owner managed. “The company also went on capital preservation causing some project non-critical packages mostly surface ancillaries to be moved to later and only focusing all resources on critical scopes of sinking and equipping the main shaft”, said Mr. Mothomogolo.

The latest announcement that Wesizwe has decided to use a mine contracting model for mining and processing whilst maintaining all management and control responsibilities for the first 10 years of mining. These are some of the major decisions adopted to create flexibility, building resilience into the project and thereby making the business model sustainable in these tough market conditions. Wesizwe also participated on a panel discussion where experts discussed topics on survival tactics that can be adopted by junior mining players to ensure that they become resilient in the current tough conditions.

The conference also focused discussions on strategies to attract investment to the mining sector in the SADC region. The questions like what are investors looking for when they make business decisions to invest, what is seen or perceived as investment risks, how do the current social and political landscape of SADC countries impact on the investor’s perceptions of risk.

### Challenges

*The current global economic slowdown and recovery has created a sustained lower demand for minerals use and demand. There is a potential recession looming for the USA as manufacturing sector has been in the last year with some services sector showing weakness. Auto sales have picked up but this is funded by credit.*

*The debt problems of most European countries have not been resolved – Many Large European banks are struggling high levels of debt, this makes them restrict loans and thereby hampering their ability to support economic growth through loans.*

### Some solutions

*The mining industry must constantly scan the environment and change internal policies, processes and use technology to create capabilities to remain sustainable or resilient.*

## Procurement successfully concludes an order for mine equipment



**Work on the Wesizwe's BPM project** is well underway with underground machinery being installed as part of the equipping process. Heavy underground machinery, 10ton LHD and 5ton LHD were recently imported from China and safely delivered to BPM. The Wesizwe team consisting of Project team, Engineering manager and Procurement first did the due diligent visit to the manufacturing company in China in May 2016, subsequent to that an order was placed with the contract signed in July. The equipment arrived and was delivered to site on Thursday, 15 September. The team achieved a cost saving of about 22% on the equipment.

There is a lot that the BPM project team can be proud of in the achievement of the project milestones, safety and cost saving are one of them. The safety record is currently standing at 0.98 (as at 30 September) against a target of 1.04 for 2016. Cost saving and safety performance are the one of the important elements to showcase sustainability of a project and thus far BPM is doing well on both.

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*The LHD loaders are developed for underground applications, with overall production economy, safety and reliability in mind.*

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# Media Round-Up

## News highlights from the month

### Wesizwe activity in the media space

The following is a media analysis report conducted by Meltwater during tracking period: **15 September to 14 October 2016.**

#### Total Media Coverage

This report analyses the Print, Online Editorial and Social media coverage on Wesizwe Platinum Limited in the month of October. There were 46 editorial mentions in October and 11 Print media articles. Social Media comprised of Twitter, Facebook, Blogs, Comments, YouTube and Reviews and Forums. The report shows that Wesizwe only received one social media mention during this period.

Sentiment for both online and print media was overall neutral.

## Wesizwe Digital Update

### Website visitors and trends

During the period under review, the Wesizwe website recorded 4,832 sessions, 3,578 of which were new visitors to the site. 15,791 page views on the site this month. Visitors were predominantly interested in the Bakubung Platinum Mine project, careers, executive management, media, gallery and investor news.



# Events Calendar

**November / December commemorates the 16 Days of No violence against Women and Children**



**25 November - 10 December**

**CIO Mining Africa Summit: 9 – 10 November 2016**  
**Protea Hotel Wanderers, Johannesburg**

**The CIO Mining Africa Summit is the only dedicated CIO event specifically targeted for the African Mining Industry.**

The summit will bring together some of the industry's leading CIOs and IT decision makers from across the African continent, to discuss the latest challenges facing the industry today, plus discover what opportunities lie ahead for the exciting industry.

## FEEDBACK

We are committed to shareholder engagement. We therefore encourage your comments or feedback relating to this investor newsletter are welcome. Send your comments via our website - [www.wesizwe.com](http://www.wesizwe.com)

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## Market Information

Last close (Tuesday, 01 November): 56c