

# A PARTNERSHIP TO DELIVER VALUE TO STAKEHOLDERS

ANNUAL INTEGRATED REPORT 2011





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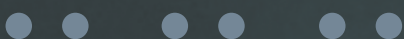
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## ABOUT THIS REPORT

# THIS IS THE STORY

OF A YEAR IN THE LIFE OF A COMPANY THAT IS DEVELOPING ITS FIRST MINE. IT IS A STORY OF A PARTNERSHIP BETWEEN SOUTH AFRICA AND CHINA, THAT HOLDS GREAT PROMISE AND FROM WHICH MUCH IS EXPECTED.



This report covers events, efforts, achievements, challenges and other related issues encountered in the year ended 31 December 2011. It also contains perspectives on what we hope to achieve, both in extracting an extremely valuable resource from our core project, the Bakubung Platinum Mine, and creating value for all of our stakeholders in line with our newly formulated strategy, set out on page 7.

In preparing this annual integrated report, which is our primary report to stakeholders, we have taken care to provide a credible, balanced and understandable assessment of our business. The scope of this report includes the activities of the Wesizwe Group, the structure of which is provided on page 7, and material issues relating to the construction of the Bakubung Platinum Mine as well as the Maseve Platinum Mine.

This report conforms to local statutory reporting requirements including those of the Companies Act, 2008, the JSE Listings Requirements and the recommendations of the King Code and Report on Corporate Governance for South Africa 2009 (King III). Where we do not comply with King III recommendations, or are in the process of doing so, are disclosed in the corporate governance report starting on page 44.

The company's annual financial statements have been prepared according to International Financial Reporting Standards (IFRS). For the first time this year we have sought to apply the G3 guidelines of the Global Reporting Initiative (GRI) to an application Level C.

We have answered the GRI indicators as completely as currently possible and will use this process to inform and strengthen our reporting systems and procedures for the next reporting cycle. We have included the full GRI response table on our website [www.wesizwe.com](http://www.wesizwe.com)

Readers are advised that the term "Group" refers to Wesizwe and all its subsidiaries.

We acknowledge the King III recommendation to implement a combined assurance model, which the company will be phasing in over the next few years. For the purposes of this year's report, the opinion of our external auditor, KPMG Inc, on the presentation of the financial statements is provided on page 72. Our internal auditors, BDO Advisory Services (Pty) Ltd, have provided limited assurance on some of the information in this report, specifically in relation to the company's assets. A project status and technical systems review is currently underway.

We welcome the views and invite feedback from our stakeholders on our strategy, performance and plans for the future, as well as specifically on our reporting. This can be directed to the company secretary using the contact details supplied on the inside back cover.

On the recommendation of the audit and risk committee, the board of directors of Wesizwe approved the 2011 annual integrated report on 4 June 2012.

# INTEGRATED HIGHLIGHTS

**14 JAN '11**  
PLATINUM GROUP METALS SUBSCRIBES TO AN ADDITIONAL 19.25% OF MASEVE PROJECTS 1 AND 3.  
CASH FROM THE TRANSACTION WILL BE USED SOLELY TO FUND WESIZWE'S 26% CONTRIBUTION TO PROJECT DEVELOPMENT.

**4 MAY '11**  
TRANSACTION WITH CHINA – AFRICA JINCHUAN AND MICAWBER CONCLUDED, INJECTING US\$227 MILLION INTO THE GROUP.

**4 JULY '11**  
WESIZWE'S CORE PROJECT, RENAMED BAKUBUNG PLATINUM MINE, OFFICIALLY LAUNCHED.

COMPANY IS INCORPORATED

LISTED ON THE JSE

SUCCESSFUL CAPITAL RAISING. RESULTS OF PRE-FEASIBILITY STUDY RELEASED. TAKE OVER OF AFRICA WIDE

FEASIBILITY STUDY REVIEWED: SHOWS PGM RESOURCE OF OVER 13MOZ AND 35 YEARS LIFE OF MINE

2003

2004

2005

2006

2007

2008

2009

2010

# 2011

NAME CHANGE TO WESIZWE. PURCHASING OF MINING RIGHT. EXPLORATION PROGRAMME BEGINS

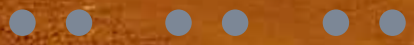
DRILLING PROGRAMME ACCELERATED

BANKABLE FEASIBILITY STUDY COMPLETED

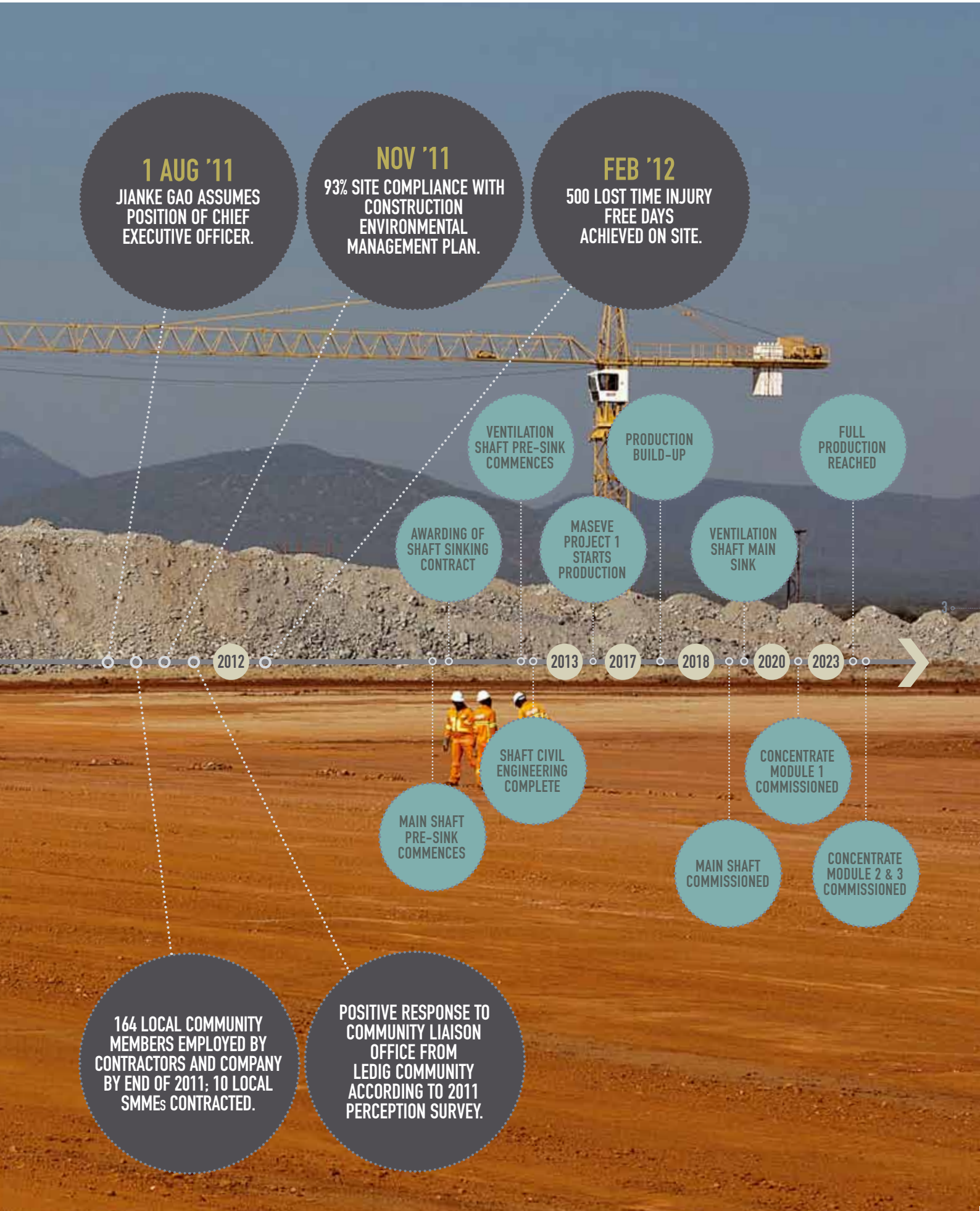
PROJECT DELTA CONCLUDED. TERM SHEET WITH CHINESE CONSORTIUM SIGNED

EPCM CONTRACTOR MEETS ALL CRITICAL PATH EARTHWORKS AND CIVIL ENGINEERING MILESTONES.

SUFFICIENT WATER SUPPLY SECURED FOR SHAFT SINKING. NEGOTIATIONS WITH ESKOM ON COMMENCEMENT OF ELECTRICITY SUPPLY ONGOING.







**1 AUG '11**

JIANKE GAO ASSUMES POSITION OF CHIEF EXECUTIVE OFFICER.

**NOV '11**

93% SITE COMPLIANCE WITH CONSTRUCTION ENVIRONMENTAL MANAGEMENT PLAN.

**FEB '12**

500 LOST TIME INJURY FREE DAYS ACHIEVED ON SITE.

2012

2013

2017

2018

2020

2023



VENTILATION SHAFT PRE-SINK COMMENCES

PRODUCTION BUILD-UP

FULL PRODUCTION REACHED

AWARDING OF SHAFT SINKING CONTRACT

MASEVE PROJECT 1 STARTS PRODUCTION

VENTILATION SHAFT MAIN SINK

SHAFT CIVIL ENGINEERING COMPLETE

CONCENTRATE MODULE 1 COMMISSIONED

MAIN SHAFT PRE-SINK COMMENCES

MAIN SHAFT COMMISSIONED

CONCENTRATE MODULE 2 & 3 COMMISSIONED

164 LOCAL COMMUNITY MEMBERS EMPLOYED BY CONTRACTORS AND COMPANY BY END OF 2011; 10 LOCAL SMMEs CONTRACTED.

POSITIVE RESPONSE TO COMMUNITY LIAISON OFFICE FROM LEDIG COMMUNITY ACCORDING TO 2011 PERCEPTION SURVEY.

An aerial photograph of a large-scale mining operation. In the foreground, a massive, rectangular processing plant with a white roof is situated on a cleared, reddish-brown site. The plant is surrounded by extensive earthmoving tracks and several pieces of heavy machinery, including excavators and trucks. To the left of the plant, there is a large, dark, irregularly shaped area that appears to be a tailings pond or a large-scale earth storage area. The background shows a vast, flat landscape with sparse green vegetation and a few small structures in the distance. The overall scene depicts a major industrial project in a rural or undeveloped area.

VISION AND PURPOSE

VISION

**TO BECOME A SIGNIFICANT MULTI-COMMODITY MINING COMPANY, FOCUSING ON STRATEGIC METALS WITH SOUND DERIVED DEMAND FUNDAMENTALS.**







PURPOSE  
TO CREATE  
SHAREHOLDER VALUE IN  
AN ENVIRONMENTALLY  
RESPONSIBLE  
AND SUSTAINABLE  
MANNER BASED  
ON LONG-TERM  
RELATIONSHIPS  
WITH GOVERNMENT AND  
LOCAL COMMUNITIES.





VALUES

**ZERO HARM**  
TO PEOPLE AND ENVIRONMENT.

**ETHICAL BEHAVIOUR**  
BASED ON INTEGRITY AND HONESTY.

**OWNERSHIP,**  
ACCOUNTABILITY AND RESPONSIBILITY.

**DIGNITY,**  
RESPECT AND FAIRNESS.

**TRUST,**  
OPENNESS AND TRANSPARENCY.

**RESPECTING DIVERSITY**  
AND INCLUSION.

**PERSEVERANCE**  
AND TENACITY.

**CARING.**





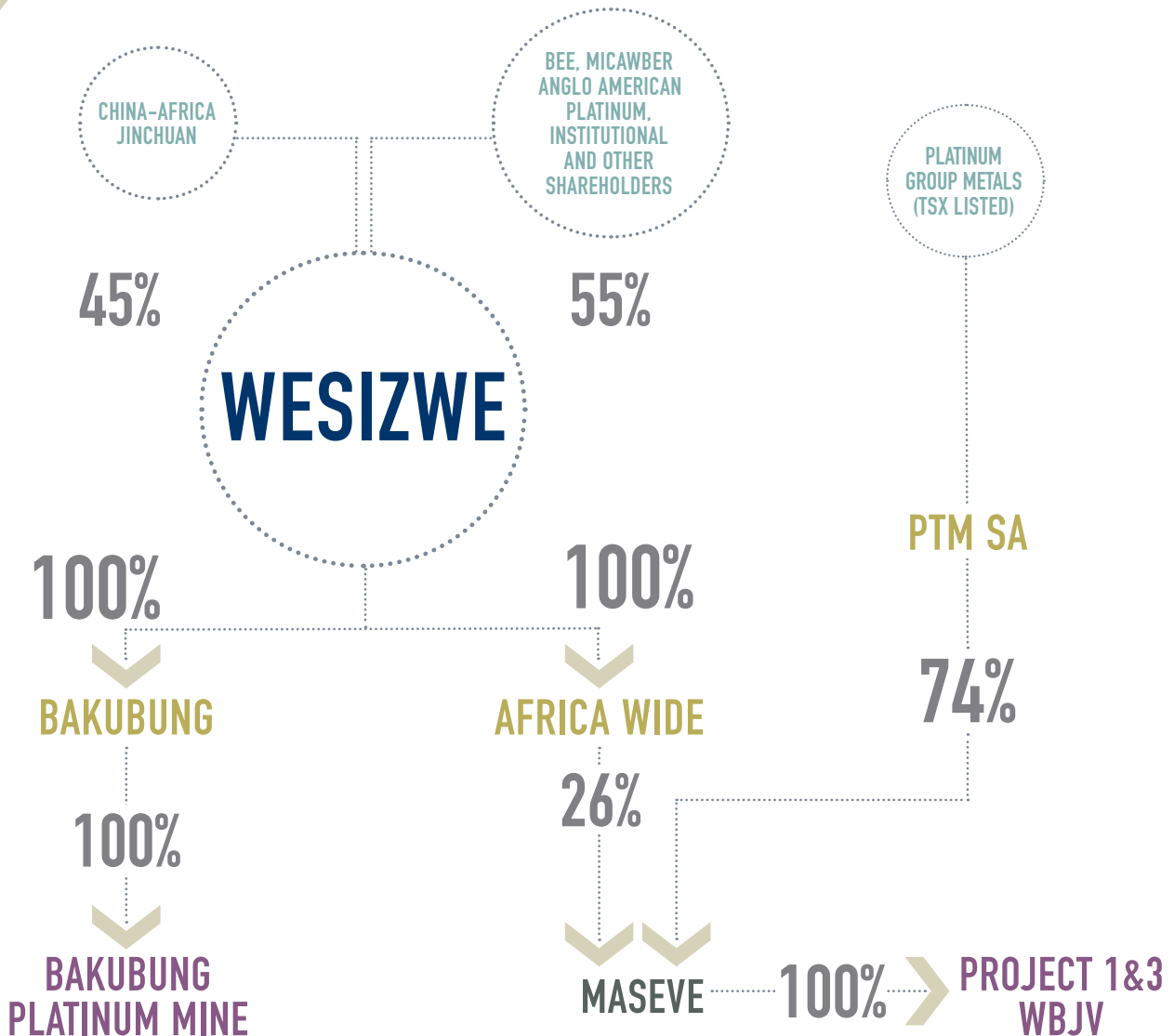
## STRATEGY

### OUR BUSINESS

- › We are focused on PGM and strategic metals, which are defined as having high value with long-term demand, which will complement our PGM production.
- › We are focused on developing our current PGM anchor project, the Bakubung Platinum Mine, but are also pursuing quality growth opportunities with near-cash generation potential as well as high-growth exploration targets.
- › We plan to invest where we have operational control and the opportunity to move down the value chain.
- › With an immediate focus on Africa, mineral property acquisition is to be based on risk, reward, cost, value and timing of the opportunity.
- › We will grow by leveraging the global expertise of our Chinese partners and exploit vertical integration when appropriate.

### KEY STRATEGIC OBJECTIVES

- › Keeping the Bakubung Platinum Mine within budget and on schedule.
- › We intend to find synergies with industry peers on consolidation opportunities in the western limb of the Bushveld Igneous Complex.
- › To achieve 26% BEE ownership by 2014.



› Current BEE shareholding of approximately 16,3%

## BOARD OF DIRECTORS



### DAWN NONCEBA MERLE MOKHOBO (63)

BA SOCIAL SCIENCE (UNIVERSITY OF THE NORTH)

#### INDEPENDENT NON-EXECUTIVE DIRECTOR (CHAIRMAN)

Dawn Mokhobo was appointed chairman of the Wesizwe board of directors in December 2009. In addition to her position with Wesizwe, she serves as chairman of African International Advisors (AIA) and Kwanda Private Equity Investments and as deputy chairman of Partnership Investments. She serves as a director on the boards of Engen (Pty) Ltd, Altron (Pty) Ltd, Sabvest (Pty) Ltd and Gidani (Pty) Ltd, and was recently appointed as a director of Ingwazi Resources (Pty) Ltd. She is also a director of both Sasol Inzalo Public Funding Ltd and Sasol Inzalo Group Funding. Dawn served on the Massmart board as a non-executive director for nine years and resigned at the conclusion of the Massmart/Walmart transaction. She is a member of the Business Women's Association (BWA).



### DEXIN CHEN (40)

BACHELOR OF MINING – SENIOR ENGINEER (MINING INSTITUTE OF XI'AN)

#### NON-EXECUTIVE DIRECTOR (DEPUTY CHAIRMAN)

Dexin Chen was appointed deputy chairman of the Wesizwe board in May 2011, bringing to the board over 17 years' experience in the mining industry. He is vice-president of Jinchuan Group Ltd, and currently serves as chairman of Metorex Mining Ltd. During his long-standing career with Jinchuan, Dexin has gained extensive experience serving in various management and technical-level positions. In July 1994, he received his Bachelor of Mining from the Mining Institute of Xi'an.



### JIANKE GAO (49)

BACHELOR OF MINING – PROFESSOR LEVEL SENIOR ENGINEER (CENTRAL-SOUTH INSTITUTE OF MINING AND METALLURGY)

#### CHIEF EXECUTIVE OFFICER

Jianke Gao was appointed chief executive officer of Wesizwe in August 2011. He was the assistant general manager of Jinchuan Group Ltd with 27 years' technical and management experience in the mining industry. Jianke joined the Jinchuan Group after obtaining his Bachelor of Mining from the Central-South Institute of Mining and Metallurgy in 1984 and has served the group in a number of capacities during his career. These include various mine management and engineering roles as deputy director of the Jinchuan Technical Centre, vice-president of the Nickel and Cobalt Research and Design Institute and general manager to Jinchuan no. 2 mine.



### WENLIANG (MICHAEL) MA (43)

BACHELOR OF ECONOMICS (JILIN NORMAL UNIVERSITY); MASTER OF ART (ECONOMICS) (NORTHEAST NORMAL UNIVERSITY)

#### FINANCE DIRECTOR

Michael Ma was appointed finance director of Wesizwe in August 2011. He has worked as a member of the senior management team of the China-Africa Development Fund, served as director, deputy general manager and chief finance officer at FAW Africa Investment Company Ltd and was appointed deputy general manager of Ever Star Industries (Pty) Ltd in 2010. Previously, Michael served as the chief finance officer of Grand China Logistics Holding Company, during which time he served as director of Tianjin Marine Shipping Company Ltd, listed on the Shanghai Stock Exchange. He has also served as the executive vice-president and chief finance officer of Sanya Phoenix International Airport Company Ltd and as vice-chairman and general manager of Chongqing Changjiang International Leasing Company Ltd. Michael was also the deputy general manager of the Planning and Finance Department of HNA Group Company Ltd and before this worked in various capacities for Shanghai Stock Exchange-listed Hainan Airlines.





◦ **WILLIAM MACHIEL (MIKE) EKSTEEN (64)**

REGISTERED CERTIFICATED ENGINEER; NATIONAL HIGHER DIPLOMA IN MINING; MINE (WITS TECH) MANAGER'S CERTIFICATE OF COMPETENCY  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Mike Eksteen was appointed to the Wesizwe board in December 2009. He is a retired mining engineer with 38 years' operating experience in a range of commodities including platinum group metals, gold, diamonds and base metals. Mike spent 34 years in various management positions in the Gold Fields Group, where he was responsible for all aspects of reserve development, mine planning, shaft sinking, budgeting and cost control. He was also senior vice-president and chief operating officer of Southern Era Resources, a Canadian exploration and mining company in platinum and diamonds.



◦ **ROBERT PIRIE (BOB) GARNETT (62)**

CHARTERED ACCOUNTANT (SA)  
**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Bob Garnett joined the Wesizwe board in October 2011. He is a chartered accountant with almost 40 years' experience in mining, manufacturing and financial services. He has recently retired from the International Financial Reporting Standards (IFRS) Foundation after 10 years as an IASB board member and chair of the IFRS Interpretation Committee. Prior to this, Bob was executive vice-president of finance at Anglo American Plc and a director of several of its South African subsidiaries and affiliates.



◦ **JIKANG LI (40)**

PRC LEGAL PROFESSIONAL QUALIFICATION CERTIFICATE; BACHELOR OF LAW (LANGZHOU UNIVERSITY); ON-JOB POSTGRADUATE IN FINANCE AND TRADE (XI'AN JIAOTONG UNIVERSITY)  
**NON-EXECUTIVE DIRECTOR**

Jikang Li joined the Wesizwe board in May 2011. He is serving as a senior in-house lawyer of Jinchuan Group Ltd and has gained extensive experience in international mining companies and operational management of mining projects. In addition, he is experienced in litigation, contract management, the establishment, restructuring and listing of companies, domestic and international engineering, equipment, project bidding, corporate governance, mergers, investment and financing. Jikang's career with Jinchuan spans nearly two decades, during which time he has had the privilege of working in key roles in many of the group's international operations.



## BOARD OF DIRECTORS CONTINUED



### MLIBO GLADLY MGUDLWA (52)

B JURIS, LLB (UNIVERSITY OF DURBAN WESTVILLE); POSTGRADUATE DIPLOMA IN CORPORATE LAW (RAND AFRIKAANS UNIVERSITY)

#### NON-EXECUTIVE DIRECTOR

Mlibo Mgudlwa was appointed to the Wesizwe board in November 2009. He brings to the board his extensive experience in corporate governance, contracting, litigation and general business management. He has practised as a senior state advocate at the High Court of Johannesburg and was admitted as an attorney in 2002. After 12 years in the legal field, Mlibo ventured into business, holding the position of chief executive of Africa Wide Investment Holdings. He is a director of Sarong Investment Holdings, a company with interests in agriculture. He is currently Vice President of Platinum Group Metals (RSA) (Pty) Ltd.



### LINCOLN VUMILE (JAMES) NGCULU (57)

CERTIFICATE IN MANAGEMENT DEVELOPMENT; DIPLOMA IN DEFENSE MANAGEMENT; POST GRADUATE DIPLOMA IN ECONOMIC PRINCIPLES

#### NON-EXECUTIVE DIRECTOR

James Ngculu was appointed to the Wesizwe board in May 2011. He served the African National Congress in exile from 1976 to 1990. He has also been a member of Umkhonto we Sizwe from 1976 to date. He served in various capacities as commissar, politics instructor and regional secretary of the commissariat in Angola. James also served in the Codesa negotiations as advisor in transitional mechanisms and as a member of parliament, during which time he chaired the portfolio committee on health. He has also worked as a research assistant at the University of Natal (Pietermaritzburg) in the education policy unit as well as with the Human Sciences Research Council. His memoir, titled *The Honour to Serve*, was shortlisted for an Alan Paton Award, and he has published a number of papers on health, politics and security.



### LUMKILE WISEMAN NKUHLU (68)

CHARTERED ACCOUNTANT (SA)

#### INDEPENDENT NON-EXECUTIVE DIRECTOR

Professor Wiseman Nkuhlu was appointed to the Wesizwe board in October 2011. He is a director of AngloGold Ashanti Ltd, Datatec Ltd, Rothschild SA and the Ethics Institute of South Africa. He is a past president of the International Organisation of Employers, during which time he participated in annual high-level United Nations discussions on global issues including climate change, sustainability and the global compact. He served as a member of the Global Financial Crisis Advisory Panel, established jointly by the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board in January 2009 to advise on the impact of the global financial crisis on the setting of accounting standards.



○ LILIANG TENG (47)

ELECTRICAL POWER BSC (SOUTHEAST UNIVERSITY); EMBA (TSINGHUA UNIVERSITY); MSC IN RISK MANAGEMENT (ISMA CENTRE, READING UNIVERSITY)

**NON-EXECUTIVE DIRECTOR**

Liliang Teng joined the Wesizwe board in May 2011. He previously served as co-chair investment officer and chief marketing officer of the China-Africa Development Fund, as the deputy economist of China Technology Innovation Company, as deputy manager general of China Southern Grid Finance Company and as the division chief of the credit management department of China Development Bank. Preceding these roles, Liliang spent nearly a decade as the assistant engineer for Northeast Power Utility Group, Ministry of Power, China.



○ BAREND JOHANNES (BARRIE) VAN DER MERWE (37)

CHARTERED ACCOUNTANT (SA)

**NON-EXECUTIVE DIRECTOR**

Barrie van der Merwe joined the Wesizwe board in September 2010 as a representative of Rustenburg Platinum Mines, following its acquisition of a 26,9% interest in the company during 2010. Barrie is a qualified chartered accountant and completed his articles with PricewaterhouseCoopers. He joined Anglo Platinum in April 2002 and occupied various senior financial management roles within the company and its majority shareholder, Anglo American. He is currently the head of finance and performance management at Anglo Platinum. Barrie is a director of various unlisted subsidiaries of the Anglo Platinum Group, including Rustenburg Platinum Mines Ltd.



○ QIYIN (JAMES) ZHANG (44)

BACHELOR OF ECONOMICS (ZHEJIANG METALLURGY & ECONOMIC COLLEGE)

**NON-EXECUTIVE DIRECTOR**

James Zhang joined the Wesizwe board in May 2011. He is a director of South Africa Jinchuan Resources (Pty) Ltd, with many years' management experience. During his career he has garnered experience in market research, project management, futures exchange in nickel and copper at the London Metal Exchange, risk control for futures trading, purchasing of raw materials, negotiation, pricing, strategic analysis and financial analysis. James participated in Jinchuan Group Ltd's cobalt carbonate off-take agreement with Ruashi Mining in the Democratic Republic of the Congo, and has been engaged in research and analysis work regarding nickel, copper, cobalt and platinum group metals projects for Jinchuan Group Ltd in South Africa.



## MANAGEMENT



### JIANKE GAO (49)

BACHELOR OF MINING – PROFESSOR LEVEL SENIOR ENGINEER (CENTRAL-SOUTH INSTITUTE OF MINING AND METALLURGY)

#### CHIEF EXECUTIVE OFFICER

Jianke Gao was appointed chief executive officer of Wesizwe in August 2011. He was the assistant general manager of Jinchuan Group Ltd with 27 years' technical and management experience in the mining industry. Jianke joined the Jinchuan Group after obtaining his Bachelor of Mining from the Central-South Institute of Mining and Metallurgy in 1984 and has served the group in a number of capacities during his career. These include various mine management and engineering roles as deputy director of the Jinchuan Technical Centre, vice-president of the Nickel and Cobalt Research and Design Institute and general manager to Jinchuan no. 2 mine.



### WENLIANG (MICHAEL) MA (43)

BACHELOR OF ECONOMICS (JILIN NORMAL UNIVERSITY); MASTER OF ART (ECONOMICS) (NORTHEAST NORMAL UNIVERSITY)

#### FINANCE DIRECTOR

Michael Ma was appointed finance director of Wesizwe in August 2011. He has worked as a member of the senior management team of the China-Africa Development Fund, served as director, deputy general manager and chief finance officer at FAW Africa Investment Company Ltd and was appointed deputy general manager of Ever Star Industries (Pty) Ltd in 2010. Previously, Michael served as the chief finance officer of Grand China Logistics Holding Company, during which time he served as director of Tianjin Marine Shipping Company Ltd, listed on the Shanghai Stock Exchange. He has also served as the executive vice-president and chief finance officer of Sanya Phoenix International Airport Company Ltd and as vice-chairman and general manager of Chongqing Changjiang International Leasing Company Ltd. Michael was also the deputy general manager of the Planning and Finance Department of HNA Group Company Ltd and before this worked in various capacities for Shanghai Stock Exchange-listed Hainan Airlines.

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### MANIE BLIGNAUT (46)

B.SC. HONS. (GEOLOGY); GDE (MINING ENGINEERING); PR SCI NAT; MGSSA

#### GENERAL MANAGER: OPERATIONS

Manie has more than 20 years' experience in the resource industry. He spent 10 years with Gold Fields Ltd where he attained the position of chief geologist, and was instrumental in the discovery of Wits-type gold outside the known Wits basin. Following this, Manie entered the contracting and consulting field (platinum, gold and chrome), and subsequently returned to the gold mining industry with, amongst others, AngloGold. He was appointed as exploration manager at Wesizwe in November 2006 and successfully accelerated and concluded the exploration programme for Wesizwe on the Bakubung project. Following this, he was appointed general manager: operations at Wesizwe in April 2010, being with Wesizwe since November 2006.



### HAMLET MORULE (45)

B.JURIS (UNIVERSITY OF THE NORTH WEST); MSc (DEVELOPMENT & PROJECT PLANNING) (BRADFORD UNIVERSITY, UK); HARVARD SEP (HARVARD UNIVERSITY, BOSTON, USA)

#### CORPORATE AFFAIRS & INVESTOR RELATIONS EXECUTIVE

Hamlet's stakeholder relations experience spans almost two decades. He served the South African Government for some 14 years, during which time he held the position of Deputy Director General in the Free State and North West provinces. Before joining Wesizwe in January 2012, Hamlet worked in the information technology sector, having held the positions of executive director for government affairs at Microsoft and as the governmental programmes executive for sub-Saharan Africa at IBM. He previously served on the Microsoft SA board of directors, as chairman of the Information Technology Forum of the American Chamber of Commerce, as council member of the South African Chamber of Commerce and Industry, as an executive council member of the Information Technology Association and as a member of the Black Executive Forum. In addition to stakeholder relations, Hamlet's role at Wesizwe includes investor relations.





○ JACOB MOTHOMOGOLO (39)

PR.ENG; FSAIMM; MDP (STELLENBOSCH); M.ENG (UNIVERSITY OF PRETORIA)

**PROJECTS EXECUTIVE**

Jacob started his mining career with AngloGold 17 years ago, progressing through the ranks to attain a middle management position. He then joined De Beers Group as a projects mining engineer in the planning and projects departments at Cullinan Mine. Jacob joined TWP Projects, where he attained the position of senior projects manager and worked on projects in countries including Zambia, Tanzania, Zimbabwe and Botswana. During this time, Jacob consulted to Wesizwe on the Bakubung Platinum project. He attained the position of senior projects manager and was also a member of the TWP shadowboard before he subsequently left and joined Wesizwe as project executive in May 2011. He is a member of the Council of Southern African Mining and Metallurgy, and of the public advisory committee on mining for the Engineering Council of South Africa. Jacob gives an annual lecture on project management in the minerals industry and mentors young engineers about to embark on their mining careers.



○ KAGISHO REID (37)

ND HRM (NELSON MANDELA METROPOLITAN UNIVERSITY); DLL (LABOUR LAW) (GRADUATE INSTITUTE OF MANAGEMENT TECHNOLOGY/GBS)

**HUMAN RESOURCES EXECUTIVE**

With 14 years' experience in human resources, Kagisho started his career with BP Southern Africa where he performed various related roles both locally and on the continent. During his time with BP, he moved into senior positions in change management and human resources demand management. He moved on to the Edcon Group as human resources strategic assignment manager, and then took up the position of director of human resources and transformation as well as director of business retention at Compass Group SA. Kagisho previously served as chairman of the Compass Group Pension and Provident Fund and of the Compass Group Lesotho board of directors. He also served on the boards of Daluxolo and CGPS and joined Wesizwe in May 2011.



○ KGOMOTSO TSHAKA (42)

B.SOC SCI (UCT CAPE TOWN); MAP (WITS); GEDP, MBA (GIBS)

**SUSTAINABILITY EXECUTIVE**

Kgomotso has 17 years' experience in strategy development, risk management and corporate social investment. Prior to joining Wesizwe, she held the position of President of Lonmin Development Trust. In addition, Kgomotso has held management and executive roles in various large organisations, including medical insurance and mining (diamonds and platinum). She has served on the boards of South African Women in Mining and the Lonmin Development Trust. She joined Wesizwe in January 2008.



○ SIRKIEN VAN SCHALKWYK (34)

BLC (UNIVERSITY OF PRETORIA); LLB (UNIVERSITY OF SOUTH AFRICA)

**COMPANY SECRETARY**

After completing her BLC, Sirkien entered the company secretarial market and completed her LLB while performing assistant company secretarial duties at a listed company. She worked briefly at Ernst & Young, where she attended mainly to statutory audits. She then entered the financial markets, working in compliance. Sirkien started a company secretarial business in 2005, and in 2008 founded iThemba Governance & Statutory Solutions (Pty) Ltd. With more than 50 clients, of which 10 are listed on the JSE, she was instrumental in implementing structures, internal controls and governance procedures. After leaving iThemba, Sirkien focused on a small, high-profile client base. She consulted to Wesizwe for 15 months before accepting a full-time position in November 2011.



## CHAIRMAN'S STATEMENT



WESIZWE MOVES  
DECISIVELY INTO A  
NEW PHASE – FROM  
PROSPECTOR TO MINE  
DEVELOPER

A handwritten signature in black ink, appearing to read 'Dawn Mokhobo'.

DAWN MOKHOBO  
CHAIRMAN

It is a great credit to the company that the challenges it has faced have been tackled head-on and the opportunities, presented by the game-changing investment from its new shareholders, China-Africa Jinchuan Investment Ltd and Micawber 809 (Pty) Ltd, have been eagerly pursued.

AFTER A YEAR OF  
UNPRECEDENTED CHALLENGE  
AND OPPORTUNITY,  
THE WESIZWE THAT ENDED 2011 BORE LITTLE  
RESEMBLANCE TO THE COMPANY THAT STARTED  
THE YEAR.





Competitively  
priced  
**DEBT  
FUNDING  
SECURED**

**NO FURTHER  
DILUTION**  
of shareholding

**BOARD AND  
MANAGEMENT**  
reconstructed

## EMBARKING ON A NEW ERA

In many material respects, in 2011 Wesizwe moved from one era to another. The board of directors was reconstituted this year and, guided by a new corporate governance policy, is now in a position to put behind the company many of the governance issues and disputes that Wesizwe has faced in the past.

The significance of China-Africa Jinchuan's investment in Wesizwe, a subscription to 732,5 million ordinary shares or 45% of the company for a consideration of US\$200 million, should not be underestimated. China-Africa Jinchuan comprises Jinchuan Group Ltd and China-Africa Development Fund. As this is CADFund's first investment in a listed South African resources company, many stakeholders in South Africa, China and internationally will be looking to Wesizwe to establish a model for successful China and South African cooperation in the minerals sector. We are well aware of these expectations and believe that we have the strength and vision within both the board and the executive team to deliver on them.

As is by now well known, the terms of the agreement with the Chinese consortium extend to a guarantee of US\$650 million for the development of Wesizwe's core project in 2011, renamed the Bakubung Platinum Mine (previously Frischgewaagd-Ledig). Not only was this debt component negotiated at extremely competitive rates, it ensures that there will be no further dilution of shareholder value.

Here I must record that ongoing evaluation of the project has disclosed that the development cost of the Bakubung Platinum Mine is to exceed the total amount projected by the bankable

feasibility study, completed in 2008. Any possible shortfall in financing required to bring the mine to production, will be provided by our Chinese partners in terms of the subscription agreement signed this year.

## BAKUBUNG PLATINUM MINE FORMALLY LAUNCHED

On 4 July 2011, Wesizwe celebrated the formal launch of the core project following the equity injection from China-Africa Jinchuan Investments Ltd. In future, all important project milestones will be measured against this date. The formal launch of the project has meant that Wesizwe has now moved from prospector to mine developer. The Wesizwe team is working towards the commencement of platinum group metals production, scheduled for 2018. With the awarding of the shaft-sinking contract in March 2012 and satisfactory progress achieved by the engineering, procurement and construction management contractor on pre-sink preparation, we have every reason to believe that the company remains well on track to achieve all significant milestones set out on its journey to production.

## MASEVE

As anticipated, this year PTM increased its share of Maseve Investments' projects 1 and 3 to 74% by subscribing for additional shares in Maseve at a total price of R1,57 billion. Wesizwe now holds a 26% stake in these projects, which adjoin the Bakubung Platinum Mine.

As with our core project, Maseve Project 1 achieved noteworthy progress in 2011 with an EPCM contractor beginning work on surface infrastructure and mine development planning.

## CHAIRMAN'S STATEMENT CONTINUED

UNIFIED TEAM WITH  
COMMON VALUES  
AND VISION



NEW BUSINESS  
STRATEGY  
FORMULATED



COMPREHENSIVE  
RISK  
IDENTIFICATION AND  
MITIGATION



### EMBRACING THE PROMISE OF PARTNERSHIP

With more than 50 years' mining experience, Jinchuan brings an unrivalled level of expertise to our Bakubung and Maseve projects, as well as to other projects in which we expect Wesizwe might invest in future.

Integrating very different cultures and overcoming the language barrier has been one of the key challenges tackled in the past year. I am pleased to report that both South African and Chinese management and staff have responded very positively to these issues and with all due sensitivity and regard for the value each partner brings to Wesizwe, resulting in a unified team that aspires to common values and a common vision for the company.

Bedding down these changes will take time but we have made a most encouraging start. At board level much work still needs to be done but here again we are moving in the right direction. There is great appreciation from all sides for the need to ensure the independence of the board and to uphold the highest standards of governance.

Towards the end of the year the board approved a new vision and purpose statement for Wesizwe (see pages 4 and 5). The values and beliefs that form our vision and purpose are now being embedded within the company and its associates. In 2012 a new strategy for Wesizwe will be scrutinised by the board and, on approval, communicated to stakeholders. While this is still in the process of being formulated, we envisage leveraging our Chinese partners' global expertise to pursue quality new PGM and high-value strategic metal opportunities in Africa.

### ACTIVELY MANAGING RISK

The board rigorously monitors the identification, quantification and mitigation of all relevant risks. We are satisfied that the executive, assisted by expert third-party consultants, have and continue to address potential risks to the sustainability of the company and its ability to create shareholder value.

Our risk register, extensively refined and updated in 2011, explicitly identifies more than 30 material risks. These include exchange control, community and social, compliance, regulatory and project development risks. Measures to reduce exposure to exchange rate volatility are being actively developed in conjunction with expert advisers while strategies are similarly being put in place to control and arrest the tendency towards increases in capital costs. More detail on the company's

financial risks and top risks (and mitigating actions) can be found in the finance director's review and the risk report starting on pages 22 and 60 respectively.

Where risks and weaknesses are conceivably within Wesizwe's control, robust mitigation strategies have been developed and are constantly being interrogated by the board.

### ENGAGING OPENLY WITH STAKEHOLDERS

Relations between government and business, and resources companies in particular, have in the recent past often been strained. In an environment of policy and political uncertainty, foreign and domestic investors have had a reduced appetite for investing in the local mining industry. China-Africa Jinchuan's investment in Wesizwe effectively goes against this trend. It is therefore incumbent on all at Wesizwe to ensure that we make a success, not only of our mining operations but also of our interactions with society and our affected communities.

Our social and labour plan commits Wesizwe to a comprehensive investment in communities and in society. The company has also, since its inception, been committed to meaningful black economic empowerment. Because of these commitments, various stakeholders, notably government, have taken a keen interest in the development of our business. We welcome this interest and have worked hard to foster a frank, open dialogue with the Department of Mineral Resources. We appreciate their ongoing efforts to engage with and assist the company wherever possible.

Interaction with other stakeholders, among them provincial and local government, are ongoing, resulting in an increasingly informed understanding of Wesizwe, its value proposition and the type of mining company we aspire to become.

Wesizwe is committed to working with the community, the North West government and other stakeholders to ensure that all grievances are dealt with and that systems are put in place to ensure effective community representation.

The effect that the China-Africa Jinchuan's investment has had on the Ledig community's shareholding needs to be extensively communicated, along with other issues that are of concern to the individuals most directly affected by our mine development. The more open, more trusting relationship that we are endeavouring to build with the community dictates that all parties deal honestly with past mistakes.

The new investment in the company meant an inevitable dilution of the BEE shareholding, a development that was counteracted by the





inclusion of Micawber in the financing agreement. As reported the previous year, we are working to ensure that our BEE credentials are aligned with government requirements and we fully intend to exceed the 26% target for black ownership, as envisaged in the Mining Charter, by 2014.

## BOARD CHANGES

The board has undergone profound changes this year. Following the conclusion of the China-Africa Jinchuan's investment, the board welcomed Dexin Chen (deputy chairman), Liliang Teng, Jikang Li, Jianke Gao, Michael Ma, James Zhang and James Ngculu as directors with effect from 4 May 2011.

At the same time, Peter Gaylard and Jacques de Wet resigned as directors and Rob Rainey did not stand for re-election. Mike Solomon and Julian Williams were not re-elected as directors. The board would like to thank Peter, Jacques, Rob, Mike and Julian for the many contributions they made to Wesizwe.

On 1 August 2011 Jianke Gao assumed the position of chief executive officer, succeeding Arthur Mashiatsidi and James Zhang who had worked to ensure a smooth handover as joint CEOs since May 2011. Arthur had been appointed CEO in October 2010. The board acknowledges the sterling efforts that he and James made to ensure that the handover was indeed as smooth as transpired.

Michael Ma was designated acting finance director in May and his position as finance director was confirmed in August 2011. Jacques de Wet remained on the management team, as financial adviser – and has since left the company. Corporate affairs director Mlibo Mgudlwa resigned as an executive director in August 2011 but will continue serving as a non-executive director.

In October 2011 we welcomed Robert Garnett and Wiseman Nkuhlu as independent non-executive directors. I am certain their expertise and guidance will be most valuable to the board.

## APPRECIATION

My sincere thanks go to the members of the board who have worked with diligence to see the company through a period of profound change. Similarly, the executive team and all at Wesizwe are thanked and congratulated on their achievements this year. I have no doubt that with the commitment of all concerned the company will go from strength to strength.

## CONDOLENCES

At the time that this report was being finalised, we received the very sad news that Arthur Mashiatsidi had died suddenly following a short illness. The board and I extend our deepest sympathies to Palesa Mashiatsidi, her children and relatives, and all those who knew Arthur. Arthur was a Wesizwe stalwart and it is in no small part thanks to his ingenuity, dedication and enterprise that our company is in such good shape today. We salute a great self-made man who left an indelible impression on all of those whose lives he touched. We are all much poorer for his passing.



NEW  
PARTNERSHIP  
WILL DELIVER  
WORLD-LEADING  
ENGINEERING, MINING  
AND PROJECT  
LEADERSHIP  
EXPERTISE

A handwritten signature in black ink, appearing to read 'Jianke Gao'.

JIANKE GAO  
CHIEF EXECUTIVE OFFICER

Most people welcomed the deal and considered it a positive development that would bring further progress and competition to South Africa's platinum sector. Some investors, media and analysts, however, expressed their concerns about how a partnership between a Chinese investor and a South African miner would work in practice. This was to be anticipated as there were no precedents for a Chinese investment of this scale in the South African minerals and mining sector.

# MAY 4, 2011 WILL STAND AS A HISTORIC DAY FOR OUR COMPANY.

ON THAT DAY THE AGREEMENT, IN TERMS OF WHICH CHINA-AFRICA JINCHUAN ACQUIRED A 45% STAKE IN WESIZWE, WAS FORMALLY COMPLETED.







Within the space of a few short months I believe we have made great strides in dispelling the doubts surrounding our partnership at the time of its announcement.

### SHARING BEST PRACTICE

Jinchuan has a distinguished history of 52 years in the mining industry and owns extensive integrated mining, concentrating, smelting, refining, chemical products and downstream beneficiation. Jinchuan, a group I have served in since 1984, is recognised internationally as an innovator in smelting and refining technologies. Within the group, there is a wealth of world-leading engineering, mining and project leadership expertise.

Jinchuan managers seconded to Wesizwe bring with them this rich heritage of engineering and mining. Being able to share best practice and to cooperate on the development of a new mine with South African professionals is one that my Chinese colleagues and I have wholeheartedly embraced. Both South African and Chinese executives understand the imperative of forging relationships and a mutual understanding that will move our business forward. There is a most pleasing common commitment from all Wesizwe staff to meet and even surpass our stakeholders' expectations.

Finalising the new Wesizwe management team was a major achievement of 2011. Company management are finding each other and, while the process of understanding and appreciating each other's cultures is an ongoing one, my executive team are working to the benefit of shareholders and, I believe, the social compact we have with the South African people.

That this teamwork is already paying dividends is evidenced by the progress that has been made in advancing our core project, the Bakubung Platinum Mine. Jacob Mothomogolo and his project management team have the development process well in hand, with the official launch of the project on 4 July 2011; a particularly auspicious landmark for the company.

Towards the end of 2011 the project's capital budget estimate was updated and approved by the board in March 2012. In January 2012 the executive committee approved a detailed project execution schedule.

Questions around the provision of power and water to the Bakubung mine are key challenges to the successful realisation of our project development plans, risks that my team are managing as diligently as can be expected.

Wesizwe management, several of whom joined the company during the year, have expended considerable time and effort in risk identification, coming to an informed understanding of the risks facing the company and the management thereof.

### ADVANCING OUR CORE PROJECT

The current CBE of R7,9 billion (current prices) is expected to increase to R12,0 billion after taking estimated price increases in the cost of mine development and equipment into account.

TWP Projects was appointed EPCM contractor in late 2010, with the company's contract running to June 2012. Blasting for the main and ventilator shafts' box cuts began in April 2011 with excavation work continuing on schedule for the rest of the year.

Scribante is conducting the earthworks, including the shaft box cuts, extensive terracing work and the digging of foundations, and this work is also

SIGNIFICANT  
PROGRESS IN  
CIVIL ENGINEERING  
WORK



## CHIEF EXECUTIVE OFFICER'S REVIEW CONTINUED

EXCELLENT SITE  
SAFETY RECORD

500  
LTI FREE DAYS  
BY FEBRUARY 2012

on schedule. At the end of the year the terracing work had largely been completed. By January 2012 the ventilation shaft's sidewalls had been stabilised and subcontractors Liviero Civils had begun pouring the base for the shaft collar.

A second pollution dam was dug this year, site offices built and a 600 m cable duct largely completed. The site of the Eskom substation was terraced in 2010 and, in January 2012, contractors began laying a lightning-protection copper mat on the site.

In June 2011, Wesizwe paid Eskom an amount of R58 million, on the understanding that Phase 1 of the bulk power supply would become available by the end of September 2012. The utility has since indicated that it may not be able to meet this deadline, a development that would impact seriously on shaft-sinking operations. We are now in intensive negotiations with Eskom to ensure that delays in the provision of power do not disrupt our project execution.

The site has sufficient water for the shaft-sinking phase but will need to ensure a much greater supply by the time operations begin. Negotiations with the relevant authorities on long-term water supplies are expected to be finalised in 2012.

In 2011, a great deal of work went into finalising the awarding of the shaft-sinking contract. Early in 2012 a recommendation was submitted to the board of directors for approval. Aveng Grinaker-LTA was awarded the contract in March 2012, with work to commence on site as soon as possible.

Refurbishment of winders bought previously is on track and critical path equipment will be ready for implementation by due date.

Work on costing the mine's concentrator plant is well in hand and we are actively investigating, with Platinum Group Metals (RSA) (Pty) Ltd (PTM), our partners in Maseve projects 1 and 3, the possibility of building a plant that will serve both mines. Executives are regularly updated by the project team developing Maseve Project 1 and we are satisfied that this work is progressing most satisfactorily.

### PUTTING PEOPLE FIRST

Sustainability concerns are fundamental to our business model. Employment equity, zero harm to people and the environment, and community empowerment underpin the way Jinchuan does business. As a result, Chinese managers and directors readily understood the standards Wesizwe has set for itself in this area.

Our safety record on site has been enviable: by February 2012 the project had achieved 500 lost-time injury free days.

The company's construction environmental management plan was extensively updated in 2011 and rigorous procedures and mitigating protocols are now in place. These will be more than adequate to ensure compliance during the exponential increase in the level of activity that the shaft-sinking process will entail. More detail on our safety, health and environmental challenges and achievements are contained in our integrated project report, starting on page 26.

The severe financial constraints experienced until this year meant that we had fallen well behind on our SLP commitments. This year, Kgomo Tshaka and our sustainability team put a great deal of effort into developing an accelerated SLP, which will be fully implemented in 2012.

In 2012 we will invest R24 million in developing our human resources (both within our employee base and our communities) and in local economic development. This investment is necessary, apart from its much-needed social impact, if we are to remain compliant with the terms of our mining licence. With the accelerated SLP I believe that we are well on course to meet 70% to 75% of our SLP obligations and, hence, ensure our licence to operate.

Developing human resources is of the utmost importance to Wesizwe. We need to recruit and retain extensive and diverse skills while aiming to consistently exceed industry targets on employment equity. This year a new human resources executive was recruited who has significantly expanded our efforts to identify, train and develop talent. In developing our core project, we will invest wherever practical in identifying and enabling local entrepreneurs.

The confidence of our various stakeholders is of the greatest importance to Wesizwe. If we are to meet the standards we have set for our company, it is imperative that we communicate constantly, openly and honestly with our stakeholders.

Clearly we have a major challenge in communicating with our most affected community, the people of Ledig. We are now working to repair relationships with the people living so close to our core project. We have invested considerable resources in communicating directly with the people of Ledig. Impressions from our many ongoing engagements with them have only reinforced



our conviction that, through forthright, honest engagement, we will build a lasting relationship of trust with the community.

In September 2011 a comprehensive perception survey was conducted door to door in Ledig. The survey gives Wesizwe management an in-depth understanding of the 17 000-strong community's needs, which are substantial, and their expectations and hopes for the future. We are currently auditing the population's skills base to identify candidates who can be prepared and trained for employment by Wesizwe.

## STRATEGY AND OUTLOOK

The combination of world-class financial and mining expertise that the new partnership holds will be leveraged to transition the company from a junior miner focused on a limited number of core projects to an international miner with interests in PGMs and other strategic minerals.

In the medium-term, opportunities in both South Africa and elsewhere on the continent will be intensively evaluated in terms of their ability to deliver shareholder value and their fit with Wesizwe's core strengths.

The board of directors has fully evaluated and approved a new vision and purpose statement for the company. A detailed strategic plan will be presented to the board and once approved, communicated to all stakeholders. In the short-term, we remain focused on the development of our core project on time and within budget. The personnel and systems put in place to implement mine construction are robust and will underpin the firm management of this phase of development.

The shortfall in project financing will be addressed through an appropriate funding mechanism according to the guarantees put in place by our Chinese shareholders.

## TRIBUTE AND APPRECIATION

The passing of my predecessor, Arthur Mashiatsidi, has robbed our industry and South Africa of an exceptional talent and all at Wesizwe join in mourning a great colleague and leader.

I extend my sincerest thanks to the entire Wesizwe team who have worked under challenging circumstances to steer the company into a new era. I believe that our partnership will deliver on its great promise to create value not only for our shareholders but also for all those who have a stake in our future success. We are well on course towards creating a mining company that we can all be proud of.

Thank you, kealeboga, dankie, 谢谢.

**FOCUS ON ON-TIME  
IN-BUDGET  
DEVELOPMENT OF  
CORE PROJECT**







PLATINUM  
MARKET  
FUNDAMENTALS  
EXPECTED TO FAVOUR  
PRODUCTION  
TIMEFRAME FOR  
PROJECTS

A handwritten signature in black ink, appearing to read 'Wenliang'.

WENLIANG (MICHAEL) MA  
FINANCE DIRECTOR

This review provides the reader with insight into the financial position of Wesizwe and its subsidiaries as well as the risk and economic environment in which the company operated over the past financial year.

This review should be read together with the consolidated annual financial statements starting on page 67.

# THE EQUITY INJECTION AND FUNDING COMMITMENT FROM CHINA-AFRICA JINCHUAN

MARKS THE START OF A NEW FINANCIAL ERA  
FOR WESIZWE.



Demand expected  
to be strong with  
deficit forecast from

2016

Equity injection of

US\$227  
MILLION

## ECONOMIC OUTLOOK AND PROJECT VALUATION

The current difficult and volatile economic environment, characterised by prevailing high unemployment, depressed housing markets and volatility in global markets, dates back to the financial crises in 2008. The international economy then faced the most serious challenges in many decades. As a result of the toxic debt situation many international banks required major bailouts and notably also General Motors in the USA. As with many other commodities, the volumes and prices of platinum products dropped dramatically in the fourth quarter of 2008 but started a sustained recovery from the first quarter 2009 that continued up to the last quarter in 2011.

During this time the recovery in commodity prices was driven by a recovery in demand for commodities generally, and platinum specifically performing well in comparison despite the fact that many of the negative effects continued to persist. General Motors also made a very good recovery, not only on the back of internal strategies but also due to an improvement in the demand for its products. Many manufacturers of motor vehicles reported healthy results and even significant volume increases due to stronger international demand. Many commentators referred to the strong demand from developing economies that more than compensated for losses in the developed economies. Beijing successfully adopted Euro 4 emission standards despite the economic environment, and further promulgated Euro 5 emission standards for 2012, with the rest of China having adopted Euro 4 emission standards in July 2011. Despite the negative effects and the volatility and significantly reduced profitability in the platinum mining industry, Wesizwe is of the opinion that there remains strong longer-term demand.

When the international markets were again rocked by the European government debt crises towards the end of 2011, the markets understandably reacted and prices dropped again. All forecasts were revised downward for the short- to medium-term. Although the drop in prices was significant it was not as dramatic as in 2008 and the recovery started again soon thereafter.

Wesizwe subscribes to the expectation that 2012 will in all probability be a difficult year and that volatility and uncertainty may even prevail into 2013. However, the company is focused on the longer term with saleable products only expected from the Maseve Platinum Mine project from 2015 onward and from the Bakubung Platinum Mine project from 2020. Based on this long-term view and the demand trends that were observed even through the difficult times, the company concurs with the views of many forecasters and specifically with the forecasters the company consulted, that by the time the Wesizwe projects come on stream the platinum market will be in a short supply situation and prices will have recovered fully and may actually exceed expectations. The application of these forecasts in determining the expected cash flows for project valuation and considering impairments are expanded on in note 2 to the annual financial statements.

## FUNDING

The company received an equity injection of US\$227 million (R1 565,6 million) by means of allotting 732 522 177 ordinary shares to China-Africa Jinchuan Investment Ltd and 97 362 283 ordinary shares to Micawber 809 (Pty) Ltd for a subscription price of US\$200 368 295 and US\$26 631 705 respectively. This transaction also resulted in a share-based payment expense and a related exchange rate gain that is reflected in the financial reports. China-Africa Jinchuan is the nominated shareholder of

# R56

MILLION  
NET EXCHANGE  
RATE GAIN

ACTIVE  
MANAGEMENT OF  
FINANCIAL RISKS

the Chinese consortium comprising the Jinchuan Group Ltd and China-Africa Development Fund and are the parties to the subscription agreement in terms of which the shares were issued and in terms of which the Chinese consortium undertakes to provide the additional funding that may be required to achieve operational completion of the Bakubung Platinum Mine project. As such, the current Wesizwe shareholders will not be called upon to provide further funding or be subject to dilution. This funding will be provided either by Jinchuan and CADFund directly or through the provision of third-party funding on terms similar to those of the funding to be provided by the China Development Bank. To this end, a facility of US\$650 million with China Development Bank is in the process of being set up with reference to the relevant term sheets. The company is committed to a fee of 1% (US\$6,5 million) on the additional funding when it is actually received in cash.

The CBE of R7,9 billion for the Bakubung Platinum Mine is only marginally higher than the previous estimates adjusted for inflation. The current CBE, after taking into account the future price increases, amounts to R12,0 billion. The funding required in addition to the US\$650 million facility that is currently being put in place will be provided in cooperation with the Chinese consortium based on the funding commitment previously referred to.

PTM exercised its option, in terms of the shareholders' agreement, to subscribe for additional shares in Maseve, which resulted in Wesizwe's effective share in Maseve being diluted from 45,25% down to 26%, and in the recognition of a loss on dilution in Maseve (equity accounted investee) of R9,2 million. In terms of the shareholders' agreement, Wesizwe will not be required to make further cash contributions towards the project until PTM has contributed a further R1,57 billion in cash for the development of the project. Any remaining balance of funding required will have to be provided by shareholders proportionally to shareholding but it is currently envisaged that this funding will be secured as loan funding from financial institutions.

## FINANCIAL RISK MANAGEMENT

### EXCHANGE RATE RISKS AND COMMODITY PRICE RISK

With the continued volatility in the Rand/US\$ exchange rate, the company experienced both positive and negative effects, realising a R61 million exchange rate gain on the conversion of the US\$227 million equity injection and a R4,7 million exchange rate loss on the payment of the equalisation liability.

This volatility complicates the quantification of the value proposition for shareholders and poten-

tial investors as all future revenues will be US\$ denominated. This effect is quite evident when various long-term views on exchange rates are applied to the traditional valuation methodologies such as discounted cash flow and earnings multiples.

The unpredictability of the Rand/US\$ exchange rate impacts directly on the debt-raising exercise currently being undertaken, as well as on the Group's ability to settle future obligations. The long term US\$ denominated debt will inevitably be strongly influenced by movements in exchange rates and the restatement of the debt in Rand terms could result in significant adjustments and unrealised gains and losses. Once the company starts to earn revenue in US\$, it will provide a natural hedge and losses on the restatement of the US\$ loan should be met with improved net Rand income if the Rand weakened, and vice versa.

Although the current estimate of imported content for the project is not significant this exposer will be closely monitored and managed.

Commodity price risks are discussed under Impairment testing in this statement.

### INFLATION RISK AND THE IMPACT ON CAPITAL COST

The long lead time in bringing the Bakubung Platinum Mine into production exposes the project to the inevitable effect of inflation. In addition, the inflation on capital goods for the mining industry is expected to be higher than the average. Inflation impacts on the total capital cost and especially the total funding required and ultimately the profitability of the operation. Various measures, including foreign vendors, are currently being evaluated to minimise the impact of inflation on the project.

Developed in close consultation with various experts over a period of five years and independently reviewed, historical CBE escalations have been in line with inflation rates.

Capital commitments relating to mine development were R305 million at year end.

### DEBT AND INTEREST RATE RISKS

Following the equity injection transaction, the R51 million bridging facility from the Bank of China as well as the US\$18 million equalisation liability with RPM, were settled in full.

The balance of the required funding, based on the terms of the subscription agreement, will be raised in the form of loans facilitated by Jinchuan and CADFund. At present, a facility for US\$650 million is being put in place. This strategy results in a higher gearing than generally applicable to platinum mines in South Africa. The higher gearing causes a higher demand for cash flow for capital repayments and an increased sensitivity of financial results to interest rate changes. In terms of the relevant term sheets this project finance





facility will carry interest at Libor +350 basis points. If the interest exceeds 6% per annum at any stage over the life of the facility, the consortium, under the leadership of JNMC, will have the right to renegotiate the interest rate to a lower level. Although not guaranteed, this option provides a powerful mechanism for renegotiating rates in an economic environment where interest rate increases are inevitable.

#### IMPAIRMENT TESTING

During the year under review the company assessed whether any of its projects required impairment as a result of changes in the economic environment. In determining the future cash flows, management reviewed all the key variables and sources of estimation and, except as listed below, applied the same as those that were used in the consolidated financial statements for the year ended 31 December 2010. Management engaged the services of various professional research and forecasting experts, including that of SFA (Oxford) Limited regarding projections of supply, demand and real prices for internationally traded commodities and IHS Global Insight regarding general economic outlook and specifically South African interest, exchange and inflation rates. Management concurred with the expert opinions regarding the longer-term positive outlook and improvement in the prices by the time that the projects start production in 2015 and 2018.

On this basis the determined fair value exceeds the NAV of the relevant mining assets and management is of the opinion that the assets of the company are not impaired.

The following economic parameters were assumed:

US\$ exchange rate (ZAR)	8.50
Pt price (US\$/oz)	2 000
Pd price (US\$/oz)	760
Rh price (US\$/oz)	5 900
Au price (US\$/oz)	1 400
MR basket price (US\$/oz)	1 926
Discount rate/weighted average Cost of capital (%) (real)	8.20

Management acknowledges that the ZAR/US\$ exchange rate and commodity prices have been volatile and movements would have an impact on the values as determined by management. A 6.5% reduction in gross revenue resulting from either exchange rates or US\$ prices will reduce the determined fair value to a level that approximates the net asset value. A 6.5% price reduction across the board will result in the MR basket price dropping to US\$1 800 per ounce. The price of Rhodium has proven to be the most volatile in the recent past and a 33% reduction in the projected price of Rhodium will equal the effect of a 6.5% reduction in price across all products.

## FINANCIAL PERFORMANCE AND CASH FLOW MANAGEMENT

In 2011, management's focus was on ensuring project readiness prior to the placement of the large civil and shaft-sinking contracts. This resulted in the additional appointment of owner's team representatives to the project, which indirectly impacted on administration costs.

The company's main focus and operation comprises the developing of the Bakubung and Maseve Platinum Mine projects. Consequently the company does not expect to be profitable until these two mining projects achieve saleable production.

In the year ended December 2010, a gain on the purchase of reserves from the discontinued WBJV amounting to R378 million was recognised whilst a share-based payment expense of R406.6 million is recognised in the statement of comprehensive income for the current year ended 31 December 2011. The impact of these two once-off transactions resulted in the unexpected profit in 2010 and the exceptionally high loss in 2011.

As a result of the equity-raising transaction, net interest received increased substantially from previous years to R46 million. A formal cash investment policy was adopted during the year to ensure the appropriate management of credit risk.

## CHALLENGES AND OPPORTUNITIES FOR THE NEXT YEAR

During 2012 the company will increase its rate of expenditure on the Bakubung project and start developing various strategies, systems and procedures relating to the increased activities, including considering a future ERP system.

With the project now in full swing, the company will once again turn its attention to the process of continued improvement. The prevailing economic conditions also provide an opportunity to find cost savings by expanding the vendor list internationally.

The management team is mindful of the risks and changes facing the company but is positive about the company's future and enters the project phase of the mine development with a realistic optimism.


## OPERATING COSTS

As reflected in the statement of comprehensive income, significant cost and income fluctuations materialised over the last two years that are predominantly ascribable to the once-off equity financing transaction and the restructuring of the WBJV, foreign exchange fluctuations relating to settled liabilities as well as impairment and loss on dilution of interest. The administration expenses increased from R50,0 million to R51,9 million.

The current net interest income will reduce in the new year as cash is applied to project expenses. The significant increase of this year will not be repeated.

## ADMINISTRATION AND OVERHEAD COSTS CONTAINED TO

**4%**  
INCREASE



THIS INTEGRATED PROJECT REPORT  
DETAILS THE DEVELOPMENT OF  
WESIZWE'S CORE PROJECT IN 2011  
AND HOW THE COMPANY HAS SOUGHT  
TO ADD VALUE TO ALL WHO TAKE AN  
INTEREST IN OR ARE AFFECTED BY  
OUR OPERATIONS.

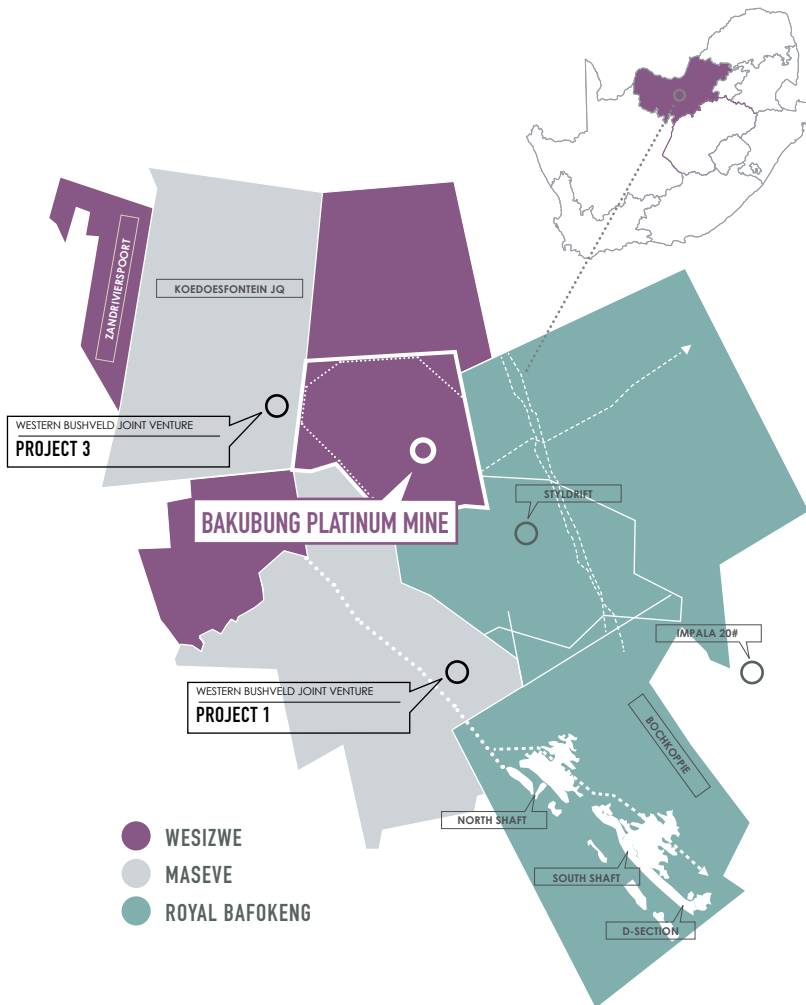
THANKS TO A GREAT DEAL OF HARD WORK, OUR MINE HAS BEEN SET  
ON A FIRM FOUNDATION. IN 2012 WE WILL BEGIN DIGGING DOWN  
TOWARDS THE RESOURCES THAT LIE UNDERGROUND, TO KEEP  
DEVELOPING, KEEP LEARNING AND KEEP GROWING – IN EXPERIENCE,  
SKILLS AND REWARDS FOR ALL OUR STAKEHOLDERS.











### ABOUT THE CORE PROJECT

The Bakubung Platinum Mine is located on the western limb of the Bushveld Igneous Complex north of the city of Rustenburg in North West province. The core project consists of various portions of the farms Frischgewaagd 96 JQ and Ledig 909 JQ. The mine is adjacent to the western boundary of Royal Bafokeng Platinum's Styldrift project and immediately north of Maseve's Project 1. Directly north of the Bakubung Platinum Mine is the community of Ledig, home to some 17 000 people. Beyond this settlement is the Pilanesberg complex, most of which is national park.

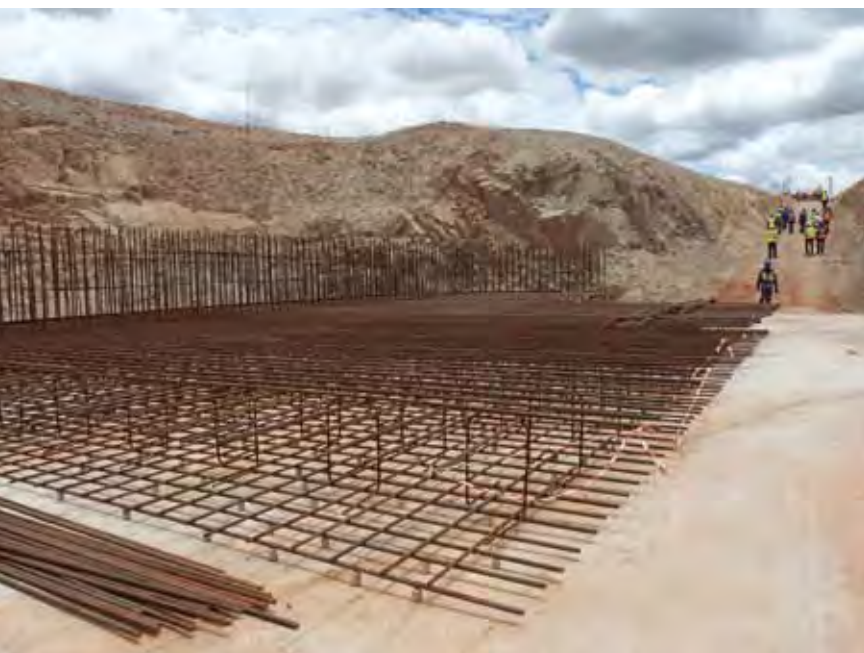
The mine will comprise an underground mine accessed via a twin independent vertical shaft system, a main shaft for men and material and a ventilation shaft, which will also function as the second escape route. The main shaft will have a hoisting capacity of 230 000 tonnes of ore and 40 000 tonnes of waste per month. This will be achieved using two 20 tonne skips operating 23 hours a day. Initially 180 000 tonnes a month will be mined from the Merensky Reef with the balance coming from secondary UG2 ore.

After the Merensky Reef is depleted (some 10 to 15 years from the start of production), the full 230 000 tonne capacity will be generated from UG2 ore. Annual 4E (3PGM and Au) production during steady state will average some 350 000 ounces. Life of Mine is projected at 35 years.

The total mineral resources as depicted in the current mineral resource statement on page 37 reflects the total resources as 13,26 4E Moz.

The Merensky Reef will be mined using conventional breast-stoping methods by means of hand-held drills and scraper winches and the UG2 through semi-mechanised or hybrid mining methods using drills on the face and large haul dump vehicles for cleaning, with ore moved by 30 tonne trucks back to the shaft ore passes. Crushing will be done underground at the crusher stations to reduce the rock to less than 150mm. Underground crushing will minimise the effects of noise pollution on the neighbouring Ledig community. The crushed ore will then be separately stored in large silos for Merensky and UG2, with associated waste also being stored separately. The reef ores will be hoisted and poured onto separate stockpiles before being moved into the concentrator plant.

Once full production is achieved, the Bakubung Platinum Mine will employ 3 200 people. Employment practices will be based on the commitments contained in the SLP, aiming to source larger portions from the community and surrounding areas. Skills challenges dictate that certain specialised skills will be imported during the development and operation of the mine.



## CORE PROJECT PROGRESS REVIEW

Until early 2011, limited cash resources meant that the amount of mine development work that could be undertaken at the core project, the Bakubung Platinum Mine, was constrained. The terms of the company's mining licence, however, required it to continue developing the project and keep working towards meeting the commitments of its SLP.

With interim funding from the Bank of China secured, site establishment was initiated in June 2010. Most of the critical-path work done in 2010 involved preparatory earthworks for site establishment. This included building access roads and terracing for the Eskom power supply substation, and a portion of the pollution-control dam with a holding capacity one-third that of the full design. Work was started on establishing the substation container base and the site was fenced while a temporary water pipeline was built, terracing for the ventilation and main shafts was finished and the box cuts on both shafts, including that for the winder house, were initiated.

Key long-lead items that had been bought previously, mostly the winders and ancillaries, were relocated to the regional office near Boshhoek, some 15km from the mine development site where a substantial warehouse had been erected. This equipment included the four winders for the main shaft and other shaft-sinking equipment, which had been bought either new or used. The winders were put on a refurbishment programme in 2008 but this work was halted due to limited project capital. In 2011 the refurbishment programme was restarted, ensuring that the winders will be available when shaft sinking commences.

### BLASTING AND OFFICIAL LAUNCH

On 5 April 2011, Wesizwe conducted the first blast for the digging of the box cuts on the two shafts. This was followed by blasting for the winder house box cut and high-tension cable duct. Clearing of the excavations was completed within two months and pouring of concrete with reinforcing for foundations of the shaft collars and ventilation duct is scheduled for completion in August 2012.

While work gathered momentum in the first months of the year, Monday 4 July 2011 was a landmark date for the mine and, indeed, for Wesizwe; the official launch of the project. Going forward, the achievement of all milestones for schedule, cost and quality will be measured against this date.

### EPCM CONTRACTOR RAMPING UP

In late 2010, TWP – which had previously undertaken the project's pre-feasibility study – was appointed as EPCM contractor and immediately began implementing the envisaged project scope, which entailed development work dramatically ramping up in 2011. TWP's appointment runs to June 2012 and its mandate is to deliver all critical-path work packages leading up to shaft sinking. The work has included enquiries for full-scope earthworks and civils concrete, commissioning 2MVA temporary power, permanent access routes, extending the pollution control dam, establishment of site offices with power and water services, starting the Eskom project for the Phase 1 (8MVA) power supply and continuing work on the high-tension cable duct to the winder house and shafts.

In May 2011, TWP projects manager Jacob Mothomogolo was appointed projects executive at Wesizwe. A mining engineer with a Masters degree in project management, Jacob was, until his appointment at Wesizwe, TWP's senior project manager for the Bakubung Platinum Mine. His intimate knowledge of both the project and TWP have helped ensure that in 2011 work remained firmly on track and met all projections, safety limits and budgets.

### FINE-TUNING THE CAPITAL BUDGET ESTIMATE

The CBE, which informs the company's project execution planning, was updated towards the end of the year and approved by the board in March 2012. The CBE, as part of a project revalidation exercise, was presented together with updated operating costs for mining and the processing plant. This information was combined with other assumptions in an evaluation model, the results of which were also presented to the board. We will continue to identify further opportunities for optimising the CBE wherever possible.

TWP is currently overseeing the extensive earthworks programme being done by Scribante. The earthworks include ongoing terracing work in addition to blasting and excavating the shaft box cuts and pollution control dams as well as the considerable foundations required for the main and ventilation shaft winder houses.

On 7 December 2011 the site offices were officially commissioned, with personnel from TWP, Scribante and Liviero Civils being housed in temporary units. The offices will have an over-roof covering with an air gap allowing for cooling. This is an important consideration as it will save significant amounts of power in an area where summertime temperature peaks on average 37°C.

### EXCAVATIONS AND EARTHWORKS

Terracing the site had largely been completed by the end of the year (at the beginning of 2011 only a quarter of this work had been undertaken). By February 2012 some 104 818 m<sup>3</sup> of G6 material had been laid and compacted over an area totalling 156 772 m<sup>2</sup>. A second pollution control dam, measuring 20 000 m<sup>2</sup>, was constructed alongside the first 4 000 m<sup>2</sup> dam, which was largely completed in 2010. The bases of the dams consist of G6, which is overlaid with river sand. On top of this, a 2 mm plastic lining is laid, with the sheets plastic-welded together and then pressure tested.

As part of the mining licence requirement, two topsoil stacking areas totalling 78 296 m<sup>2</sup> have been established. Other topsoil excavated during the terracing process has been deposited on a berm built on the outskirts of the mine property. This has been done to encourage the regeneration of vegetation and will help to protect residents of Ledig from noise and dust pollution. Some 5 m in height, the berm was 1,2 km in length by December 2011 and will eventually measure 2,5 km.

By the end of the year, benching of the vent shaft box cut had been finalised and a safety net drilled and pinned with expandable bolts. The slow sink of the ventilation shaft is anticipated to commence four months before that of the main shaft. By the end of January 2012 the ventilation shaft's side walls had been stabilised and Liviero Civils had started on pouring the base for the shaft collar, to be followed by reinforcing and collaring.

## INTEGRATED PROJECT REPORT CONTINUED

In January 2012 work began on laying down a copper mat for the Eskom substation. This exercise, being carried out by an Eskom subcontractor, involves laying almost 8 km of copper bar 10 mm thick. The copper mat is designed to protect the critical power supply from lightning strikes.

Overseeing every step of the project execution process is the owner's team, which consists of Wesizwe executives and independent consultants. The owner's team meets every week to receive detailed updates on the project and to give direction on any aspects of the owner's responsibility. Progress and challenges are communicated to the Wesizwe executive committee and board.

The ventilation shaft service, kibble and stage winders, main shaft rock, service and kibble winders will be removed from Boshhoek to contractors' premises for refurbishing. Orders for other equipment and winders, including the main shaft stage winder, are either being processed or have been placed, with delivery and installation expected to be on schedule. The stage winder must be installed by October 2013.

A priority of the owner's team is optimising the project's capital expenditure. To this end, the procurement team is looking beyond traditional suppliers for the highest possible quality at the most competitive prices. Here the expertise of our Chinese partners, who are particularly strong in the area of sourcing equipment, is likely to be of considerable benefit.

To create the greatest value and efficiency, we will continue to investigate opportunities for synergy between Bakubung and Maseve, for example in utilising the same concentrator plant for both projects.

### FINALISING THE SHAFT-SINKING ENQUIRY

In 2011 a top focus area for the project management and the owner's team was the shaft sinking enquiry. This is the largest and most critical single contract leading to the opening of the mine. The shaft sinking contractor will be on site for a period of six years, sinking the ventilation and main shafts, which are scheduled to open in 2017 and 2018 respectively.

Six bidders responded to the initial enquiry. Wesizwe undertook an extensive due diligence process, investigating all pertinent aspects of the bidders, which included visits to similar shaft-sinking projects.

The results of the adjudication process on the shaft sinking enquiry were presented to the board along with the CBE. Aveng Grinaker-LTA was announced as the successful sinking contractor on 28 March 2012 and the order placed on 5 April 2012. Work has commenced on site. The shaft-sinking scope will currently cost R1,63 billion. The announcement of the successful bidder is of great significance as the performance of the shaft-sinking contractor will be critical to the development of the mine.

### POWER AND WATER SUPPLY

The civils, earthworks and procurement components of the project are well in hand. The company and its contractors, however, have less control over the provision of bulk services, which remains of concern.

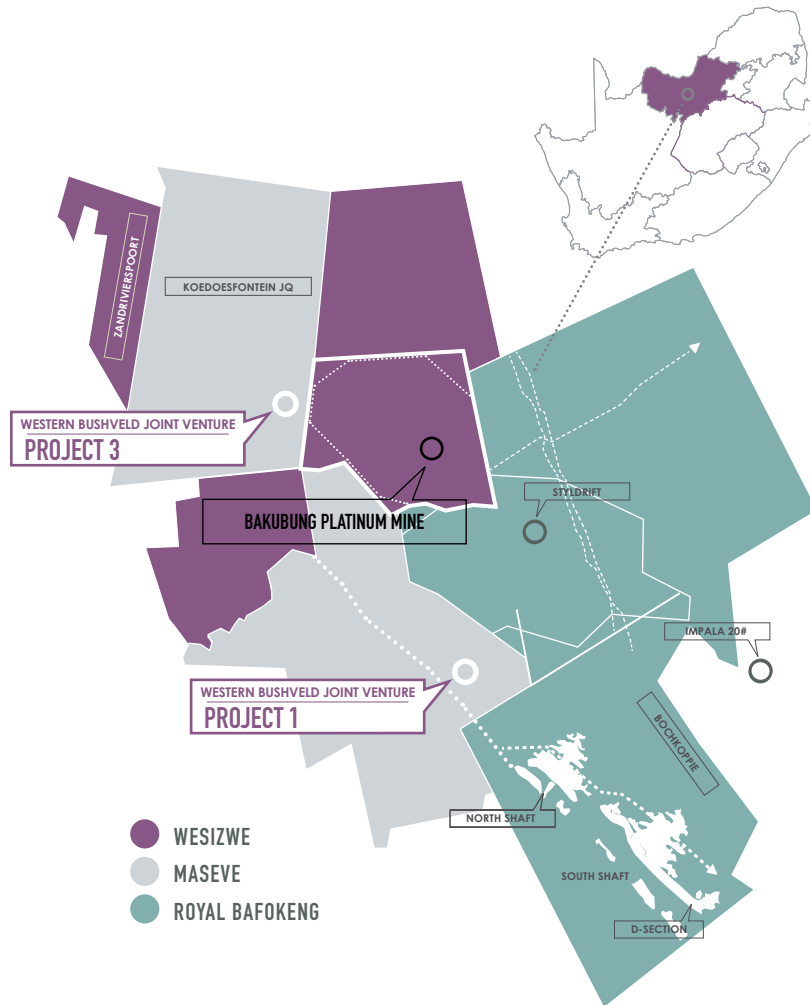
At peak production, mining and concentrator operations will consume more than 60MVA of electricity. In June 2011 an amount of R58 million was transferred to Eskom on the understanding that the bulk power supply would come on stream by the end of July 2012. Eskom has since indicated, however, that it needs to delay the provision of Phase 1 electricity until 30 September 2012. This is a cause for serious concern as the fast (or main) shaft sink work is due to commence in August 2012 and cannot be accomplished without Phase 1 power supply being commissioned. Apart from pushing back the project execution deadlines, any delays in the power connection could result in standing time costs from the shaft-sinking contractor of some R1 million per day. Project executives are engaging Eskom to clarify the situation and expedite the delivery of power to the mine.

Meanwhile, the cutting of a 600 m high-tension cable duct is nearing completion. This excavation will house the duct, measuring 2 m wide by 2 m high, and is cemented over to ensure the long-term integrity of the power supply. The 6.6 KV cables from the Eskom substation will run through the duct to the mine and the concentrator plant.

The bulk water supply has also been subjected to wide-ranging negotiation. The mine will require six million litres per day of fresh feed once operations reach full production. Presently the site receives 200 000 litres a day from utility Magalies Water, sufficient for shaft-sinking operations. Negotiations with Magalies Water on supplying water to the mine from the Vaalkop Dam, 40 km away near Brits, were approaching finality early in 2012. Collaboration and off-take agreements were drafted and are in the process of being signed off by all parties. The water programme also includes water supply to the municipalities of Rustenburg and Moses Kotane and the Royal Bafokeng Administration. The private applicants, mostly mining companies, are able to fund their pro-rata portions of the infrastructure investment required.







## ABOUT MASEVE PROJECT 1 & 3

Maseve Investments 11 (Pty) Ltd holds 100% of Maseve Projects 1 and 3, located on properties adjoining the Bakubung Platinum Mine in the western limb of the Bushveld Igneous Complex north of Rustenburg.

Platinum Group Metals (RSA) (Pty) Ltd (PTM) holds 74% of Maseve while Wesizwe holds the remaining 26%. This shareholding structure follows PTM's exercising of its option to subscribe for additional shares in Maseve.

Project 1 consists of a large-scale high-grade shallow platinum mine, construction of which began in 2011 with first production projected for 2014. Projected full production is some 275 000 4E ounces per year at a depth of only 300 metres, to be achieved by 2019.

In 2011 JIC Mining Services began executing a contract to develop twin 1 200 metre decline shafts into the centre of the Project 1 platinum deposit, intersecting the ore at a depth of 300 metres in late 2012.

Maseve has invested US\$100 million in Phase 1 of the Project 1 development, major elements of which are the purchase of all surface rights, site establishment, water and electricity connections and the twin underground shafts.

In terms of the agreement by which PTM increased its shareholding in projects 1 and 3, PTM has committed R1,57 billion of project funding in the form of share capital. Wesizwe will not be required to make further cash contributions until PTM has contributed this total. Subsequent funding will be contributed proportional to shareholding. In August 2011 PTM announced the signing of a mandate for a US\$260 million project finance loan.



## INTEGRATED PROJECT REPORT CONTINUED

### ACCELERATING SLP DELIVERY

In 2011, with the assurance that finance would again become available, an accelerated SLP was compiled and approved internally and prepared for implementation in 2012. The accelerated SLP envisages a financial provision of R24 million for LED and human resources development, including community training, in 2012 alone. This accelerated investment in the community and in staff will ensure that between 70% and 75% of the targets set for the first five-year SLP are met, thus ensuring that Wesizwe remains compliant with the terms of its mining licence.

#### LOCAL ECONOMIC DEVELOPMENT

The accelerated SLP has budgeted R16 million for LED in 2012. These sustainable projects, identified to ensure impact in the community, were identified through a series of consultations with various interested and affected stakeholders and have been aligned with and reflected in the Integrated Program Development Plan of the Moses Kotane Local Municipality.

#### LED PROJECTS

NO.	LED PROJECT	FIVE-YEAR BUDGET	AMOUNT SPENT TO DATE	IMPACT	DESCRIPTION
1	Water supply infrastructure and refilling of water tanks.	R15 million	R4 131 342 on Phase 1. R5 865 932 on transport cost to deliver water.	A total of 46 jobs were created with 15 000 residents benefiting.	Ledig is a water stressed community and measures have been taken to support the community in meeting water supply needs. To address this a three-pronged process was followed:  Phase 1: Construction of a 2,3 km water pipeline to the existing reticulation system, refurbishment of the Doornhoek pump station.  Phase 2: Construction of reservoir linked to existing reticulation to alleviate water pressure problems. Estimated cost: R10 million to be spent. This is part of a broader water supply infrastructure programme with the municipality and discussions are continuing in 2012 to determine time lines.  Phase 3: Interim daily refilling of water tanks.
2	Educational support and upliftment.	R2,5 million	R455 258	A total of 32 teachers employed and 1 435 learners in Grades R to 3.	Implemented reading and writing skills programmes in all foundation phases.
3	Bakubung agricultural project.	R1,2 million	Rnil	Local farmers with livestock.	Purchased a farm for R11 million for multiple use such as farming, employee housing and training facility. Feasibility study is underway to define a sustainable business model for the use of a portion of the farm for farming purposes.
4	Tourism development.	R550 000	R701 822	9 women beneficiaries.	Sebenya Art Co-operative established and fully operational until disrupted by community factions and intimidation of beneficiaries. Measures are underway to revive the project.
5	Improving healthcare services.	R750 000	Rnil	Provide healthcare training and resources.	Currently evaluating various proposals.
6	Community Adult Basic Education and Training (ABET).	R1 423 500	R371 408	A total of 35 learners.	Community empowerment through ABET.

## HUMAN RESOURCES DEVELOPMENT

The human resources challenges facing the project are considerable and varied. This is to be expected given the fact that the project concerns the construction, virtually from scratch, of a large mining operation. However, the fact that we are such a young company means that we can better position the organisation than our competitors to recruit and promote individuals in such a way that Wesizwe more closely reflects the country's demographics. The speed with which we achieve our diversity goals will, in particular, be influenced by the availability of various mining or technical skills, which are in great demand both locally and nationally.

In the next three to four years, the development of the mine will largely be carried out by contractors with core shaft-sinking skills in this particular phase of the project. Wesizwe, meanwhile, has to ensure that the human capital at its disposal is more than adequate if the project is to become a world-class operation and a benchmark for future investors in mining in South Africa.

For the 2012/2013 period, the company has allocated a significant portion of its SLP spend towards human resources and local training initiatives. This has also been boosted by the improved funding situation. An ongoing challenge is the development of suitable qualified local skills at critical points in time. The community's employment expectations will require continuous dialogue and engagement, explaining the company's requirement for suitably qualified individuals.

## LOCAL HIRING

Wesizwe's current SLP targets 20% local community employment with present levels exceeding this. We are actively laying the groundwork to maintain this performance as recruitment by the company ramps up. In terms of the accelerated SLP, Wesizwe envisages aggressively targeting a rate of 30%.

Between them, the various contractors oversaw a workforce that numbered 306 by the end of the year. A measure of how the head count on site is growing is gained from the fact that, by February 2012, this number had already risen to 406. In 2011, 26,8% of all workers on site were members of the local community, testimony to the extent to which the various contractors have bought into Wesizwe's vision of local economic development and empowerment.

Among other tasks, these local workers, along with their colleagues, were employed in excavating, backfilling and compacting a new site road entrance and access road. This was on schedule to be commissioned in the first half of 2012, in time for the commencement of shaft-sinking operations.

As is being done with compiling details of SMME capabilities, a database of available skills within a 50km radius has been compiled and is being constantly updated and the information verified.

## TRAINING AND DEVELOPMENT

Wesizwe competes for skills that are scarce and in growing demand. Additionally, there is the need to identify, train and induct a large workforce – of over 3 200 – while meeting and, wherever possible, exceeding the targets of the Mining Charter and SLP. Despite most of the mine's workforce only required on site in 2017, Wesizwe is actively planning, identifying, recruiting and training the mine's future labour force. By early 2016 the number of Wesizwe staff on site will for the first time exceed that of contractors' employees.

As the compiled skills database and surveys have previously revealed, the level of available skills within our local community is low. Learnership programmes targeting local candidates, to be implemented during the shaft-sinking phase beginning 2012, will contribute to addressing part of this challenge.

Hard-to-fill vacancies identified by the company include mining, electrical and mechanical engineers, shift supervisors, miners and artisans. The company is acutely aware of the shortage of skills in these areas and is working to meet its future requirements through various initiatives such as bursary schemes, learnerships, internships and the development of a compelling employee proposition to attract and retain talent, possibly including the establishment of a training centre, among others.

Training, both internally and externally, has fallen short of SLP commitments due to the financial constraints facing the company in recent years. However, as with other elements of the SLP, training delivery is now on track for acceleration to meet not only SLP commitments but Wesizwe's human capital requirements.





### WORKING WITH THE LOCAL COMMUNITY

Engaging with our stakeholders continues to receive our utmost attention and, in the case of the project's local community, has become one of the company's top priorities.

Wesizwe's stakeholder engagement policies and practices are detailed in the corporate affairs report starting on page 54.

Relations between Wesizwe and the people of Ledig reached a point of virtual collapse following the formal dissolution of community representation and traditional leadership structures. As a result, while the official position of who represents and leads the community is addressed by the provincial government, we have had to double efforts to communicate effectively and openly with Ledig residents.

To ensure that these communication efforts are indeed effective, it was considered important to gain in-depth knowledge of the people of Ledig, their socio-economic situation and their aspirations. In 2008 a perception study was carried out but this was limited to the leadership of the community and, since then, the entire social landscape in the area had changed dramatically. As a result, in 2011 an in-depth perception study was commissioned and executed following a widespread sensitisation process. The detailed results give accurate insight into the people's demographics and access to services, information and work opportunities and will inform all interactions with the community. The survey results also revealed that Wesizwe's complaints and suggestions procedures were viewed very positively, an encouraging reflection on our community engagement efforts and on the performance of our community liaison office.

The perception survey clearly identified recruitment as a key community concern, and indeed a key expectation relating to our project. Along with other vehicles to establish and sustain dialogue, an employment and stakeholder forum was re-established this year. This forum, which is chaired by the Wesizwe human resources executive, began operating in September 2011 and meets twice monthly to build understanding and trust. The company's employment and training needs and opportunities are discussed openly with representatives of the various ward committees. In addition, regular monthly meetings are held with the Ledig ward councillors.

Difficult issues from the past need to be honestly confronted and aired. These include the fact that, through dilution arising from the capital-raising exercise, the Bakubung-Ba-Ratheo community now have a much reduced stake in the company.

#### COMMUNITY CONCERNS

In a water-stressed area, the company is acutely aware of the discrepancy between consuming large amounts of water while the surrounding community goes without. To obviate this anomaly, Wesizwe, the Moses Kotane Local Municipality and Magalies Water have worked to expedite the building of a small reservoir to supply residents. Since 2008, the company has paid for 32 water tanks to be filled twice a day, an obviously unsustainable stopgap measure.

Wesizwe executives are actively addressing issues relating to mine housing. Various options have been identified and are now being investigated. These include Wesizwe owning all properties or a private developer becoming involved. It is anticipated that 75% of the workforce will be sourced locally and will commute from their own homes.

In 2011, the company purchased 963 ha of the farm Zwartkoppies, 10 km from the mine, for R11 million. In the first instance, this enabled the Ledig community to graze some 100 head of cattle. This was a time-critical consideration as, without the Zwartkoppies land, the community would have had nowhere to locate their cattle and Wesizwe would have failed to compensate the farmers as per the mining licence requirements. This could have resulted in construction being disrupted.

It is envisaged that mine housing could be based on a portion of Zwartkoppies. This option, and the possibility of using the property for various SLP projects, is being actively investigated. One of the options under investigation is the establishment of a sustainable BEE farming project. This year consultants from North West University were employed to advise on what type of agri-business would have the greatest prospects of success. Investigations include a piggery and the prospects for a feedlot operation. There has been some local opposition to the first, which will be taken into account. The prospects for a feedlot operation are being actively investigated. The process also entailed securing a portion of Mimosa farm for the tailings and disposal facility is being pursued, with an evaluation report being submitted to the municipality late in 2011.

Complaints were received from the Ledig residents that exploration work had damaged several of their houses. Despite the appointment of independent consultants, as agreed with the community and central government, these complaints persisted and Wesizwe agreed to repair 14 houses for which structural integrity had become compromised at a cost of R1,5 million. A contractor from the community was engaged to undertake the work.

### HEALTH AND SAFETY

The health and safety of everyone involved in the project is of the utmost importance. The site has, to date, achieved an enviable safety record while environmental impacts have been kept to an absolute minimum. On 17 February 2012, the site achieved a safety milestone of 500 LTIF days. Wesizwe is obligated in terms of the Mine Health and Safety Act (MHSA 1996) to ensure the safety of all employees working on the mine. This will be achieved by defining policies and procedures and also by celebrating such achievements.

Visitors to the site are likely to notice the speed-limit signs which read not "40" km/h but "43". The reasoning behind this apparently random number is that the signs are more likely to be noticed, and the limit adhered to. This is just one manifestation of Wesizwe's commitment to zero harm.

All employees on site undergo medical screening tests as well as a safety and legal induction test before they are allowed to access and work on site. This also applies to anyone who will be visiting the site more than once in a single month.



## MANAGING OUR ENVIRONMENTAL IMPACT

All elements of the earthworks programme subscribe to Wesizwe's construction environmental management plan, which was completed in 2008 and updated in July 2011.

The CEMP has been adhered to through various measures including the correct stripping and placement of topsoil and sub-soil, the implementation of a clean and dirty water system, pollution control dams and protocols for the storage and disposal of hazardous and non-hazardous materials.

Audits carried out in April and November 2011 showed that site activities were respectively 89% and 93% compliant.



The project's environmental impact is very strictly and closely monitored. A specialist environmental consultant oversees regular monitoring of dust (including respirable dust), surface and ground water, NO<sub>2</sub> and SO<sub>2</sub>.

Dust fallout is measured using dust buckets and is reported monthly. In terms of dust fallout, Wesizwe adheres to the guidelines of the Department of Environmental Affairs in terms of the National Environmental Management: Air Quality Act 39 of 2004. During the year, 90% of fallout was below the target of 300 mg/m<sup>3</sup>/day. Two results were recorded above the residential limit of 600 mg/m<sup>3</sup>/day. However, these results are considered anomalous. Overall, results in 2011 indicate that dust monitoring on site is well managed, with dust generated on site being well within recommended limits.

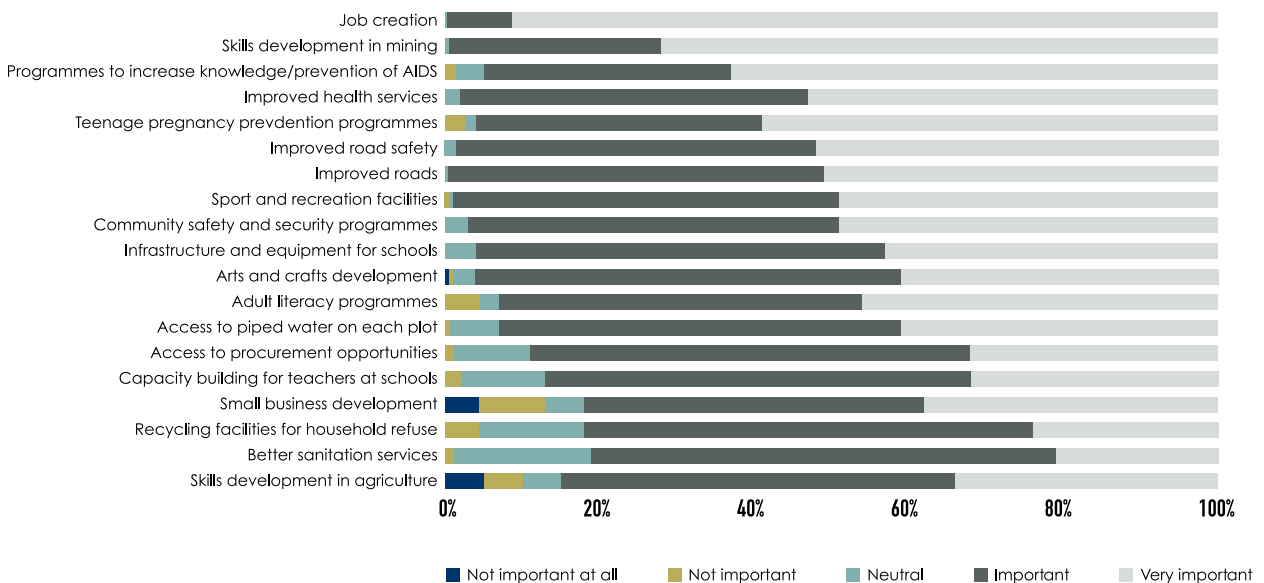
To measure respirable dust (PM10), a Minivol air sampler has been in place at the Wesizwe offices in Ledig since April 2009. Once construction commenced in 2010 we intended to move this sampler to the site. However, due to the lack of a secure power source on site a solar powered sampler was purchased, which will be installed during the second quarter 2012.

As part of the air quality monitoring programme, four samplers (attached to the dust buckets) were placed on and around the site to measure for NO<sub>2</sub> and SO<sub>2</sub>. Although sampling has been haphazard due to theft, results indicate that both NO<sub>2</sub> and SO<sub>2</sub> levels are well beneath target values of 21 and 19 parts per billion, respectively.

Field samples are taken for surface water (four sites) and groundwater (10 boreholes) monthly around the project area, with full samples taken quarterly. Reports for the full sample analysis of surface water and groundwater are provided quarterly.

## COMMUNITY PERCEPTION SURVEY 2011 RESULTS. NEEDS RATED IN TERMS OF IMPORTANCE.

Priority areas for development



## INTEGRATED PROJECT REPORT CONTINUED

Sampling of surface water has taken place from the Elands River since 2009 and from the pollution control dam since December 2010. In terms of compliance, Wesizwe adheres to the National Water Act 36 of 1998. All determinants have fallen below the SANS 241:2006 – Drinking Water quality standards, indicating that there is no impact on surface water quality from the Wesizwe site.

Groundwater sampling has taken place from 10 boreholes since 2009, some monitoring the shallow groundwater aquifer and others the deeper groundwater aquifer. As with surface water, all determinants to date have fallen below the relevant quality standards, indicating no impact from the site.

Whilst environmental impact is, certainly at this stage, minimal, long-term planning will ensure that this continues to be the case during the ramp-up of mine development and into the production phase. This year various procedures were drawn up and implemented. These procedures include waste, hazardous chemicals and stormwater management procedures and other protocols covering soil stripping and stockpiling, grazing compensation, air quality and emergency preparedness.

## EMPOWERING LOCAL BUSINESS

Wesizwe has adopted a preferred supplier policy for local BEE companies. It has further verified all local suppliers and registered them on its procurement database.

SMME development is not only an essential element of the SLP but is part of Wesizwe's ethos. The capital shortage experienced until this year had hampered the company's ability to progress preferential procurement and enterprise development but the take-off in mine development work experienced in 2011 has enabled the company to expand this important part of its vision.

The database of potential local suppliers has been compiled and verified and is constantly being updated. Working with TWP, the company is working on a supplier development strategy to identify gaps in the skills and abilities of local SMMEs and work packages that can realistically and cost-effectively be provided by local entrepreneurs. Almost 100 local SMMEs are registered on the company's database and 10 were engaged this year as sub-contractors, delivering work worth R2,8 million. While Ledig will remain Wesizwe's hosting community, it is essential to recognise that affected stakeholders includes settlements elsewhere in the vicinity.





## MINERAL RESOURCE STATEMENT

### BAKUBANG PLATINUM MINE MINERAL RESOURCE STATEMENT

Project: Bakubang Platinum Mine		Total								
Including geological loss 25%		Mt	4E g/t	4E Moz	Pt g/t	Pd g/t	Rh g/t	Au g/t	Cu %	Ni %
MR Mineral resource	Measured	6,698	6,27	1,351	4,07	1,69	0,29	0,24	0,08	0,25
	Indicated	18,093	6,08	3,535	3,97	1,60	0,28	0,23	0,08	0,22
	Inferred	11,242	5,88	2,124	3,88	1,54	0,25	0,21	0,08	0,19
	<b>Total</b>	<b>36,033</b>	<b>6,05</b>	<b>7,010</b>	<b>3,92</b>	<b>1,63</b>	<b>0,28</b>	<b>0,23</b>	<b>0,08</b>	<b>0,22</b>

Project: Bakubang Platinum Mine		Total								
Including geological loss 27,5%		Mt	4E g/t	4E Moz	Pt g/t	Pd g/t	Rh g/t	Au g/t	Cu %	Ni %
UG 2 Mineral resource	Measured									
	Indicated	32,894	4,63	4,901	2,77	1,35	0,49	0,02	-	0,12
	Inferred	10,078	4,16	1,349	2,48	1,22	0,44	0,02	-	0,12
	<b>Total</b>	<b>42,972</b>	<b>4,52</b>	<b>6,250</b>	<b>2,70</b>	<b>1,32</b>	<b>0,48</b>	<b>0,02</b>	<b>-</b>	<b>0,12</b>
<b>Total Bakubang Platinum Mine</b>		<b>79,005</b>	<b>5,22</b>	<b>13,260</b>						

In addition, Wesizwe has a 26% interest in Maseve which has the following mineral resources:

### MASEVE PROJECT 1 MINERAL RESOURCE

Project: Maseve Project 1		Total		
Including geological loss 14%		Mt	4E g/t	4E Moz
MR Mineral resource:	Measured	9,506	6,74	2,060
	Indicated	17,571	5,25	2,966
	Inferred	0,828	2,56	0,068
	<b>Total</b>	<b>27,905</b>	<b>5,68</b>	<b>5,094</b>

Project: Maseve Project 1		Total		
Including geological loss 23%		Mt	4E g/t	4E Moz
UG 2 Mineral resource	Measured	10,197	3,60	1,180
	Indicated	25,32	3,78	3,077
	Inferred	0,728	0,79	0,018
	<b>Total</b>	<b>36,245</b>	<b>3,67</b>	<b>4,275</b>
<b>Total Project 1</b>		<b>64,150</b>	<b>4,54</b>	<b>9,369</b>

### MASEVE PROJECT 3 AND WAR SPRINGS MINERAL RESOURCE

Project: Maseve Project 3		Total			
Including geological loss 14% and 100cmg/t cut-off		Reef	Mt	4E g/t	4E Moz
Mineral resource	Inferred MR		4,040	6,26	0,814
	Inferred UG 2		6,129	5,51	1,086
	<b>Total</b>		<b>10,169</b>	<b>5,81</b>	<b>1,900</b>

Project: War Springs		Total			
Including geological loss 5% and 300cmg/t cut-off		Reef	Mt	4E g/t	4E Moz
Mineral resource	Inferred B Reef		20,935	0,95	0,641
	Inferred C Reef		26,031	1,24	1,035
	<b>Total</b>		<b>46,966</b>	<b>1,11</b>	<b>1,676</b>

All the independent mineral resource estimates have been prepared in accordance with the SAMREC Code (2007) and have been substantiated by evidence obtained from site visits and observations. They are supported by details of drilling results, analyses and other evidence and account is taken of all relevant information supplied by Wesizwe management. The mineral resource update (September 2009) was prepared by The Mineral Corporation and the mineral resources statements are signed off according to the SAMREC Code by David Young, a director of The Mineral Corporation. David's qualifications are BSc (Hons), FGSSA, FAusIMM, Pr Sci Nat and his business address is Homestead Office Park, 65 Homestead Avenue, Bryanston 2021.

# FOR WESIZWE TO SUCCESSFULLY UNLOCK THE VALUE IN ITS UNDERGROUND RESOURCES

IT MUST HARNESS THE SKILLS, ENERGY AND COMMITMENT OF ITS HUMAN RESOURCES AND THOSE OF ITS PARTNERS.









## HUMAN CAPITAL REPORT CONTINUED

During the year Wesizwe shifted up a gear in ensuring that human resource development supports mine construction. The funding secured from the company's Chinese partners meant that the human resources function was better equipped to deliver on its programme.

At the end of 2011 Wesizwe directly employed 42 staff, half of whom are stationed at the head office in Johannesburg and the site office.

In 2011 the executive team was extensively restructured following the consensual termination of the services of Arthur Mashiatshidi (chief executive officer), Jacques de Wet (finance director) and Mlibo Mgudlwa (corporate affairs executive) and the appointments of Jianke Gao (chief executive officer), Michael Ma (finance director), Jacob Mothomogolo (projects executive) and Kagisho Reid (human resources executive). To ensure that the principles and the values informing our governance policy are universally understood, the executives received governance training during the year.

The permanent appointments of Kgomotso Tshaka and Sirkien van Schalkwyk as sustainable development executive and company secretary respectively were confirmed during the year. A number of other key appointments were made including IT manager and infrastructure manager. Other important roles, among them engineering manager and projects control manager, have been identified and the most suitable candidates are being assessed.

This year the executive committee set individual key performance areas for the 2012 financial year. At the time of writing, the board was reviewing the company performance scorecard.

At peak production the company's core project, Bakubung Platinum Mine, will employ 3 200 people. These skills need to be identified, where possible, from within the communities most directly affected by our operations. While the commencement of mining operations is still some years away, Wesizwe is working to ensure that it lays the basis for a capable, settled workforce and leadership team.

At December 2011, the construction phase of the Bakubung Platinum Mine had resulted in total employment of 306 workers by sub-contractors, 26,8% of whom are from local communities.

Our local employment plans are discussed further in the integrated project report starting on page 26.

On most employment equity scorecard targets, the company performs exceptionally well and, on balance, is on track to meet targets. Some 73% of staff are historically disadvantaged South Africans and 36% are women (30% HDSAs). Various strategies are being implemented to ensure that sufficient numbers of women have been identified and trained to create a substantial pool of women in mining that the company can tap into. Of the executive team, 50% are HDSAs, of whom 17% are women.

In the categories of top, senior, middle and junior management, as well as "core skills", HDSA representation comfortably exceeds Mining Charter targets for 2011. For example, in the middle management category the actual achievement was

100% against a charter target of 40%. On 1 September 2011 HDSA representation on the executive committee stood at four versus three non-HDSAs.

Human resources development expenditure (HDSA) as a percentage of payroll (excluding the skills levy) was 3,46% in 2011, and has exceeded Mining Charter targets since 2008. The 2011 spend is consistent with the charter target of 3,5% for the year and a notable achievement considering that the company was not funded for a large part of 2011. We have submitted a work skills plan and annual training report to the Department of Mineral Resources for the past four years, and received Mining Qualifications Authority approval on 4 August 2011. Total human resources expenditure for the period November 2010 to October 2011 was over R630 000.

In terms of the accelerated SLP targets, an amount of R6 million has been allocated to various training initiatives including ABET learnerships, bursaries, portable skills and mentorship. These initiatives will affect almost 250 people.

In the year under review, 11 learners were enrolled in ABET and 33 employees attended various management and professional development courses. Eight bursaries, mostly in engineering disciplines, were awarded while five learners underwent full-time maths and science bridging training at the Edumap College in Johannesburg. Learnership programmes, targeting local candidates, will be implemented during the shaft-sinking phase in 2012.

The Wesizwe workplace skills plan focuses mostly on mining-specific skills and competencies as well as on HDSA employees. Positions identified as hard-to-fill vacancies are electrical and mechanical engineers, shift supervisors, miners and artisans. These skills needs are being addressed through the company's bursary and learnership schemes.

Wesizwe has developed career paths for all relevant career disciplines. The organisation is currently establishing a pool of people, both internally and externally, for fast-tracking as per the commitments contained in our career path development plan.

While Wesizwe promotes a workplace environment that is rich in diversity, it also strives to provide a workplace free of preventable hazards and to comply with all laws and regulations governing workplace safety and health.

## REMUNERATION

The board and executive committee adopted the Wesizwe reward philosophy, first promulgated in 2010, during the year. An updated annual bonus and long-term incentive architecture were also approved. In 2012, details relating to the composition and structure of remuneration packages and the long-term incentive scheme, as well as its applicable rules including vesting periods, funding model and parameters on potential shareholder dilution, will be finalised.

In December 2011 the board approved salary increases of 6,8% at executive level and 8% for other employees with effect from January 2012. The overall approved salary increase was 7% of total payroll. The board also approved a 2011 annual bonus pool of R1 988 588 to be paid across the company.



Also in December, the executive committee approved the allocation of R8 935 383 for delivery of human resources and local economic training initiatives during 2012/2013. This expenditure will further complement the company's SLP.

Wesizwe benchmarks its remuneration policies and levels against general market data as published annually in a number of surveys. It also compares itself with the mining industry, and the remuneration of top executives is benchmarked against national levels. A similar principle is applied to scarce skills. These considerations are guided and informed by expert, independent research and input received from Deloitte Consulting. These practices enable the company to compete in the marketplace for the attraction and retention of those skills that are considered critical to its success.

Mining activities elsewhere in Africa, policy uncertainty and transformation imperatives, have together served to place a premium on several skills sets. Where appointments are made at remuneration levels that are markedly above general and industry medians, these are communicated to the remuneration and nomination committee.

The annual disbursement of funds as part of the board-approved annual increase process is undertaken during January of each year. The sum proposed to the board for salary increases is determined by general and mining-related increases with regard to total cost to company, other relevant economic indicators including cost-of-living increments, and the performance of the company.

Wesizwe aims to maintain salary levels that ensure the company remains competitive in attracting and retaining skills while managing costs. The total cost of remuneration is controlled by the company and does not include open-ended liabilities determined by external factors.

The remuneration and nominations committee this year approved the broad architecture of Wesizwe's executive incentive scheme. In the first half of 2012, the board expects to finalise the company performance scorecard, the type of long-term incentive scheme, desired pay mix and the funding model for both annual and long-term incentives.



### REMUNERATION OF EXECUTIVE DIRECTORS

	No. of months	Salaries R'000	Termination of contract R'000	Bonuses R'000	Total 2011 R'000	Total 2010 R'000
Jianke Gao	5	1 094	–	180	1 274	–
Arthur Mashiatsidi	7	1 640	3 448	–	5 088	2 327
Michael Solomon	n/a	–	–	–	–	3 635
Jacques de Wet	7	1 001	2 390	–	3 391	1 807
Michael Ma	4,5	710	–	120	830	–
Mlibo Mgudlwa	8,5	1 047	1 087	–	2 134	1 805
<b>Total</b>		5 492	6 925	300	12 717	9 574

### REMUNERATION OF EXECUTIVE MANAGEMENT

	No. of months	Salaries R'000	Termination of contract R'000	Bonuses R'000	Total 2011 R'000	Total 2010 R'000
Manie Blignaut	12	1 319	–	224	1 543	1 415
Jacob Mothomogolo	8	1 203	–	202	1 405	–
Kgomotso Tshaka	12	1 615	–	373*	1 988	2 045
Kagisho Reid	8	987	–	168	1 155	–
Sirkien van Schalkwyk	2	168	–	100*	268	–
<b>Total</b>		5 292	–	1 067	6 359	3 460

\* Includes retention bonus of R100 000





## REMUNERATION OF NON-EXECUTIVE DIRECTORS

The following table sets out the fees paid to non-executive directors in 2011.

	Director's fees	Attendance fees	Total 2011	Total 2010
<b>Non-executive directors</b>				
Dexin Cheng	42	65	107	–
Mike Eksteen	84	90	174	696
Robert Garnett	18	17	35	–
Peter Gaylard	28	39	67	401
Clive Knobbs	–	–	–	2
Jikang Li	42	66	108	–
Arthur Mashiatshidi	7	4	11	–
Humphrey Mathe	–	–	–	2
Mlibo Mgudlwa	32	39	71	339
Dawn Mokhobo	240	115	355	984
Ezekiel Monnakgotla	–	–	–	12
Kgomotso Moroka	–	–	–	55
Goleele Mosinyi	–	–	–	172
James Ngculu	56	56	112	–
Wiseman Nkuhlu	18	19	37	–
Rob Rainey	28	32	60	214
Michael Solomon	28	17	45	669
Liliang Teng	56	116	172	–
Barrie van der Merwe	84	113	197	52
Julian Williams	21	–	21	247
James Zhang	56	64	120	–
<b>Total</b>	<b>840</b>	<b>852</b>	<b>1 692</b>	<b>3 845</b>

The following fees for the services of non-executive directors will be recommended for approval by shareholders at the annual general meeting in June 2012. These fees have been benchmarked and were not increased during the last two years.

Category	Recommended remuneration
Chairman	R25 000 monthly retainer R13 500 per meeting attended
Board member	R8 466 monthly retainer R12 000 per meeting attended
Independent board member	R10 417 monthly retainer R12 000 per meeting attended
<b>Audit and risk committee</b>	
Chairman	R13 500 per meeting attended
Member	R9 000 per meeting attended
<b>Remuneration and nominations committee</b>	
Chairman	R13 500 per meeting attended
Member	R9 000 per meeting attended
<b>Strategy and investment committee</b>	
Chairman	R13 500 per meeting attended
Member	R9 000 per meeting attended
<b>Technical committee</b>	
Chairman	R13 500 per meeting attended
Member	R9 000 per meeting attended
<b>Social and ethics committee</b>	
Chairman	R13 500 per meeting attended
Member	R9 000 per meeting attended

# WESIZWE STRIVES TO MAINTAIN AND ENHANCE GOVERNANCE STANDARDS BY CONSTANTLY REVIEWING CURRENT AND EMERGING TRENDS.

THE BOARD IS COMMITTED TO COMPLYING WITH THE RECOMMENDATIONS OF THE KING CODE AND REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA 2009 (KING III).









## CORPORATE GOVERNANCE REPORT CONTINUED

The board and its committees have made good progress in embedding the appropriate principles and practices contained in King III. The board approved its revised board charter and board committees' terms of reference, and governance structures have clear approval frameworks.

Wesizwe is listed on the Johannesburg Stock Exchange (JSE) and is therefore subject to the Listings Requirements of the JSE, the guidelines in King III as well as legislation applying to publicly listed companies in South Africa.

During the year, the company continued to focus on identifying compliance gaps in line with the "apply or explain" approach of King III. The company will continue to improve operational and corporate practices to achieve sound corporate governance, transparency and accountability at all times, underpinned by integrity. Wesizwe complies in all material respects with King III, except for the areas highlighted in this report.

The implications of the new Companies Act 71 of 2008 (the Act) were an important focus for the board. To comply with the Act, a general meeting was held on 15 August 2011 where shareholders were asked to approve the directors' remuneration as well as give consent for financial assistance for any related or inter-related company. At the annual general meeting (AGM), to be held during 2012, shareholders will be asked to approve a new memorandum of incorporation, approve the conversion of the company's issued share capital to shares of no par value as required by the Act, to appoint members of the audit and risk committee and consider certain special and ordinary resolutions as required in terms of the Act.

A copy of the new memorandum of incorporation will be available for inspection by any person who has a beneficial interest in any securities of the Group at the registered office of the Group at Unit 13, 2nd Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg and at PSG Capital, First Floor, Building 8, Inanda Greens Business Park, 54 Wierda Road West, Wierda Valley, Sandton, 2196, during normal office hours from the date of issue of this AGM notice up to and including the date of the annual general meeting or any adjourned meeting. In addition, shareholders may view or download the proposed new memorandum of incorporation at the company's website address [www.wesizwe.com](http://www.wesizwe.com). The salient features thereof is set out in Appendix 3 attached to and forming part of this AGM notice.

### BOARD OF DIRECTORS

The board has a unitary structure and exercises full and effective control over the company. It comprises two executive directors and eleven non-executive directors, four of whom are independent. The majority of non-executive directors are not independent and this is currently being reviewed. The responsibilities of all directors are clearly divided to ensure a balance of power and authority.

The board is:

- › Guided by the letter and spirit of the principles expressed in King III and the JSE Listings Requirements.

- › Responsible for actively reviewing and enhancing the company's system of control and governance on a continuous basis, to ensure that the company is managed ethically and within prudently determined risk parameters.
- › Committed to sustainable value creation for all identified stakeholders.
- › Responsible for the integrity of the integrated report and for overseeing all sustainability issues.

The composition of the board is reviewed on a regular basis and the board as a whole considers appointments to the board. Appointments are made in terms of a formal appointment of directors to the board policy. This involves evaluating the existing balance of skills and experience, as well as continuously assessing the needs of the company.

There are no formal succession plans in place for the chairman, CEO or senior executives. This plan will be developed during 2012.

Following the conclusion of the specific issue of ordinary shares to the Chinese consortium and Micawber 809 (Pty) Ltd during May 2011, in terms of which the Chinese consortium acquired 45% of the company, the composition of the board changed considerably. Dexin Chen, Liliang Teng, Jianke Gao, Michael Ma, James Zhang, Jikang Li and James Ngculu were appointed directors effective 4 May 2011 and Peter Gaylard and Jacques de Wet resigned as directors on the same date. Rob Rainey did not make himself available for re-election at the AGM the following day and retired from the board effective 5 May 2011.

Julian Williams and Michael Solomon were not re-elected at the general meetings held on 9 March 2011 and 5 May 2011 respectively.

Following a meeting of the reconstituted board held on 4 May 2011, Arthur Mashiatsidi resigned as chief executive officer and was appointed joint acting chief executive officer. James Zhang was also appointed joint acting chief executive officer and Michael Ma appointed as acting finance director.

Jianke Gao assumed the position of chief executive officer effective 1 August 2011 following the registration of his work permit. At this time Arthur Mashiatsidi and James Zhang resigned as joint chief executive officers but remained board members. Michael Ma assumed the role of finance director effective 23 August 2011.

Corporate affairs executive Mlibo Mgudlwa decided to pursue other business opportunities and resigned as an executive director on 15 August 2011. He remains on the board as a non-executive director. Arthur Mashiatsidi resigned as a director on 19 September 2011.

Wiseman Nkuhlu and Robert Garnett accepted appointments as independent non-executive directors effective 17 October 2011 to strengthen the board composition and comply with the relevant regulatory requirements.

The board is subject to an annual evaluation with the aim of assessing its effectiveness in fulfilling its duties and responsibilities and continuously improving the manner in which the company is governed. The Institute of Directors of South Africa (IoDSA) conducted a formal board and committee evaluation process



during December 2011, which involved interviews with the company secretary to obtain a high-level overview of existing governance structures and processes, board members completing assessment questionnaires and one-on-one interviews with the relevant directors.

The findings were reported to the board and areas for improvement included formally clarifying the role of the chairman, improving risk governance, ongoing training of directors, succession planning at management and board levels, attaining a suitable balance of power between non-independent and independent non-executive directors, and implementing IT governance processes. All the recommendations made will be thoroughly examined and implemented where possible.

The board is responsible for monitoring and reporting on the effectiveness of the company's system of internal control. In discharging this responsibility it is assisted by six board committees, which are detailed later in this report.

Non-executive directors derive no benefit from the company other than their fees. Their emoluments are proposed by the board on the recommendation of the remuneration and nomination committee and approved by shareholders at the company's AGM.

A profile for each director is provided on pages 8 to 11.

## THE CHAIRMAN

The chairman of the board, Dawn Mkhobo, is an independent non-executive director and her role is separate from that of the CEO.

Dawn Mkhobo provides overall leadership to the board without limiting the principle of collective responsibility for board decisions. She does not chair any other board committees. The chairman is a member of the remuneration and nomination committee, which assists with the annual appraisals of the executive directors' performance and developing a succession plan for the board. She is a member of the social and ethics committee as well as the strategy and investment committee to ensure she stays abreast of all matters pertaining to ethical leadership and strategy development. Although the board evaluates the performance of the chairman every year, election of the chairman does not occur annually but only as and when required. The job description for the chairman will be confirmed during 2012.

## NON-EXECUTIVE DIRECTORS

All members of the board have a fiduciary responsibility to represent the best interest of the company and all of its stakeholders. The company's non-executive directors are individuals of high talent and credibility who make a significant contribution to the board's deliberations and decisions. They have the necessary skill and experience to bring independent management expertise to areas such as strategy, performance, transformation, diversity, employment equity and environmental management.

There are currently eleven non-executive directors on the board, only four of which are independent. The board composition is in the process of being reviewed to comply further with the requirements of King III.

## CHIEF EXECUTIVE OFFICER

In defining its own levels of authority and reserving specific powers, the board delegates relevant matters to management via the executive committee. The collective responsibility of management vests with the CEO, Jianke Gao. He is responsible for formulating and recommending strategies and policies to the board and leading their implementation to ensure operational success. The CEO is accountable to the board and consistently strives to achieve the company's goals within the authority framework. He provides regular reports to the board at scheduled meetings and as required.

## COMPANY SECRETARY

The company secretary plays a key role in the governance of the company and is responsible for ensuring board compliance with procedures and regulations of a statutory nature. The company secretary ensures compliance with the JSE Listings Requirements and is responsible for submitting the annual compliance certificate to the JSE Limited.

The company secretary provides the board as a whole and directors individually with guidance on discharging their responsibilities and duties. She plays a vital role in providing advice and guidance to the board and to other employees within the company on good governance and changes in legislation.

The company secretary ensures that, in accordance with the applicable laws and regulatory framework, the proceedings and affairs of the board, the company and, where appropriate, the owners of securities in the company are properly administered. The company secretary is the secretary of all board committees.

## BOARD MEETING ATTENDANCE

The following board meetings were held during the period under review.

DIRECTOR	17 MAR 2011	4 MAY 2011	23 JUN 2011	22 SEPT 2011	1 DEC 2011
Dexin Chen	n/a	✓	✓	x	✓
Jacques de Wet	✓	✓	n/a	n/a	n/a
Mike Eksteen	✓	✓	✓	✓	✓
Jianke Gao	n/a	✓	✓	✓	✓
Robert Garnett	n/a	n/a	n/a	n/a	✓
Peter Gaylard	✓	✓	n/a	n/a	n/a
Jikang Li	n/a	✓	✓	✓	✓
Michael Ma	n/a	✓	✓	✓	✓
Arthur Mashiatshidi	✓	✓	✓	n/a	n/a
Mlibo Mgudlwa	✓	✓	✓	✓	x
Dawn Mokhobo	✓	✓	✓	✓	✓
James Ngculu	n/a	✓	✓	✓	✓
Wiseman Nkuhlu	n/a	n/a	n/a	n/a	✓
Rob Rainey	✓	x	n/a	n/a	n/a
Michael Solomon	✓	x	n/a	n/a	n/a
Liliang Teng	n/a	✓	✓	✓	✓
Barrie van der Merwe	✓	✓	✓	✓	✓
James Zhang	n/a	✓	✓	✓	x

✓ = Attended

x = Did not attend

n/a = Had either left the board or not yet been appointed

## BOARD COMMITTEES

While the board remains accountable and responsible for the performance and affairs of the company, it delegates to management and board committees certain functions to assist it in properly discharging its duties. The chairman of each committee reports to the board at each scheduled meeting and minutes of committee meetings are provided to the board. Each committee functions in accordance with the provisions of its mandate, which the board approves.

The board has six standing committees, which are:

- Audit and risk committee (chaired by Wiseman Nkuhlu).
- The IT steering committee (chaired by Michael Ma) reports to the board via the audit and risk committee.
- Remuneration and nomination committee (chaired by Liliang Teng).
- Strategy and investment committee (chaired by Robert Garnett).
- Technical committee (chaired by Mike Eksteen).
- Social and ethics committee (chaired by James Ngculu).

Committee members are supplied with full and timely information to enable them to properly discharge their responsibilities. All directors have unrestricted access to all company information. The chairman of each committee is expected to attend annual general meetings to answer questions from shareholders.

## AUDIT AND RISK COMMITTEE

The audit and risk committee ensures the transparency and integrity of the company's integrated, financial and risk reporting by, inter alia, reviewing the financial statements with management and external auditors prior to publication. Risk management remains an integral component of strategic and business processes. Due to the current size of the business, the board decided to combine the audit and risk functions to ensure all regulatory requirements are met. Due to this combined committee, the members are not all independent non-executive directors, but does comply with the minimum requirements of an audit committee in terms of the Companies Act. The composition requirements of the audit committee gets preference and therefore do not include members of senior management and independent risk management experts. The agenda is divided appropriately to ensure both audit and risk management responsibilities are attended to.

On the appointment of additional independent non-executive directors, Barrie van der Merwe, Liliang Teng, Dexin Chen and Dawn Mokhobo stepped down as members. The current members of the audit and risk committee are Wiseman Nkuhlu (chairman), Robert Garnett, Mike Eksteen and Jikang Li, three of whom are independent non-executive directors.



A report from the chairman of the audit and risk committee can be found on page 68.

The committee's charter guides committee members in discharging their duties and adding value to the committee's work. The company is in the process of implementing a combined assurance processes that will aim to optimise and balance the reports it receives from management and external and internal auditors. It also maintains and considers the risk register on a regular basis. The committee constantly considers legal, regulatory, risk, ethical, sustainability and IT issues and has standard agenda items on each of these areas of responsibility.

The committee's charter is reviewed annually and was amended to meet regulatory requirements. To meet the new areas of responsibility in terms of King III, the charter now includes integrated reporting and IT oversight. A committee work plan was adopted to ensure that the committee deals with all of its duties on an annual basis and at appropriate times.

The committee meets at least four times a year and is primarily responsible for assisting the board in carrying out the following duties:

- › Overseeing reporting including considering, approving and recommending the annual financial statements for approval by the board.
- › Monitoring the company's systems of control.
- › Recommending the external auditors' appointment and agreeing their fees.
- › Reviewing the scope of work of external auditors and approving non-audit work to be carried out by the auditors.
- › Meeting with external auditors.
- › Appointing the internal auditors.
- › Reviewing the internal auditors in terms of capacity, resources, scope of work and findings.
- › Reviewing the resources and adequacy of the finance function, including the appropriateness, expertise and experience of the finance director.

- › Overseeing sustainability issues and reporting.
- › Overseeing the integrity of the integrated report.
- › Overseeing risk management processes, including IT, fraud and corruption, and compliance.
- › Reviewing any ethical standards or requirements for the company and the procedures or system implemented to promote and enforce compliance.
- › Reviewing the company's business risks and ensuring compliance with numerous statutory laws and regulations.
- › Evaluating whether management is setting appropriate controls by communicating the importance of risk management and ensuring that all employees understand their roles and responsibilities.

Management acknowledges its responsibility to actively manage the company's strategic and operational risks on a daily basis. In this regard, management adopted a formal risk management methodology. The risk register was developed as part of this approach and it is reviewed on a regular basis with updates and changes presented to the audit and risk committee and the board. Formal annual risk assessments will be implemented going forward.

There is no independent compliance officer appointed and the sustainability executive oversee this responsibility. A compliance programme is being developed and will be implemented during 2012.

A detailed table and analysis of material risks is provided on pages 62 to 64.

The CEO, finance director and partner of both the external (KPMG Inc) and internal auditors (BDO Advisory Services (Pty) Ltd) attend meetings of the audit and risk committee by invitation but do not have voting rights. The auditors have unrestricted access to the chairman of the committee as well as to the chairman of the board.

The audit and risk committee held the following meetings during the financial year:

MEMBER	15 MAR 2011	22 JUN 2011	21 SEPT 2011	21 NOV 2011
Dexin Chen	n/a	✓	x	x
Mike Eksteen	n/a	n/a	n/a	✓
Robert Garnett	n/a	n/a	n/a	✓
Dawn Mokhobo	✓	n/a	n/a	n/a
Wiseman Nkuhlu	n/a	n/a	n/a	✓
Jikang Li	n/a	✓	✓	✓
Rob Rainey	✓	n/a	n/a	n/a
Liliang Teng	n/a	x	✓	✓*
Barrie van der Merwe	✓	✓	✓	✓*

\* = By invitation

✓ = Attended

x = Did not attend

n/a = Had either left the board or not yet been appointed

## CORPORATE GOVERNANCE REPORT CONTINUED

The committee was satisfied with the objectivity and independence of services rendered by the external auditors.

The IT steering committee's responsibilities were handled by the executive committee in the absence of a chief information officer (CIO), which resulted from the resignation of the finance director, Jacques de Wet who had fulfilled this function. A highly experienced IT manager, Kobus Pienaar, was appointed on 1 December 2011 and he will fulfill the responsibilities of the CIO. The committee was re-constituted at a meeting held on 23 February 2012 and the chairman of the committee provides feedback to the audit and risk committee as well as the board. The members are representatives from head office, regional office, mine site, human resources, internal communicating and external communications. The committee's charter was reviewed and a formal IT policy adopted and is being implemented. An IT internal control framework will be developed and implemented during 2012.

The company's IT manager presents a comprehensive report on all IT and related risks to the executive committee and the audit and risk committee at each of their meetings.

Priorities addressed during the year under review were IT connectivity between the various sites as well as information security. Industry-standard IT frameworks are being put in place to address relevant governance requirements, with policies and procedures to ensure a controlled and managed IT system within the Group. Steps were taken to source an ERP and BI system to ensure that business management and reporting data are available to decisionmakers, while a secure and robust communication infrastructure is being deployed.

The IT department is developing a technology strategy in step with the evolving business strategy.

### REMUNERATION AND NOMINATION COMMITTEE

Following the equity transaction, Peter Gaylard stepped down as chairman of the committee and Rob Rainey as member.

Dawn Mokhobo remained a member. The current members of the committee are Liliang Teng (chairman), Dawn Mokhobo and Barrie van der Merwe. The CEO and the human resources executive attend by invitation. The CEO is excused from all discussions relating to the CEO's remuneration package. Even though this committee is responsible for both the remuneration and nomination responsibilities, the majority of members are not independent, therefore the composition of this committee is currently being reviewed to ensure that the specific requirements are met.

The committee meets at least twice a year and is primarily responsible for assisting the board in carrying out the following duties:

- › Overseeing and implementing the company's remuneration policy.
- › Annually reviewing and approving the remuneration packages for executive directors and approving annual bonuses, performance-based incentives and share incentive schemes.
- › Reviewing the ongoing appropriateness and relevance of the executive remuneration policy and other executive benefit programmes.
- › Annually approving management's recommendation for the average annual increase per employee.
- › Making recommendations to the board on the remuneration of non-executive directors.
- › Regularly reviewing the composition of the board.
- › Reviewing the independence of the directors as well as any potential conflict of interests.
- › Nominating potential candidates for appointment to the board as and when deemed necessary.
- › Reviewing succession planning.

The remuneration and nomination committee held the following meetings during the year under review:

MEMBER	19 JAN 2011	17 MAR 2011	4 MAY 2011	16 MAY 2011	21 JUN 2011	20 SEPT 2011	22 NOV 2011
Dexin Chen	n/a	n/a	✓	✓	✓	x	x
Peter Gaylard	✓	✓	✓	n/a	n/a	n/a	n/a
Dawn Mokhobo	✓	✓	✓	✓	✓	✓	✓
Rob Rainey	✓	✓	x	n/a	n/a	n/a	n/a
Liliang Teng	n/a	n/a	✓	✓	✓	✓	✓
Barrie van der Merwe	n/a	n/a	✓	✓	✓	✓	x

✓ = Attended

x = Did not attend

n/a = Had either left the board or not yet been appointed



### STRATEGY AND INVESTMENT COMMITTEE

In line with the new company strategy, and the aim to create long-term value for stakeholders, the committee's primary objective is to review proposals to evaluate different methods of capital raising, joint ventures, mergers, corporate acquisitions or disinvestments, acquisitions and disposal of assets against certain criteria and to make such recommendations to the board. The name of the committee was changed from the finance and investment committee to the strategy and investment committee.

Thus the current members of the committee are Robert Garnett (chairman), Wiseman Nkuhlu, Dexin Chen, Liliang Teng, Dawn Mokhobo and Barrie van der Merwe. The CEO and finance director attend by invitation.

The committee will meet quarterly and will be primarily responsible for assisting the board in carrying out the following duties:

- › Considering different methods of capital raising and their effects upon the company's capital structure, the cost pertaining to each, strategic implications and the security granted to the provision of capital.
- › Considering the suitability of entering into joint ventures, both unincorporated and incorporated, mergers and acquisitions and disinvestments.
- › Developing and recommending to the board criteria for the selection of investments best suited for the company's requirements.
- › Embarking upon projects, acquisitions and disposal of assets.
- › Quarterly reviewing the performance of each current investment.

Due to the finalisation of the transaction and no additional opportunities being identified, the committee did not meet during 2011 and the board took the necessary investment-related decisions.

### TECHNICAL COMMITTEE

The committee's primary objective is to create long-term value for stakeholders by assisting the board in the adoption of

sound principles in managing safety, health, environmental, community responsibilities and technical matters beyond statutory requirements.

Following the transaction, Peter Gaylard stepped down as chairman, as did Mike Solomon as a member. Liliang Teng, Dexin Chen and Jianke Gao were appointed. Following the resignation of Mlibo Mgudlwa as executive director, he also stepped down as member and Michael Ma was appointed in place of Liliang Teng.

The current members of the committee are Mike Eksteen (chairman), Dexin Chen, Jianke Gao and Michael Ma. The projects executive and general manager: operations attend by invitation.

With the ramp-up of the core project, the committee meets quarterly and is primarily responsible for the following duties:

- › To evaluate technical and mining strategies for the effective development of the company's projects.
- › To appoint, retain or terminate the services of consultants to meet the objectives of the committee's charter.
- › To pre-approve all services provided to the company in areas of its defined objectives, including fees.
- › Assist the board on technical aspects of the capital budget estimate.
- › Oversee all statutory and regulatory matters in terms of the committee's obligations.
- › Assist the board in discharging its responsibilities in terms of the management of operational risk.
- › Develop, approve and oversee broad-based black economic empowerment ("BBBEE") employment plans and plans for the procurement of goods and services as provided for in the Mining Charter.
- › Oversee appointments by the requisite company authority of suitably qualified persons to statutory positions falling within those areas prescribed by the committee charter.
- › Brief the board on material local and international developments in engineering, environmental and health, geology, metallurgy, mining and related fields.

The technical committee held the following meetings during the financial year:

MEMBER	20 APR 2011	21 JUNE 2011	19 SEPT 2011	23 NOV 2011
Dexin Chen	n/a	✓	x	x
Mike Eksteen	✓	✓	✓	✓
Jianke Gao	n/a	✓	✓	✓
Peter Gaylard	✓	n/a	n/a	n/a
Arthur Mashiatsidi	✓	n/a	n/a	n/a
Mlibo Mgudlwa	✓	✓	✓	✓
Mike Solomon	✓	n/a	n/a	n/a
Liliang Teng	n/a	x	✓	✓

✓ = Attended

x = Did not attend

n/a = Had either left the board or not yet been appointed



## CORPORATE GOVERNANCE REPORT CONTINUED

### SOCIAL AND ETHICS COMMITTEE

The social and ethics committee was established during the year and comprises James Ngculu (chairman), Dawn Mokhobo and Mlibo Mgudlwa. The human resources executive, sustainability executive and corporate affairs executive attend by invitation.

A fraud prevention policy, developed and adopted by the social and ethics committee and the audit and risk committee, is being implemented. It is envisaged that an anonymous call line be implemented to facilitate unrestricted whistleblowing and the prevention of fraud.

The committee is mainly responsible for:

- › Monitoring the company's activities with regard to any relevant legislation, other legal requirements or prevailing codes of best practice dealing with matters of social and economic development, including the company's standing in terms of the 10 principles set out in the United Nations Global Compact.
- › Promoting good corporate citizenship, including:
  - promoting equality, preventing unfair discrimination and reducing corruption;
  - contributing to the development of communities in which its activities are conducted or within which its products or services are marketed; and
  - sponsorship, donations and charitable giving.
- › Caring for the environment, health and public safety, including the impact of the company's activities and of its products or services.
- › Promoting consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.
- › Monitoring labour and employment, including:
  - the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
  - the company's employment relationship and its contribution toward the educational development of its employees.
- › Reviewing any statements on ethical standards or requirements for the company and the procedures or review system implemented to promote and enforce compliance.
- › Reviewing significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the company.
- › Where requested, making recommendations on any material potential conflict of interest or questionable situations.
- › Ensuring that the code of conduct and ethics-related policies are drafted and implemented.
- › Reporting on and disclosing the company's ethics performance and; bringing matters within its mandate to the attention of the board.

The committee held the following meetings during the financial year.

MEMBER	21 SEPT 2011	22 NOV 2011
Mlibo Mgudlwa	✓	✓
Dawn Mokhobo	✓	✓
James Ngculu	✓	✓

✓ = Attended

### EXECUTIVE COMMITTEE

The committee is chaired by the CEO, Jianke Gao, and comprises the finance director Michael Ma, corporate affairs executive Hamlet Morule, sustainability executive Kgomotso Tshaka, human resources executive Kagisho Reid, projects executive Jacob Mothomogolo, general manager: operations Manie Blignaut and company secretary Sirkien van Schalkwyk.

The committee decides or makes recommendations on all matters relating to strategy and operations. Within the parameters set by the board-approved authority framework, the decisions and recommendations are sometimes referred to the board or relevant committees for final approval, while in other cases the power to take decisions is delegated in terms of the committee's mandate as approved by the board.

As the result of intensified engagement at a senior level with the Department of Mineral Resources and the community, it was necessary to separate the corporate affairs and sustainability functions.

### BOARD PROCEDURES

A board charter has been put in place that outlines the responsibilities of the board as follows:

- › Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the company according to sound corporate governance principles.
- › Retain full and effective control of the company.
- › Elect a chairman of the board who is an independent non-executive director.
- › Give short- and long-term strategic direction to the company.
- › Monitor management in implementing plans and strategies approved by the board.
- › Create value through social, economic and environmental performance.
- › Appoint and evaluate the performance of the CEO.
- › Ensure that succession is planned.
- › Identify and regularly monitor key risk areas and key performance indicators.
- › Ensure the company complies with relevant laws, regulations and codes of business practice.
- › Ensure the company communicates with shareholders and other relevant stakeholders openly and promptly.
- › Identify and monitor relevant non-financial issues.
- › Establish a formal and transparent procedure for board appointments, as well as a formal orientation programme for incoming directors.



- › Regularly review processes and procedures to ensure the effectiveness of internal systems of control and accept overall responsibility for the risk management process.
- › Assess the performance of the board, its committees and its individual members on a regular basis.
- › Ensure the company is a responsible corporate citizen with due regard for not only the financial aspects of the business but also the impact that business operations have on the environment and the society in which it operates.
- › Ensure the company's performance includes economic, social and environmental perspectives.
- › Ensure the company's ethics are managed effectively.
- › Ensure that the company has an effective and independent audit committee.
- › Take responsibility for IT governance.
- › Appreciate that stakeholders' perceptions affect the company's reputation.
- › Ensure the integrity of the company's integrated report.
- › Monitor the company's compliance with the principles contained in the board charter and make such monitoring a regular item on the board agenda.
- › Act in the best interest of the company by ensuring that individual directors:
  - adhere to legal standards of conduct;
  - exercise the necessary care, skill and diligence;
  - act in good faith in line with their fiduciary duty;
  - are permitted to take independent advice in connection with their duties according to agreed procedure;
  - disclose real or perceived conflicts of interests to the board and deal with them accordingly;
  - deal in securities only in accordance with the policy adopted by the board; and
  - commence business rescue proceedings as soon as the company is considered to be in financial distress.

The charter also addresses issues such as the composition and size of the board, board procedures, matters reserved for board decision and the frequency and proceedings of board meetings. A work plan is monitored to ensure that all board responsibilities are addressed annually.

## DIRECTORS' DEALINGS IN SHARES

The board has an approved policy in this regard that prohibits directors and employees from dealing in the company's shares during closed periods as defined in the JSE Listings Requirements.

Directors of the company and its subsidiaries may not deal in the company's shares without first advising and obtaining clearance from the chairman and the finance director. The CEO and finance director may not deal in the company's shares without first advising and obtaining clearance from the chairman. The directors of the company keep the company secretary advised of all of their dealings in securities.

## RELATIONS WITH STAKEHOLDERS

The company communicates with its key financial audiences on an ongoing basis, especially institutional shareholders and analysts. The investor relations team manages this process, which includes presentations at the time of publishing interim and final results.

The company takes a proactive stance on the timely dissemination of appropriate information to stakeholders through print and electronic news releases, besides the statutory publication of the company's performance. The company's website provides the latest as well as historical financial and other information, including the annual and integrated reports.

The board encourages shareholders to attend its annual general meeting, notice of which is contained in this annual integrated report, where shareholders have the opportunity to put questions to the board, including the chairmen of the board committees.

More information on stakeholder engagement is provided in the corporate affairs report starting on page 54.

## CODE OF CONDUCT AND ETHICS

The company is committed to the highest ethical standards of business conduct and to complying in full with all applicable laws and regulations. The directors, employees, employees of outsourced functions, as well as suppliers to Wesizwe, are all expected to comply with these principles and to act in terms of the code of conduct. The directors believe that the ethical standards of the company, as stipulated in the code of conduct, are monitored and are being met. In instances of non-compliance with the code of conduct, the appropriate sanction is enforced consistently to prevent recurrences.

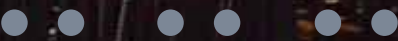
The board has developed a code of ethics that underlines its commitment to the highest ethical standards. The board is cognisant that the example it sets and that of individual directors are crucial to the buy-in of everyone involved in the affairs of the company.

The board takes a zero-tolerance approach to fraud and dishonest behaviour and appropriate action is taken against any employee found guilty of offences of this nature or any other criminal behaviour. The company's policy is to actively pursue and prosecute the perpetrators of fraudulent or other illegal activities, should it become aware of any such acts.

A fraud prevention plan was developed by an independent company and approved by the board and is in the process of being implemented.

# WESIZWE HAS IDENTIFIED A RANGE OF INTERNAL AND EXTERNAL STAKEHOLDERS

WHO HAVE MATERIAL INTERESTS IN THE COMPANY AND THE BAKUBUNG PLATINUM MINE, AND WHO ARE IMPACTED EITHER DIRECTLY OR INDIRECTLY BY ITS OPERATIONS. THE COMPANY HAS EMPLOYED A PROACTIVE STRATEGY TO COMMUNICATE AND ENGAGE WITH THESE STAKEHOLDERS.







## CORPORATE AFFAIRS REPORT CONTINUED

In 2011 the company's engagement with its stakeholders was strengthened with the appointment of a corporate affairs and investor relations executive whose role was expanded to include government relations. Internal engagement has also been strengthened with the appointment of a human resources executive.

Wesizwe seeks to engage openly, proactively and consistently with a wide range of stakeholders, as detailed in the table below. These interactions are aimed at identifying and addressing key stakeholder concerns to the benefit of the company and all its diverse stakeholders.

Government and business are becoming increasingly aware that strong partnerships between the public and private sectors are needed to drive growth and development, and that investing in improved relationships will improve service delivery. Wesizwe continues to act on its strategic focus on government relations to support business goals and to give substance to its commitment to be a responsible corporate citizen. The company seeks to build appropriate partnerships with different levels of government, as well as other key stakeholders such as industry leaders, the broader business community and civil society, to serve the public good through innovative collaboration and programmes that address socioeconomic priorities.

Wesizwe continues to experience the negative effects of leadership battles in the community around its core project and, in the absence of a credible leadership structure, it has been necessary to continuously engage with the community at large to inform and educate them about the mine development.

A perception study conducted in 2011 indicated that the company's complaints and suggestions management system was perceived as being credible, trusted sources of information on mine activity and recourse for concerns. This is a very positive reflection on the effectiveness of the company's community engagement strategy, which has included establishing a community office with a resident community liaison manager.

More detail on our engagement with the local community and relevant projects in this regard are provided in the integrated project report starting on page 26.

In 2012 we intend broadening our stakeholder engagement efforts. A key focus will be on investor relations that, given the ramping up of the construction phase of the core project, will involve the dissemination of appropriate information to shareholders, financial analysts, potential investors and other stakeholders so as to achieve fair valuation, build a resilient shareholder base and attract liquidity.

An in-depth analysis of Wesizwe's investment proposition, including the company's current and future ability to provide capital growth and returns (including their anticipated size and timing) will be undertaken and communicated to stakeholders.

In 2012 targets will be set that will assist stakeholders to assess the company's progress on meeting its business objectives and identifying areas for improvement.

## SUMMARY OF KEY STAKEHOLDER ENGAGEMENTS

STAKEHOLDER	SUMMARY OF MATERIAL ISSUES	ENGAGEMENT	FREQUENCY	KEY TOPICS AND CONCERNS RAISED AT ENGAGEMENTS AND RESPONSE/S
<b>INVESTMENT COMMUNITY</b>				
Current and potential shareholders	• Financial results	• Annual general meetings	• Annual	• Fall in Wesizwe share price
	• Business sustainability	• Annual integrated report	• Annual	• Further dilution for existing shareholders
	• Major risks	• Interim/annual results	• Bi-annual	• Mine development
		• SENS (JSE) announcements	• As required	• Business strategy
		• Presentations/roadshows	• As required	• Regulatory compliance and Mining Charter compliance
		• One-on-one meetings	• As required	• Relationship with community
		• Website	• As required	• Sound governance framework
		• Media releases	• As required	• Management capacity to take the mine to full development and to fully realise shareholder value
	• Direct mail	• As required	• Future of platinum market	



STAKEHOLDER	SUMMARY OF MATERIAL ISSUES	ENGAGEMENT	FREQUENCY	KEY TOPICS AND CONCERNS RAISED AT ENGAGEMENTS AND RESPONSE/S
<b>GOVERNMENT – NATIONAL/PROVINCIAL; DISTRICT/LOCAL MUNICIPALITIES; UTILITY PROVIDERS</b>				
Department of Mineral Resources	<ul style="list-style-type: none"> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Regular progress reports</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>New ownership structure and compliance with Mining Charter and BEE requirements</li> </ul>
	<ul style="list-style-type: none"> <li>Compliance with work programme and expenditure</li> </ul>	<ul style="list-style-type: none"> <li>Site visits</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiation</li> </ul>
	<ul style="list-style-type: none"> <li>Compliance with Mining Charter</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Community development</li> </ul>
Department of Water and Environmental Affairs Impact on project schedule	<ul style="list-style-type: none"> <li>Provision of water to site</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> </ul>	<ul style="list-style-type: none"> <li>Ensure timeous provision of water to site and environmental compliance</li> </ul>
Magalies Water Authority Impact on project schedule	<ul style="list-style-type: none"> <li>Environmental compliance</li> </ul>	<ul style="list-style-type: none"> <li>Website</li> <li>Media</li> </ul>		
	<ul style="list-style-type: none"> <li>Provision of water to site</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> </ul>	<ul style="list-style-type: none"> <li>Ensure timeous provision of water to site</li> </ul>
Eskom Impact on project schedule	<ul style="list-style-type: none"> <li>Provision of energy to site</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> </ul>	<ul style="list-style-type: none"> <li>Ensure timeous provision of energy to site</li> </ul>
Moses Kotane Municipality	<ul style="list-style-type: none"> <li>Integrated development plans (IDP)</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships with local municipal authorities</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>SLP alignment with IDP</li> </ul>
	<ul style="list-style-type: none"> <li>Mine development progress</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder engagement forums</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>Employment opportunities for local community</li> </ul>
	<ul style="list-style-type: none"> <li>Contribution to socioeconomic development</li> </ul>			<ul style="list-style-type: none"> <li>Local procurement and development of SMMEs</li> </ul>
				<ul style="list-style-type: none"> <li>Partnership opportunities for socioeconomic development</li> </ul>
				<ul style="list-style-type: none"> <li>Social issues that may be exaggerated by increased activity on site (e.g. HIV/AIDS, substance abuse, migrant labour, etc.)</li> </ul>
<b>COMMUNITIES</b>				
Communities surrounding Bakubung Platinum Mine site	<ul style="list-style-type: none"> <li>Impact of operations (environmental and social)</li> </ul>	<ul style="list-style-type: none"> <li>Social and Labour Plan</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Approximately 600 queries have been logged on the complaints and suggestions system to date. Most relate to employment and procurement opportunities</li> </ul>
	<ul style="list-style-type: none"> <li>Consultation on mine development</li> </ul>	<ul style="list-style-type: none"> <li>Complaints and suggestions, management system (walk-in and by telephone) to receive and respond to community enquiries and complaints related to mining activities</li> </ul>	<ul style="list-style-type: none"> <li>Office is open during office hours (Monday to Friday) to log face-to-face issues. Mobile phone service also available during office hours</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder engagement forum involves a range of stakeholders such as provincial and municipal government, local businesses, community representatives and NGOs, among others. The forum aims to keep stakeholders informed of progress on the project, highlighting issues or opportunities and identifying areas for collaboration</li> </ul>



## CORPORATE AFFAIRS REPORT CONTINUED

STAKEHOLDER	SUMMARY OF MATERIAL ISSUES	ENGAGEMENT	FREQUENCY	KEY TOPICS AND CONCERNS RAISED AT ENGAGEMENTS AND RESPONSE/S
<b>COMMUNITIES continued</b>				
Communities surrounding Bakubung Platinum Mine site	• Community needs	• Community liaison office and liaison officer	• Office hours, Monday to Friday	
	• Enterprise development and local procurement	• Stakeholder engagement forum	• Quarterly	
	• Employment opportunities	• Community Open Days	• One to two per year	
	• Community development	• Community newsletter	• Quarterly	
Farmers' Association (Local farmers with livestock on mine site)	• Mining activities affecting livestock	• Meetings	• Bi-annual	• Alternative grazing land for livestock – land secured for R11 million and livestock relocated
	• Safety issues			• Feasibility study underway on a viable BEE agricultural business model
Future Employee pool	• Job opportunities	• Community liaison office	• Ongoing	• 164 local community members employed to date
	• Training	• Complaints and suggestions system	• Ongoing	• Ongoing engagement with contractors to encourage employment from Wesizwe resource database
		• Resource database	• Ongoing	• Recruitment process formalised
		• Skills audit	• Annual	• Local SMME capacity-building programme to build local businesses and increase job creation
		• Open days	• One to two per year	
		• Newsletter	• Quarterly	
		• Training opportunities	• As arranged	
Local SMMEs	• Access to direct and indirect business opportunities generated by mine development	• Community liaison office	• Walk-in (office hours)	• Wesizwe's SLP provides for preferential procurement from local SMMEs. Steps taken to ensure these targets are reached and exceeded
		• Meetings	• As required	– HDSA participation in the EPCM contract
		• Community newsletter	• Quarterly	– procurement policy and procedures in place
		• Tender notices	• As required	– supplier development framework established which includes local supplier database with more than 100 local companies registered



STAKEHOLDER	SUMMARY OF MATERIAL ISSUES	ENGAGEMENT	FREQUENCY	KEY TOPICS AND CONCERNS RAISED AT ENGAGEMENTS AND RESPONSE/S
<b>COMMUNITIES continued</b>				
Local SMMEs		<ul style="list-style-type: none"> <li>• Open days</li> </ul>	<ul style="list-style-type: none"> <li>• One/twice per year</li> </ul>	<ul style="list-style-type: none"> <li>– verification of registered companies conducted</li> </ul>
		<ul style="list-style-type: none"> <li>• Stakeholder engagement forum</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>– local suppliers sub-contracted for work at the mine site</li> </ul>
		<ul style="list-style-type: none"> <li>• Capacity development programme</li> </ul>	<ul style="list-style-type: none"> <li>• Audit done, programme to be launched</li> </ul>	<ul style="list-style-type: none"> <li>– SMME capacity audit conducted and a defined capacity-building programme developed to address gaps</li> </ul>
				<ul style="list-style-type: none"> <li>– tender adjudication committee established</li> </ul>
<b>BUSINESS ASSOCIATES</b>				
Contractors, suppliers and service providers	<ul style="list-style-type: none"> <li>• Agreements and contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• As required to manage contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with contract terms and conditions</li> </ul>
	<ul style="list-style-type: none"> <li>• Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Site visits</li> </ul>		<ul style="list-style-type: none"> <li>• Opportunities for collaboration on community upliftment</li> </ul>
Neighbouring mines	<ul style="list-style-type: none"> <li>• Identifying synergies in services</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• As required to build relations</li> </ul>	<ul style="list-style-type: none"> <li>• Water provision to site – collaboration with PTM</li> </ul>
	<ul style="list-style-type: none"> <li>• Collaboration on community development</li> </ul>	<ul style="list-style-type: none"> <li>• Site visits</li> </ul>		<ul style="list-style-type: none"> <li>• Community development opportunities</li> </ul>
<b>EMPLOYEES</b>				
Employees, their families and dependants	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing policy development to support the construction phase of the project and talent management including scarce skills in mining</li> </ul>
	<ul style="list-style-type: none"> <li>• Safety and health</li> </ul>	<ul style="list-style-type: none"> <li>• Training and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>• Safety compliance at all times and continuously raising HIV/AIDS awareness and promoting safe practices</li> </ul>
	<ul style="list-style-type: none"> <li>• Rights and non-discrimination</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>	
	<ul style="list-style-type: none"> <li>• Training and skills development, career opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Personal development plans, key performance indicators, meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing and formally biannually</li> </ul>	
	<ul style="list-style-type: none"> <li>• Business performance</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly and ongoing</li> </ul>	

## TOP STRATEGIC RISKS







# AS A MINE DEVELOPER, THERE ARE A NUMBER OF RISKS ASSOCIATED WITH WESIZWE'S OPERATIONS AND ACTIVITIES.

TO EFFECTIVELY MANAGE THESE RISKS, WE ACTIVELY IDENTIFY, ANALYSE, EVALUATE AND TREAT MATERIAL BUSINESS RISKS.

## TOP STRATEGIC RISKS CONTINUED

Our integrated approach to risk management is aligned with ISO 31000. Those risks that are identified as significant along with the defined mitigating controls are reviewed by the executive committee on a regular basis and are reported to the audit and risk committee quarterly, which then presents these risks to the board.

Wesizwe's risk tolerance indicates the amount of risk the company is willing to accept to meet its strategic objectives. To this end, we have defined a risk matrix that identifies the likelihood of a particular risk occurring and its severity or consequence to the company. The severity is measured using a set of indicators, including financial, environmental, reputation and safety and health.

The following table sets out our primary identified risks for the year under review, the likely impact of these risks and our response.

RISK	IMPACT	RESPONSE
<b>FINANCIAL</b>		
Escalation of costs associated with the capital budget estimate (CBE) and related funding risk.	These risks might impact on the profitability of the company and our ability to complete the project within the projected time frame.	Focusing on reducing the CBE and ongoing optimisation.
Volatility in terms of the economic environment, metal prices, exchange rate and interest rate.	Volatility in terms of the economic environment, metal prices, exchange rate and the interest rate will impact on the project's profitability and cash flow.	Possible synergy opportunities with other companies to eliminate increasing costs.
A fall in commodity prices resulting in reduced margins, thereby having a detrimental effect on the company's financial stability.		Long-term outlook on commodity prices should be reviewed continuously. Investigate and report back on sensible strategies on a regular basis.
A general decline in economic activity resulting in decreased demand for metals such as platinum.		Continuously review project validation in terms of the economic downturn.
<b>PROJECT AND OPERATIONAL</b>		
Interruption or limitations in access to water during the mining phase of the project.	Impact on project cost and schedule.	Letters of commitment in terms of water and power. Investigation of alternative water and power sources.
Interruption or limitations in access to electricity during the construction phase of the mine.		
Inability of bulk services and materials to be delivered on time.		Building capacity within Wesizwe owner's team to monitor performance of engineering, procurement and construction management (EPCM), shaft sinking and all required contracts.
Capability of contractors to deliver on time.		Enforcement of performance clauses in all contracts.





RISK	IMPACT	RESPONSE
<b>LEGAL COMPLIANCE</b>		
Financial, legal and reputational exposures due to non-compliance with existing and future legislation and governance requirements.	Any of these factors could have an adverse impact on the company's retention of its mining licence.	<p>Maintain relationships with regulators on local, regional and national levels. This ensures that changes in laws or regulations are addressed and monitored.</p> <p>The company works in partnership with its employees and local communities to fulfil its social and labour plan commitments.</p> <p>Operate within the required legislation and regulations.</p> <p>Operations report regularly on their health, safety, environmental and social performance.</p> <p>All legal appointments are in place.</p> <p>Dedicated compliance officer appointed.</p>
The risk of not meeting target of 26% black shareholding by 2014 as per the Broad-based Black Economic Empowerment Act and Mining Charter.		A BEE strategy is being developed to ensure compliance by 2014.
<b>SAFETY AND HEALTH</b>		
HIV/AIDS continues to be a threat to the health of employees, the company and the community within which we operate.	This might have an undesirable effect on productivity, together with other intangible social costs.	<p>An HIV/AIDS awareness programme and policy has been established and training is ongoing.</p> <p>As the mine develops, private and public partnerships are to be explored in the fight against the spread of HIV/AIDS.</p>
The risk of failing to comply with South African legislation governing safety in mining operations.		<p>Legal compliance in the form of regular reports submitted to the Department of Mineral Resources.</p> <p>Continuous monitoring on medical screenings and induction.</p>
<b>ENVIRONMENT</b>		
Risk of fire, flood and earthquake resulting in damage to Wesizwe assets and/or interruptions to mine activity.	<p>Climate change poses a growing concern that can have devastating consequences.</p> <p>The proposed carbon tax legislation is likely to have financial impact on the company.</p>	<p>Ongoing monitoring programmes in response to approved environmental management plan.</p> <p>Mine design to withstand one in 100-year flood event.</p> <p>Firebreaks erected around the site.</p> <p>Business continuity plans in place.</p> <p>Noise diversion berms in place.</p> <p>To define a comprehensive response strategy with operational plans to manage our carbon footprint.</p>



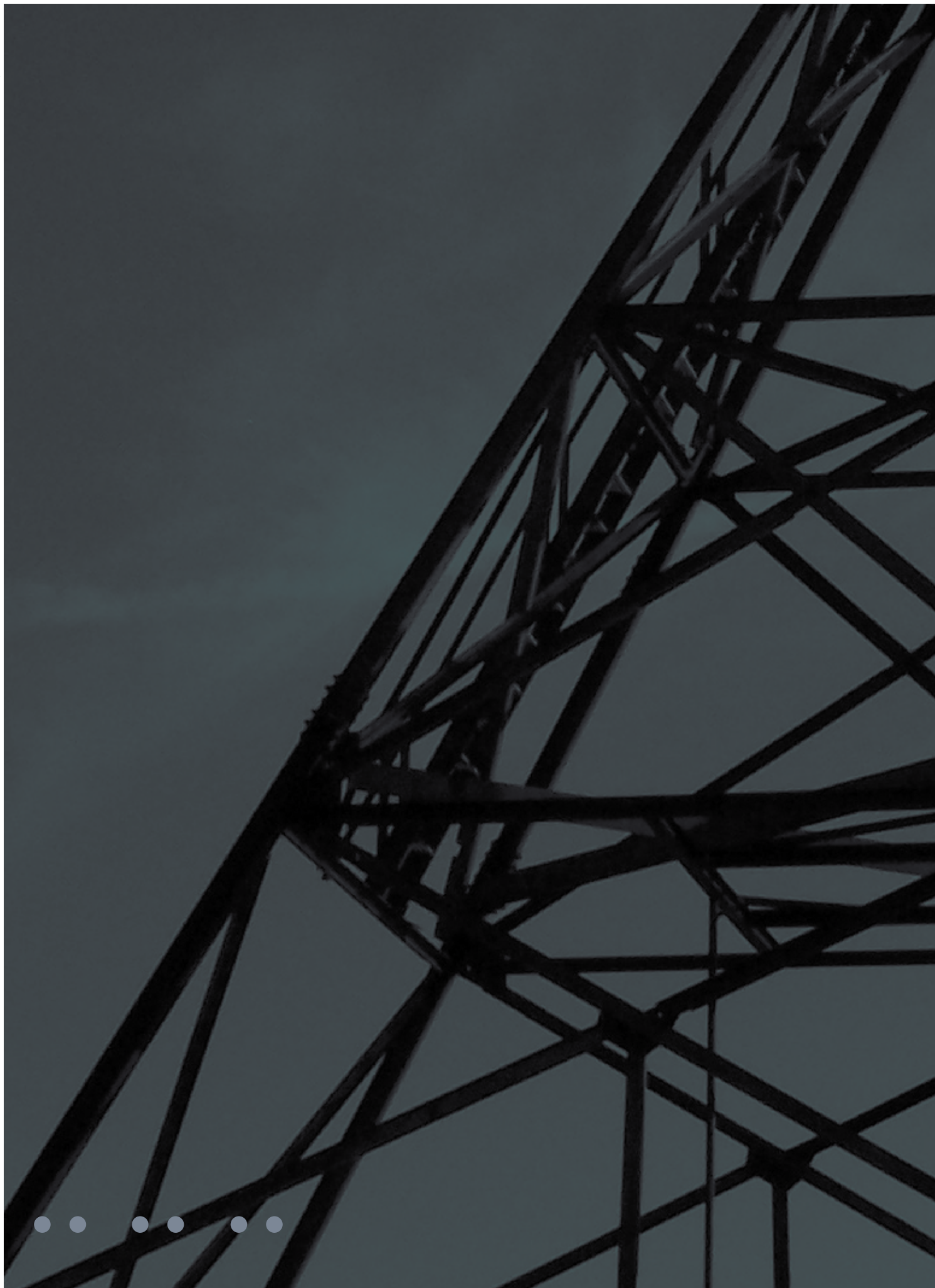
## TOP STRATEGIC RISKS CONTINUED

RISK	IMPACT	RESPONSE
<b>HUMAN RESOURCES</b>		
<p>Shortage of key skills in the mining industry.</p> <p>The negative impact on operations and efficiency if key staff are lost.</p>	<p>As the business develops and expands, its future successes will depend on its ability to attract and retain highly skilled and qualified people.</p>	<p>A skills development plan is in place.</p> <p>A new remuneration philosophy has been adopted.</p> <p>A skills audit was conducted in the communities around the project, and we will continue to conduct skills audit on an ongoing basis.</p> <p>To position Wesizwe as an employer of choice.</p> <p>Develop organisational development plan.</p>
<p>Non-delivery on transformation as informed by legislation.</p>	<p>Possibility of deteriorating relationships with stakeholders and adverse effect on mining rights.</p>	<p>Set targets to be included in our balanced scorecard and monitored by the social and ethics committee.</p>
<p>Increased labour cost.</p>	<p>Increased labour costs could have an adverse effect on the company's operating and financial condition.</p>	<p>Engagement plan with all stakeholders including government.</p>
<b>TECHNOLOGY AND COMMUNICATION</b>		
<p>The risk that technology fails to provide adequate connectivity and support for operations.</p>	<p>This could have an adverse effect on the company's operating and financial condition as well as profitability.</p>	<p>An IT risk register is in place.</p> <p>IT steering committee has regular meetings to monitor this risk.</p>
<p>Risk of not having proper information management architecture to ensure technology interface.</p>		<p>An information management architecture is being developed.</p>
<b>COMMUNITY RELATIONS AND EXPECTATIONS</b>		
<p>The risk that Wesizwe fails to positively impact the local communities through its community development initiatives.</p> <p>Risk of current community disputes between factions remaining unresolved.</p>	<p>This could potentially result in undesirable consequences that ultimately interfere with mining operations.</p>	<p>Stakeholder engagement policies have been established.</p> <p>A complaints and suggestions management system has been developed to log and manage all community queries.</p> <p>A community strategy and communication plan is in place.</p> <p>Quarterly stakeholder engagement forums.</p>











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THE FINANCIAL STATEMENTS HAVE BEEN PREPARED UNDER THE SUPERVISION OF THE FINANCE DIRECTOR, WENLIANG MA, AND HAVE BEEN AUDITED IN COMPLIANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT OF SOUTH AFRICA, 71 OF 2008, AS AMENDED.

## REPORT OF THE AUDIT AND RISK COMMITTEE

The audit and risk committee operates under a formal mandate that has been approved by the board and has conducted its affairs in compliance with and discharged its responsibilities as stipulated in the committee charter.

Due to the size of the company, the board made a decision to combine the audit and risk committees and attend to both audit and risk responsibilities.

### AUDIT AND RISK COMMITTEE MEMBERS

The committee consists of four non-executive directors, three of whom are independent. During the year under review, four meetings were held and the attendance of the meetings can be viewed on page 49.

Following the transaction with the Chinese consortium, Barrie van der Merwe chaired the committee and Liliang Teng, Jikang Li and Dexin Chen were appointed members until such time as additional independent non-executive directors could be appointed. After these appointments were effected during October 2011, the committee was restructured and as a result Dawn Mokhobo, Barrie Van Der Merwe, Liliang Teng and Dexin Chen stepped down as members. The current members of the audit and risk committee are Wiseman Nkuhlu (chairman), Robert Garnett, Mike Eksteen and Jikang Li. The committee is now in line with the requirements of the Companies Act, having three independent non-executive directors. These appointments are subject to confirming the members of the committee at the Wesizwe agm to be held in July 2012.

### ROLES AND RESPONSIBILITIES

The committee's roles and responsibilities include its statutory duties as defined in the Companies Act, 2008 and the responsibilities assigned to it by the board. The committee reports to both the board and shareholders.

#### Statutory duties

The committee has performed the following statutory duties:

- › Nominated for appointment as external auditor of the company, KPMG Inc., as registered auditor which, in the opinion of the committee, is independent of the company;
- › Determined the fees to be paid to the external auditor and the terms of engagement;
- › Ensured that the appointment of the external auditor complies with all legislation relating to the appointment of the auditors;
- › Determined the nature and extent of the non-audit services that the external auditors may provide to the company; and
- › Pre-approved any proposed agreement with the external auditor for the provision of non-audit service to the company.

### EXTERNAL AUDITOR

The committee has satisfied itself that the external auditor, KPMG Inc. was independent of the company, which includes consideration of compliance with criteria relating to independence proposed by the Independent Regulatory Board for Auditors. The committee sought assurance that internal governance processes within KPMG support and demonstrate their claim to independence and this was provided.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees.

The committee has recommended the appointment of KPMG Inc. as the external auditors and Kobus Volschenk as designated auditor, for the 2012 financial year. It has further satisfied itself that the audit firm and designated auditor are accredited to appear on the JSE List of Accredited Auditors.

### INTERNAL FINANCIAL CONTROL

Nothing has come to the attention of the committee or arose out of the internal control self-assessment process of internal or external audit that causes the committee to believe that the current system of internal control of management is not effective.

### EXPERTISE OF THE FINANCIAL DIRECTOR AND FINANCE FUNCTION

Following the changes to the board and operations of the Group during the year, the committee has reviewed the current performance and future requirements for the financial management of the company and concluded that the current team needed to be strengthened.

The structure, roles and responsibilities of the financial management team is currently being re-assessed and future requirements defined. This will ensure the Group has the requisite competencies and capabilities to meet the future requirements of the business.

### FINANCIAL STATEMENTS

The committee has reviewed the financial statements of the Group and company and is satisfied that they comply with International Financial Reporting Standards and that areas of judgement were discussed to confirm accounting estimates.

### GOING CONCERN

After reviewing the working papers prepared by management which show that the company is a going concern at year end and the foreseeable future, the committee resolved and recommend acceptance of the conclusion to the board.

## DUTIES ASSIGNED BY THE BOARD

The committee oversees the company's annual integrated report and the reporting process, including the system of internal financial control. During the year under review, the committee met with the external auditor without management being present. The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

## RISK MANAGEMENT

The board has assigned oversight of the company's risk management function to the committee and the risk register, consisting of strategic, operational and IT risks is tabled at each meeting for discussion. The risk register also acts as a basis on which independent assurance activities were developed.

## INTERNAL AUDITOR

The committee has satisfied itself that the internal auditor, BDO Advisory Services (Pty) Ltd was independent of the company, which includes consideration of compliance with criteria relating to the Institute of Internal Auditors. The internal audit plan was approved and a project scope is being finalised to commence with a detailed project audit in 2012.

The internal auditors have access to the committee, primarily through its chairman.

## WHISTLE-BLOWING

The committee approved a fraud prevention plan which is currently being implemented, the monitoring of which will be shared between this committee and the social and ethics committee.

## INFORMATION TECHNOLOGY MANAGEMENT

A highly experienced Group IT manager was appointed on 1 December 2011 who will fulfil the functions of the chief information officer. The IT steering committee was re-established and the finance director chairs this committee. This committee reports to the board via the audit and risk committee.

Quarterly reports are presented at each meeting and a comprehensive Group IT policy has been adopted for implementation during 2012.

## RECOMMENDATION OF THE ANNUAL INTEGRATED REPORT FOR APPROVAL BY THE BOARD

The committee recommended the annual integrated report for approval by the board on 4 June 2012.



**LW Nkuhlu**  
Chairman

4 June 2012



## DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the group annual financial statements and annual financial statements of Wesizwe Platinum Ltd, comprising the statements of financial position at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

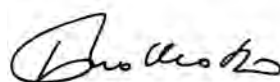
The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The directors' have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the group annual financial statements and annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

### Approval of group annual financial statements and annual financial statements

The group annual financial statements and annual financial statements of Wesizwe Platinum Ltd, as identified in the first paragraph, were approved by the board of directors on 4 June 2012 and signed on its behalf by



**Dawn Mokhobo**  
Chairman



**Jianke Gao**  
Chief Executive Officer

## CERTIFICATE BY THE COMPANY SECRETARY

.....

In terms of Section 88(2)(e) of the South African Companies Act, 2008, as amended and Companies Regulations, 2011, ("the Act") I certify that, to the best of my knowledge and belief, the company has submitted to the Companies and Intellectual Properties Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.



**Sirkien van Schalkwyk**  
*Company Secretary*

4 June 2012

## REPORT OF THE INDEPENDENT AUDITOR

### To the shareholders of Wesizwe Platinum Ltd

We have audited the group annual financial statements and the annual financial statements of Wesizwe Platinum Ltd, which comprise the statements of financial position at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 73 to 106.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Wesizwe Platinum Ltd at 31 December 2011, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

**KPMG Inc.**

*Registered Auditor*



Per **K Volschenk**

*Chartered Accountant (SA)*

*Registered Auditor*

*Director*

4 June 2012

85 Empire Road,  
Parktown Johannesburg



## REPORT OF THE DIRECTORS

# FOR THE YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting the Group and company annual financial statements for Wesizwe Platinum Ltd for the year ended 31 December 2011.

### NATURE OF BUSINESS

Wesizwe Platinum Ltd is a public company incorporated in the Republic of South Africa and its shares are listed on the JSE.

After the equity injection and associated funding commitment secured in May 2011, the company officially launched the Bakubung Platinum Mine in July 2011. As a result of this milestone the company's investment has made the full transformation from its original focus on exploration to becoming a significant mid tier mining operation. In addition, Wesizwe has a 26% interest in Maseve Investments II (Pty) Ltd.

### SHARE CAPITAL

#### Authorised and issued share capital

The authorised and issued share capital as at 31 December 2011 was R20 000, comprising 2 000 000 000 ordinary shares of R0.00001 each, and R16 278.27, comprising 1 627 827 058 ordinary shares of R0.00001 each respectively.

On 4 May 2011, the company issued 829 884 460 ordinary shares at a price per share of R1.81.

Further details of the authorised and issued share capital are set out in note 11 to the annual financial statements.

### FUNDING AND GOING CONCERN

#### Conclusion of financing transaction

The company received an equity injection of US\$227 million (R1 565,6 million) by means of allotting 732 522 177 ordinary shares to China-Africa Jinchuan Investment Ltd and 97 362 283 ordinary shares to Micawber 809 (Pty) Ltd for a subscription price of US\$200 368 295 and US\$26 631 705 respectively. This transaction also resulted in a share-based payment expense and a related exchange rate gain that is reflected in the financial reports.

China-Africa Jinchuan is the nominated shareholder of the Chinese consortium comprising the Jinchuan Group Ltd and China-Africa Development Fund who are the parties to the subscription agreement in terms of which the shares were issued and in terms of which the Chinese consortium undertakes to provide the additional funding that may be required in order to achieve operational completion of the Bakubung Platinum Mine project. As such, the current Wesizwe shareholders will not be called upon to provide further funding or be subject to dilution. This funding will be provided either by Jinchuan and CADFund directly or through the provision of third party funding on terms similar to those of the funding to be provided by the China Development Bank. To this end, a facility of US\$650 million with China Development Bank is in the process of being set up with reference to the relevant term sheets. The company is committed to a fee of 1% on the additional funding when it is actually received in cash.

#### Investment in Maseve

PTM exercised its option, in terms of the shareholders' agreement, to subscribe for additional shares in Maseve and caused Wesizwe's effective share in Maseve to be diluted from 45,25% down to 26%. This resulted in the recognition of a loss on dilution in Maseve (equity accounted investee) of R9,2 million.

In terms of the shareholders' agreement Wesizwe will not be required to make further cash contributions towards the project until PTM has contributed a total of R1,57 billion in cash for the development of the project. Any remaining balance of funding required will have to be provided by shareholders proportionally to shareholding but it is currently envisaged that this funding will be secured as loan funding from financial institutions.

#### Going concern

The company's current cash resources of R1,2 billion, as reflected in the statements of financial position together with a funding solution, are sufficient to conduct operations and anticipated project development for the next 12 months.

### FINANCIAL RESULTS

#### Results for the year

The Wesizwe Group will not earn revenue from mining activities until such time as the Bakubung Platinum Mine and the mine being developed by Maseve, of which we have a 26% shareholding, is brought into production.

The loss before tax for the year under review was R372,1 million (2010 – profit of R303,7 million). These results take account of operational costs amounting to R65,8 million (2010 – R90,0 million) and net financial income amounting to R41,1 million (2010 – R396,5 million) and the cost related to equity financing amounting to R347,4 million (2010 – R2,8 million) and presented in detail in the statements of comprehensive income.

As a result of the equity injection, the bridging finance facility and the equalisation liability were settled to the amount of R51,1 million and R125,8 million respectively. Refer to notes 17 and 18 to the annual financial statements.

#### Results of wholly-owned subsidiary companies

Bakubung Minerals incurred a loss after tax of R21,2 million for the year under review (2010: loss of R26,1 million). Africa Wide incurred a loss after tax of R3,6 million for the year under review (2010: profit of R12,5 million). Refer to note 6 to the annual financial statements on subsidiary information. The losses incurred are directly as a result of expenditure incurred in developing the respective projects.

#### Capital expenditure

Capital expenditure for the year includes increase in property, plant and equipment of R139,6 million (2010: acquisition of mineral rights R1 008,4 million and property, plant and equipment of R41,9 million).

### Project related capital commitments

Project related commitments as at 31 December 2011 for the next 12 months, R305,3 million (2010: R35,4 million).

### Loan to the Bakubung community

As previously reported, the company was requested by the DMR to assist the community and the Royal Family in their efforts to obtain proper accounting for the community's assets in relation to Wesizwe. Consequently, funds were advanced 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, and whilst still pursuing recoverability, management is of the opinion that recoverability within the next six to 12 months is doubtful, and, in adopting a conservative approach, has accordingly impaired the loan for accounting purposes. Refer note 8 to the annual financial statements.

### Dividends

No dividend was declared or proposed during the year ended 31 December 2011 (2010: Rnil).

### Segmental analysis of annual results

No segment reporting has been produced as the Group is conducting activities in one geological location that represents its only business activity.

### Litigation statement

In terms of section 11.26 of the Listings Requirements of the JSE, the directors, whose names are given on pages 8 to 11 of the annual integrated report of which this notice forms part, are not aware of any legal or arbitration proceedings that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

## DIRECTORATE

### Directors and changes in directors

The details of the current directors are provided on pages 8 to 11.

The following directorate changes have taken place since the last report:

Julian Williams	9 March 2011	Not re-elected
Dexin Chen	4 May 2011	Appointed
Jacques de Wet	4 May 2011	Resigned
Jianke Gao	4 May 2011	Appointed
Peter Gaylard	4 May 2011	Resigned
Jikang Li	4 May 2011	Appointed
Michael Ma	4 May 2011	Appointed
James Ngculu	4 May 2011	Appointed
Liliang Teng	4 May 2011	Appointed
James Zhang	4 May 2011	Appointed
Rob Rainey	5 May 2011	Retired
Michael Solomon	5 May 2011	Not re-elected
Mlibo Mgudlwa	15 August 2011	Resign as executive director. Remains as non-executive director
Arthur Mashiatsidi	19 September 2011	Resigned
Wiseman Nkuhlu	17 October 2011	Appointed
Robert Garnett	17 October 2011	Appointed

In accordance with article 29 of the company's memorandum of association one-third of the directors shall retire at each annual general meeting on a rotational basis as determined in this article. Retiring directors are eligible for re-election.

In terms of the company's memorandum of association, new directors may hold office until the next annual general meeting at which they are required to retire and offer themselves up for re-election.

The directors retiring and seeking re-election at the annual general meeting are Mlibo Mgudlwa and Barrie van der Merwe. Re-election of new appointments of Dexin Chen, Jianke Gao, Robert Garnett, Jikang Li, Michael Ma, James Ngculu, Wiseman Nkuhlu, Liliang Teng and James Zhang will be sought at the 2011 annual general meeting to be held on 19 July 2012.

### Directors' remuneration

Refer to the remuneration report on pages 42 and 43 of the annual integrated report.

## Interest of directors and prescribed officers in shares of the company.

The beneficial interest of the directors and prescribed officers of the company in the issued share capital of the company as at the date of this report is as follows:

	Direct ordinary shares	Indirect ordinary shares
2011		
Mike Eksteen	1 750 000	–
Robert Garnett	15 000	–
Mlibo Mgudlwa	–	9 761 679
Kgomotso Tshaka	15 000	–
	<b>1 780 000</b>	<b>9 761 679</b>
2010		
Mike Eksteen	1 750 000	–
Mlibo Mgudlwa	–	9 761 679
Michael Solomon	–	5 250 000
	<b>1 750 000</b>	<b>15 011 679</b>

## Directors' interest in contracts

During the financial year no material contracts were entered into in which directors and officers of the company had an interest and which significantly affected the business of the Group. The directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

Directors are required to inform the board timeously of conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflicting interest. A conflict of interest policy was implemented to govern this conflicting interest, if applicable.

## SPECIAL RESOLUTIONS

The authorised ordinary share capital of the company was increased from 1 500 000 000 (one billion five hundred million)

ordinary shares of R0.00001 each to 2 000 000 000 (two billion) ordinary shares of R0.00001 each effective 8 April 2011.

The remuneration payable to non-executive directors was approved at the general meeting that was held on 15 September 2011 effective until the next annual general meeting, which will be held on 19 July 2012.

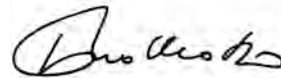
The board of directors of the Group was authorised in terms of section 45(3)9(a)(iii) of the Companies Act, as general approval to authorise the Group to provide any direct or indirect financial assistance to any related or inter-related companies of the Group on the terms and conditions and for the amounts that the board of directors may determine.

## SUBSEQUENT EVENTS

The successful sinking contractor Aveng Grinaker-LTA was announced on 28 March 2012 with the order placed on 5 April 2012. Work on the site has commenced.

## ANNUAL GENERAL MEETING

The notice convening the annual general meeting to be held on 19 July 2012 together with a shareholder proxy form, and the notes explaining the various resolutions to be considered at that meeting is enclosed with this annual integrated report.



**Dawn Mokhobo**  
Chairman

*on behalf of the board of directors*

4 June 2012



# STATEMENTS OF FINANCIAL POSITION

## AT 31 DECEMBER 2011

	NOTES	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
		<b>2 664 691</b>	2 516 054	<b>687 328</b>	808 716
Property, plant and equipment	3	<b>1 734 383</b>	1 583 551	<b>7 905</b>	8 459
Available-for-sale financial asset	4	<b>13 760</b>	10 283	–	–
Investment in equity accounted investee	5	<b>916 548</b>	922 220	–	–
Investment in subsidiaries	6	–	–	<b>679 423</b>	800 257
<b>Current assets</b>					
		<b>1 276 472</b>	56 237	<b>2 625 501</b>	1 035 678
Loans receivable from subsidiaries	6	–	–	<b>1 378 401</b>	988 768
Other receivables	7	<b>30 128</b>	9 271	<b>1 785</b>	291
Taxation		<b>9 544</b>	–	<b>9 544</b>	–
Loan to the Bakubung community	8	–	8 257	–	8 257
Restricted cash	9	<b>69 307</b>	27 852	<b>69 307</b>	27 852
Cash and cash equivalents	10	<b>1 167 493</b>	10 857	<b>1 166 464</b>	10 510
<b>Total assets</b>					
		<b>3 941 163</b>	2 572 291	<b>3 312 829</b>	1 844 394
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
		<b>3 625 222</b>	2 105 860	<b>3 310 920</b>	1 716 902
Share capital	11	<b>16</b>	8	<b>16</b>	8
Share premium	12	<b>3 425 528</b>	1 955 159	<b>3 425 528</b>	1 955 159
Share-based payment reserve	13	<b>472 179</b>	65 384	<b>472 179</b>	65 384
Available-for-sale financial asset reserve	4	<b>1 529</b>	1 012	–	–
(Accumulated loss)/retained earnings		<b>(274 030)</b>	84 297	<b>(586 803)</b>	(303 649)
<b>Non-current liabilities</b>					
		<b>281 362</b>	290 113	–	–
Deferred tax liability	14	<b>268 775</b>	290 113	–	–
Environmental rehabilitation obligation	15	<b>12 587</b>	–	–	–
<b>Current liabilities</b>					
		<b>34 579</b>	176 318	<b>1 909</b>	127 492
Trade and other payables	16	<b>33 299</b>	22 214	<b>1 909</b>	6 658
Bridging loan	17	–	33 270	–	–
Equalisation liability	18	–	120 834	–	120 834
Taxation		<b>1 280</b>	–	–	–
<b>Total equity and liabilities</b>					
		<b>3 941 163</b>	2 572 291	<b>3 312 829</b>	1 844 394

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Operations</b>					
Management fee income		-	-	14 629	14 186
Administration expenses	19	(51 895)	(50 024)	(45 332)	(47 627)
Advisors' fees and commissions		-	(27 816)	-	(27 816)
Exploration and evaluation expenditure		-	(1 787)	-	(11)
Impairment of loan to Bakubung community	8	(8 257)	-	(8 257)	-
Impairment of mineral rights		-	(7 721)	-	-
Impairment of loan to subsidiary		-	-	-	(26 079)
Reversal of prior impairment	6	-	-	61 186	-
Loss on dilution of interest in equity accounted investee	5	(9 187)	-	-	-
Share of profit/(loss) of associate	5	3 515	(2 640)	-	-
Net operating costs		(65 824)	(89 988)	22 226	(87 347)
<b>Financial</b>					
Interest income	20	46 255	6 122	46 252	6 121
Gain on purchase of investment in WBJV	21	-	378 083	-	-
Drawdown facility charges		-	(5 035)	-	(5 035)
Foreign exchange (loss)/gain	18	(4 666)	17 878	-	-
Interest expense	20	(486)	(522)	(152)	(9)
Net financial income		41 103	396 526	46 100	1 077
<b>(Loss)/profit from operations</b>		<b>(24 721)</b>	<b>306 538</b>	<b>68 326</b>	<b>(86 270)</b>
<b>Equity financing</b>					
Share-based payment expense	13	(408 002)	(2 802)	(408 002)	(2 802)
Foreign exchange gain on proceeds	22	60 585	-	60 585	-
Net equity financing costs		(347 417)	(2 802)	(347 417)	(2 802)
<b>(Loss)/profit before tax</b>		<b>(372 138)</b>	<b>303 736</b>	<b>(279 091)</b>	<b>(89 072)</b>
Income tax	23	13 811	(4 862)	(4 063)	-
<b>(Loss)/profit for the year</b>		<b>(358 327)</b>	<b>298 874</b>	<b>(283 154)</b>	<b>(89 072)</b>
Increase in fair value of available-for-sale asset	4	517	286	-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(357 810)</b>	<b>299 160</b>	<b>(283 154)</b>	<b>(89 072)</b>
<b>(Loss)/earnings per share</b>					
Basic (loss)/earnings per share (cents)	25	(26,58)	40,87		
Diluted (loss)/earnings per share (cents)	25	(26,58)	40,85		

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Share capital R'000	Share premium R'000	Available-for-sale reserves R'000	Share-based payment reserve R'000	(Accumulated loss)/ retained earnings R'000	Total R'000
<b>GROUP</b>						
<b>Balance at 1 January 2010</b>	6	1 489 091	726	62 582	(214 577)	1 337 828
<b>Total comprehensive income for the year</b>						
Profit for the year	–	–	–	–	298 874	298 874
Other comprehensive income	–	–	286	–	–	286
	–	–	286	–	298 874	299 160
<b>Transactions with owners recorded directly in equity</b>						
Issue of shares	2	466 068	–	–	–	466 070
Share-based payment expense	–	–	–	2 802	–	2 802
	2	466 068	–	2 802	–	468 872
<b>Balance at 31 December 2010</b>	<b>8</b>	<b>1 955 159</b>	<b>1 012</b>	<b>65 384</b>	<b>84 297</b>	<b>2 105 860</b>
<b>Total comprehensive loss for the year</b>						
Loss for the year	–	–	–	–	(358 327)	(358 327)
Other comprehensive income	–	–	517	–	–	517
	–	–	517	–	(358 327)	(357 810)
<b>Transactions with owners recorded directly in equity</b>						
Issue of shares	8	1 505 002	–	–	–	1 505 010
Share issue expenses	–	(34 633)	–	–	–	(34 633)
Share-based payment expense	–	–	–	406 795	–	406 795
	8	1 470 369	–	406 795	–	1 877 172
<b>Balance at 31 December 2011</b>	<b>16</b>	<b>3 425 528</b>	<b>1 529</b>	<b>472 179</b>	<b>(274 030)</b>	<b>3 625 222</b>
<b>COMPANY</b>						
<b>Balance at 1 January 2010</b>	6	1 489 091	–	62 582	(214 577)	1 337 102
<b>Total comprehensive loss for the year</b>						
Loss for the year	–	–	–	–	(89 072)	(89 072)
	–	–	–	–	(89 072)	(89 072)
<b>Transactions with owners recorded directly in equity</b>						
Issue of shares	2	466 068	–	–	–	466 070
Share-based payment expense	–	–	–	2 802	–	2 802
	2	466 068	–	2 802	–	468 872
<b>Balance at 31 December 2010</b>	<b>8</b>	<b>1 955 159</b>	<b>–</b>	<b>65 384</b>	<b>(303 649)</b>	<b>1 716 902</b>
<b>Total comprehensive loss for the year</b>						
Loss for the year	–	–	–	–	(283 154)	(283 154)
	–	–	–	–	(283 154)	(283 154)
<b>Transactions with owners recorded directly in equity</b>						
Issue of shares	8	1 505 002	–	–	–	1 505 010
Share issue expenses	–	(34 633)	–	–	–	(34 633)
Share-based payment expense	–	–	–	406 795	–	406 795
	8	1 470 369	–	406 795	–	1 877 172
<b>Balance at 31 December 2011</b>	<b>16</b>	<b>3 425 528</b>	<b>–</b>	<b>472 179</b>	<b>(586 803)</b>	<b>3 310 920</b>



## STATEMENTS OF CASH FLOWS

## FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTES	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Cash flows from operating activities</b>	24	<b>(61 548)</b>	(89 637)	<b>(37 120)</b>	(69 124)
Finance income received	20	<b>26 068</b>	6 122	<b>26 065</b>	6 121
Finance cost paid	20	<b>(156)</b>	(9)	<b>(152)</b>	(9)
Taxation paid		<b>(15 791)</b>	–	<b>(13 607)</b>	–
<b>Cash utilised in operations</b>		<b>(51 427)</b>	(83 524)	<b>(24 814)</b>	(63 012)
<b>Cash flows utilised by investing activities</b>					
Acquisition of property, plant and equipment as a result of increase in operations	3	<b>(139 571)</b>	(41 945)	<b>(479)</b>	(234)
Increase in amounts owed by Group companies		–	–	<b>(207 613)</b>	(28 903)
Loan advanced to associate		–	(7 279)	–	–
Loan advanced		–	(8 257)	–	(8 257)
Purchase of available-for-sale financial asset	4	<b>(2 960)</b>	(2 835)	–	–
Recovery of intangible exploration and evaluation expenditure		–	10 346	–	–
Proceeds on disposal of property, plant and equipment		–	47	–	47
<b>Net cash outflow from investing activities</b>		<b>(142 531)</b>	(49 923)	<b>(208 092)</b>	(37 347)
<b>Cash flows from financing activities</b>					
Capital raised from issue of shares		<b>1 565 595</b>	–	<b>1 565 595</b>	–
Share issue expenses		<b>(34 633)</b>	–	<b>(34 633)</b>	–
Bridging loan raised	17	<b>17 800</b>	33 270	–	–
Bridging loan repaid	17	<b>(51 070)</b>	–	–	–
Equalisation liability repaid	18	<b>(125 830)</b>	–	<b>(120 834)</b>	–
<b>Net cash inflow from financing activities</b>		<b>1 371 862</b>	33 270	<b>1 410 128</b>	–
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1 177 904</b>	(100 177)	<b>1 177 222</b>	(100 359)
<b>Cash at beginning of year</b>		<b>38 709</b>	138 886	<b>38 362</b>	138 721
<b>Cash at end of year</b>		<b>1 216 613</b>	38 709	<b>1 215 584</b>	38 362
<b>Cash at end of year comprises:</b>					
Restricted cash	9	<b>69 307</b>	27 852	<b>69 307</b>	27 852
Bank balances	10	<b>1 147 306</b>	10 857	<b>1 146 277</b>	10 510
<b>Cash at end of year</b>		<b>1 216 613</b>	38 709	<b>1 215 584</b>	38 362
Interest accrued	10	<b>20 187</b>	–	<b>20 187</b>	–
		<b>1 236 800</b>	38 709	<b>1 235 771</b>	38 362

## 1. ACCOUNTING POLICIES

### Reporting entity

Wesizwe Platinum Ltd is a company domiciled in the Republic of South Africa. The consolidated financial statements of the company as at 31 December 2011 comprise the company, its subsidiaries and associate (together referred to as the Group).

The ordinary shares of the company are listed on the JSE. Wesizwe, through its wholly-owned subsidiaries, Bakubung Minerals and Africa Wide, is engaged in the development of its mine, located in the western limb of the Bushveld complex.

### Basis of preparation of financial results

#### STATEMENT OF COMPLIANCE

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), AC500 Standards issued by the Accounting Practices Board and in the manner required by the Companies Act of South Africa, 71 of 2008, as amended.

#### BASIS OF MEASUREMENT

The consolidated financial statements for the year ended 31 December 2011 has been prepared on the historical cost basis except for available-for-sale financial assets measured at fair value.

#### FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in South African Rand, which is the company's functional currency. All information presented in South African Rand has been rounded to the nearest thousand.

#### USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in terms of IFRS requires management to use estimates and assumptions that may materially affect the reported amounts of assets and liabilities, as well as income and expenses. These estimates and judgements are based on historical experience, current and expected future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- › Note 2: Judgements by directors and management
- › Note 13: Share-based payment reserve
- › Note 21: Business combination/Gain on bargain purchase

### CHANGE IN ACCOUNTING POLICIES

There was no change in accounting policies during the year under review even though various improvements to IFRS became effective and were adopted.

### A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL RESULTS

The consolidated financial statements reflect the financial results of the Group after the elimination of inter-group transactions and balances.

#### i) SUBSIDIARIES

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity to the exclusion of all others, so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial results of the subsidiaries are included in the consolidated financial statements from the date that control commences or up to the effective date of disposal at which date control ceases.

Subsidiaries are measured at cost, less any accumulated impairment losses, in the separate financial statements of the company.

#### ii) TRANSACTIONS ELIMINATED ON CONSOLIDATION

Inter-group balances and any unrealised gains and losses or income and expenses arising from inter-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with the equity accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

#### iii) EQUITY ACCOUNTED INVESTEE

An equity accounted investee is an entity in which the Group has an equity interest and over which it has the ability to exercise significant influence "but not control" over their financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% to 50% of voting power of another entity. Associates are accounted for using the equity method and are initially measured at cost. The Group's investment includes goodwill identified on acquisition, net of any impairment losses.

### B. SHARE CAPITAL AND SHARE PREMIUM

Ordinary shares and associated share premiums are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

### C. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at cost. The total cost incurred to establish the planned

## FOR THE YEAR ENDED 31 DECEMBER 2011

operational output capacity of an operational mine is capitalised and includes the following:

- › capitalised borrowing costs.
- › when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they were located.

Subsequently it is measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation methods and useful lives, as well as residual values are reviewed annually and adjusted if appropriate.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets at the following rates per annum for both the current and comparative periods:

Vehicles	20,00%
Computer equipment	33,33%
Furniture and fittings	20,00%
Office equipment	20,00%
Other office fittings	25,00%
Leasehold improvements	Term of lease
Land	Not depreciated
Buildings	4,00%
Plant and equipment	5,00% – 33,33%
Mine development assets	Unit of production
Mineral rights	Unit of production

No significant components have been identified for the asset categories above. Profit and loss on disposal is recognised in profit or loss and is calculated as the difference between the proceeds and the carrying value.

The Group recognises in the carrying amount of property, plant and equipment, the cost of replacing part of an item when that cost is incurred if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as and when incurred.

### D. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation costs, including the costs of acquiring licenses, acquisition of rights to explore and geographical studies are capitalised as exploration and evaluation assets on a project by project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as either tangible or intangible E&E assets according to the nature of the assets acquired. When a licence is relinquished or a project is abandoned, the related costs are recognised in profit or loss. E&E assets are assessed for impairment on an annual basis.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and probable reserves are determined to exist. Upon determination of proven and

probable reserves, E&E assets are first tested for impairment and then reclassified from E&E assets to a separate category within tangible assets. Expenditure incurred related to unsuccessful studies is recognised in profit or loss as incurred.

Exploration and evaluation assets will be amortised only when production commences, on a unit of production basis.

Costs in evaluating projects are expensed to profit or loss in the year incurred.

### E. FINANCIAL INSTRUMENTS

Financial instruments are measured at fair value upon initial recognition when the Group becomes party to the contractual terms of the instruments. Gains and losses relating to instruments not at fair value are recognised in profit or loss. Subsequent to initial recognition, these instruments are measured as follows:

#### i) FINANCIAL ASSETS

The Group's financial assets are loans, other receivables, cash and cash equivalents and available-for-sale financial assets.

##### AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses (see note g), are recognised in other comprehensive income and presented in the available-for-sale reserve in equity.

##### LOANS AND RECEIVABLES

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, loans receivables and other receivables.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cashflows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

#### ii) FINANCIAL LIABILITIES

The Group's financial liabilities are trade and other payables, the bridging loan and the equalisation liability.

These liabilities are initially recognised at fair value plus any directly attributable costs. Subsequently these instruments are measured as follows:



*TRADE AND OTHER PAYABLES AND BRIDGING LOAN*

All trade and other payables and the bridging loan are measured at amortised cost, using the effective interest method.

*EQUALISATION LIABILITY*

The equalisation liability was denominated in US\$ and was measured at amortised cost, using the effective interest method. At year end this liability was translated at the spot US\$ rate to the company's functional currency.

iii) CASH AND CASH EQUIVALENTS

Subsequent to initial recognition, cash and cash equivalents are measured at amortised cost. For statement of cash flow purposes, bank overdrafts are offset against bank and cash balances. Cash and cash equivalents comprise cash on hand and deposits held on call with banks.

iv) RESTRICTED CASH

Cash which is subject to restriction on its use is stated separately at carrying amount in the statement of financial position.

**F. IMPAIRMENT**

i) PROPERTY, PLANT AND EQUIPMENT

At each reporting date, the Group reviews the carrying amount of its property, plant and equipment to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Impairment losses are recognised in profit and loss. Impairment losses in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Where an impairment subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the

asset (or CGU) in prior years. A reversal of impairment is recognised as income immediately. An impairment loss in respect of goodwill is not reversed.

ii) EXPLORATION AND EVALUATION ASSETS

Impairment reviews for intangible exploration and evaluation assets are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances applies:

- › Unexpected geological occurrences that render the resource uneconomic.
- › Title to the asset is compromised.
- › Variations in metal prices that render the project uneconomic.

If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment is recognised immediately as an expense.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the asset in prior years. A reversal of impairment is recognised as income immediately.

iii) FINANCIAL ASSETS

The Group assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the asset that can be reliably estimated.

# FOR THE YEAR ENDED 31 DECEMBER 2011

## LOANS AND RECEIVABLES

An allowance for impairment of other receivables, investments and loans is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties on the part of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting the allowance amount. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised in profit or loss

## AVAILABLE-FOR-SALE FINANCIAL ASSET

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity, to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment allowances attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

## G. OFFSETTING

Financial assets and financial liabilities are only offset if there is a legally enforceable right to set off the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

## H. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of resources will occur and a reliable estimate can be made of the amount of the obligation. Provisions

are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is discounted to its present value using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

## i) ENVIRONMENTAL REHABILITATION OBLIGATION

Estimated long-term environmental obligations, comprising pollution control, rehabilitation and mine closure are based on Group environmental management plans, in compliance with current environmental and regulatory requirements.

To the extent that the obligation relates to the construction of an asset, it is capitalised as part of the cost of that specific asset. The effect of subsequent changes to assumptions in estimating an obligation, for which the provision was recognised as part of the cost of the asset, is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to profit and loss.

## I. INCOME TAX

Income tax comprises current and deferred tax.

## i) CURRENT TAXATION

Current taxation comprises taxation payable or recoverable, calculated on the basis of the expected taxable profit or tax loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustments of tax payable for previous periods. Current tax is recognised in profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

## ii) DEFERRED TAXATION

Deferred taxation is provided at enacted or substantively enacted rates on all temporary differences between carrying amounts for financial reporting purposes and the carrying amounts for taxation purposes. Full provision is made for all temporary differences between the tax base of an asset or liability and its carrying amount. This excludes those amounts relating to goodwill, which is not deductible for taxation purposes, and to the extent that it relates to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss in a transaction that is not a business combination, and differences relating to investments in subsidiaries, to the extent that they will not reverse in the foreseeable future. Deferred tax assets are not recognised unless it is probable that future taxable profits will be available in the foreseeable future against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**J. REVENUE**

Revenue derived from rendering management services to subsidiary companies is recognised at the fair value of the consideration received or receivable after deducting value added tax.

**K. FINANCE INCOME**

Finance income consists of interest income which is accrued on a time basis, by reference to the principle outstanding and the effective interest rate applicable. Finance income is recognised using the effective interest method.

**L. FINANCE COSTS**

Finance costs consist of interest expense that is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable. Finance costs are recognised using the effective interest method.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

**M. OPERATING LEASES**

Leases of assets under which all the risk and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

**N. SHARE-BASED PAYMENTS**

The Group issues equity-settled share-based instruments to settle certain transactions in shares and not cash. Equity-settled share-based payments are measured at the fair value of the service received. If the fair value of the service cannot be determined, the share-based payment is measured at the fair value of the equity instrument at the grant date.

The cost of providing equity-settled share-based payments to employees is charged to the profit or loss over

the vesting period of the related share options or share allocations, with a corresponding increase in equity. The cost is based on the fair value of the options or shares allocated and the number of awards expected to vest. The fair value of each option or share is determined using Black-Scholes Option Pricing Model. Market related performance conditions are reflected in the fair value of the share. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet such conditions at vesting date.

**O. EARNINGS PER SHARE (EPS)**

The Group presents basic EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of shares outstanding for the effects of all dilutive ordinary shares, which comprise share options granted to employees.

**P. FOREIGN CURRENCY**

Transactions in foreign currencies are translated to the functional currency of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.



# FOR THE YEAR ENDED 31 DECEMBER 2011

## New standards and amendments and interpretations under IFRS

At the date of authorisation of the financial statements of Wesizwe Platinum Ltd for the year ended 31 December 2011, the following standards and interpretations that are relevant to the Group were in issue but not yet effective:

Standard/Interpretation		Effective date
IAS 1 amendment	Presentation of financial statements: presentation of items of other comprehensive income	Annual periods beginning on or after 1 July 2012*
IAS 27	Separate financial statement	Annual periods beginning on or after 1 January 2013*
IAS 28	Investments in associates and joint ventures (2011)	Annual periods beginning on or after 1 January 2013*
IFRS 7 amendment	Disclosures – transfers of financial assets	Annual periods beginning on or after 1 July 2011*
IFRS 9 (2009)	Financial instruments	Annual periods beginning on or after 1 January 2015*
IFRS 9 (2010)	Financial instruments	Annual periods beginning on or after 1 January 2015*
IFRS 10	Consolidated financial statements	Annual periods beginning on or after 1 January 2013*
IFRS 12	Disclosure of interests in other entities	Annual periods beginning on or after 1 January 2013*
IFRS 13	Fair value measurement	Annual periods beginning on or after 1 January 2013*

\* All standards and interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

### AMENDMENT TO IAS 1 PRESENTATION OF FINANCIAL STATEMENTS

The amendment to IAS 1 will be adopted for the first time for the financial reporting period ending 31 December 2012.

The company will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately.

This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements.

This amendment will be applied retrospectively and the comparative information will be restated.

### IAS 27 (2011) SEPARATE FINANCIAL STATEMENTS

IAS 27 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013.

IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

The adoption of IAS 27 (2011) will not have a significant impact on the company's separate financial statements.

### IAS 28 (2011) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

IAS 28 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013.

IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with Ltd amendments. These include:

- › IFRS 5 is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and

- › on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the company does not re-measure the retained interest.

The adoption of IAS 28 (2011) will not have a significant impact on the company's separate financial statements.

### AMENDMENTS TO IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES

The amendments to IFRS 7 will be adopted for the first time for the financial reporting period ending 31 December 2012. In terms of the amendments additional disclosure will be provided regarding transfers of financial assets that are:

- › not derecognised in their entirety; and
- › derecognised in their entirety but for which the Group retains continuing involvement.

The adoption of IFRS 7 will not have a significant impact on the company's separate financial statements.

### IFRS 9 (2009) FINANCIAL INSTRUMENTS

IFRS 9 will be adopted for the first time for its financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

Management has not yet assessed the impact of the new statement.

#### IFRS 9 (2010) FINANCIAL INSTRUMENTS

IFRS 9 (2010) will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace the relevant sections of IAS 39.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

- › Fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, which are attributable to the changes in the credit risk of the liability, will be presented in other comprehensive income. The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.
- › Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) incorporates the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives.

Management has not yet assessed the impact of the new statement.

#### IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS

IFRS 10 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard will be applied retrospectively if there is a change in the control conclusion between IAS 27/SIC 12 and IFRS 10.

IFRS 10 introduces a single control model to assess whether an investee should be consolidated. This control model requires entities to perform the following in determining whether control exists:

- › identify how decisions about the relevant activities are made;
- › assess whether the entity has power over the relevant activities by considering only the entity's substantive rights;
- › assess whether the entity is exposed to variability in returns; and
- › assess whether the entity is able to use its power over the investee to affect returns for its own benefit.

Control should be assessed on a continuous basis and should be reassessed as facts and circumstances change.

The adoption of IFRS 10 will not have a significant impact on the company's separate financial statements.

#### IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

IFRS 12 will be adopted for the first time for the financial reporting period ending 31 December 2013.

IFRS 12 combines, in a single standard, the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities.

The required disclosures aim to provide information to enable user to evaluate:

- › the nature of, and risks associated with, an entity's interests in other entities; and
- › the effects of those interests on the entity's financial position, financial performance and cash flows.

The adoption of the new standard will increase the level of disclosure provided for the entity's interests in subsidiaries, joint arrangements, associates and structured entities

#### IFRS 13 FAIR VALUE MEASUREMENT

IFRS 13 will be adopted for the first time for the financial reporting period ending 31 December 2014. The standard will be applied prospectively and comparatives will not be restated.

IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosure requirements for fair value measurements. The key principles in IFRS 13 are as follows:

- › Fair value is an exit price.
- › Measurement considers characteristics of the asset or liability and not entity-specific characteristics.
- › Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants.
- › Price is not adjusted for transaction costs.
- › Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs.
- › The three-level fair value hierarchy is extended to all fair value measurements.

Management has not yet assessed the impact of the new statement.

## 2. JUDGEMENTS BY DIRECTORS AND MANAGEMENT

### 2.1 Determination of mineral resource estimates

The company estimates its mineral resources based on information compiled by Competent Persons. Reserves determined in this way will be used in the calculation of depreciation, amortisation and impairment charges, and for forecasting the timing of the payment of environmental rehabilitation cost. In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating ore

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reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for environmental rehabilitation costs.

## 2.2 Decommissioning and rehabilitation provisions

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Management estimates the expected total expenditure for the rehabilitation and remediation of negative environmental impacts at closure at the end of the life of the mine. The amount recorded for decommissioning and rehabilitation provisions requires management to make estimates, assumptions and judgements relating to the future. These estimates are based on engineering studies of the work that is required by current environmental legislation. These estimates include the rate at which costs may inflate, life of mine estimates and discount rates.

## 2.3 Review of asset carrying values and impairment

In accordance with our accounting policies, each asset or cash generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. The determination of fair value and value in use requires management to make estimates and assumptions about expected production, commodity prices, reserves, operating costs, closure and rehabilitation costs and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in profit or loss.

The most significant review relates to the carrying value of the property, plant and equipment that relates to the Bakubung Platinum Mine project and the investment in equity accounted investee that relates to the Groups' 26% interest in the Maseve platinum mine project. The fair value for these projects was determined by using the cash flow approach. The cash flow approach relies on the "value in use" principle and requires determination of the present value of future cash flows over the useful life of the asset. The asset is valued using the free cash flow capitalisation, i.e. the discounted cash flow (DCF) methodology.

In determining the future cash flows, management reviewed all the key variables and sources of estimation and, except as listed below, were based on the same principles as those that applied to the consolidated financial statements for the year ended 31 December 2010. Management engaged the services of various professional research and forecasting experts, including that of SFA (Oxford) Ltd regarding projections of supply, demand and real prices for internationally traded commodities and IHS Global Insight regarding general economic outlook and specifically South African interest, exchange and inflation rates. Management concurred with the expert opinions regarding the longer-term positive outlook and improvement in the prices by the time that the projects starts production in 2015 and 2018.

On this basis the determined fair value exceeds the NAV of the relevant mining assets and management is of the opinion that the assets of the Group are not impaired.

The following economic parameters were assumed:

	2011	2010
US\$ exchange rate (ZAR)	8.50	7.18
Pt price (US\$/oz)	2 000	1 795
Pd price (US\$/oz)	760	818
Rh price (US\$/oz)	5 900	2 500
Au price (US\$/oz)	1 400	1 327
MR basket price (US\$/oz)	1 926	1 554
Discount rate/Weighted Average Cost of Capital (%) (Real)	8.20	10.35

Management acknowledges that the ZAR/US\$ exchange rate and commodity prices have been volatile and movements would have an impact on the values as determined by management. A 6,5% reduction in gross revenue resulting from either exchange rates or US\$ prices will reduce the determined fair value to a level that approximates the net asset value. A 6,5% price reduction across the board will result in the MR basket price dropping to US\$1 800 per ounce. The price of Rhodium has proven to be the most volatile in the recent past and a 33% reduction in the projected price of Rhodium will equal the effect of a 6,5% reduction in price across all products.



### 3. PROPERTY, PLANT AND EQUIPMENT

**GROUP – 2011**  
**Cost**

	Opening balance R'000	Transfers R'000	Additions R'000	Decom- missioning asset R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>						
Land and buildings	11 288	–	–	–	–	11 288
Vehicles	529	–	81	–	–	610
Computer equipment	1 940	–	288	–	–	2 228
Furniture and fittings	1 716	–	10	–	–	1 726
Office equipment	756	–	25	–	–	781
Other office fittings	624	–	180	–	–	804
Leasehold improvements	2 761	–	–	–	–	2 761
Plant and equipment	183 305	–	11 033	–	–	194 338
Mine development assets	328 636	–	127 954	12 587	–	469 177
Mineral rights	1 057 729	–	–	–	–	1 057 729
<b>Total</b>	<b>1 589 284</b>	<b>–</b>	<b>139 571</b>	<b>12 587</b>	<b>–</b>	<b>1 741 442</b>

**Accumulated depreciation and impairment losses**

	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>				
Land and buildings	510	112	–	622
Vehicles	347	120	–	467
Computer equipment	1 778	166	–	1 944
Furniture and fittings	1 131	298	–	1 429
Office equipment	407	144	–	551
Other office fittings	345	121	–	466
Leasehold improvements	1 215	365	–	1 580
Plant and equipment	–	–	–	–
Mine development assets	–	–	–	–
Mineral rights	–	–	–	–
<b>Total</b>	<b>5 733</b>	<b>1 326</b>	<b>–</b>	<b>7 059</b>

**Carrying value**

	Opening balance R'000	Additions, transfers and decom- missioning asset R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>					
Land and buildings	10 778	–	(112)	–	10 666
Vehicles	182	81	(120)	–	143
Computer equipment	162	288	(166)	–	284
Furniture and fittings	585	10	(298)	–	297
Office equipment	349	25	(144)	–	230
Other office fittings	279	180	(121)	–	338
Leasehold improvements	1 546	–	(365)	–	1 181
Plant and equipment	183 305	11 033	–	–	194 338
Mine development assets	328 636	140 541	–	–	469 177
Mineral rights	1 057 729	–	–	–	1 057 729
<b>Total</b>	<b>1 583 551</b>	<b>152 158</b>	<b>(1 326)</b>	<b>–</b>	<b>1 734 383</b>

No property plant & equipment is encumbered. Wesizwe holds full title to the building, which is available for inspection at the registered office.

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## 3. PROPERTY, PLANT AND EQUIPMENT continued

### GROUP – 2010

#### Cost

	Opening balance R'000	Transfers R'000	Additions R'000	Decom- missioning asset R'000	Disposals R'000	Closing balance R'000
<b>Owned:</b>						
Land and buildings	9 680	558	1 050	–	–	11 288
Vehicles	529	–	–	–	–	529
Computer equipment	1 803	–	137	–	–	1 940
Furniture and fittings	1 688	–	28	–	–	1 716
Office equipment	687	–	69	–	–	756
Other office fittings	614	–	10	–	–	624
Leasehold improvements	2 808	–	–	–	(47)	2 761
Plant and equipment	117 050	25 604	40 651	–	–	183 305
Mine development assets	–	328 636	–	–	–	328 636
Mineral rights	–	1 057 729	–	–	–	1 057 729
<b>Total</b>	<b>134 859</b>	<b>1 412 527</b>	<b>41 945</b>	<b>–</b>	<b>(47)</b>	<b>1 589 284</b>

#### Accumulated depreciation and impairment losses

	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<b>Owned:</b>				
Land and buildings	–	510	–	510
Vehicles	240	107	–	347
Computer equipment	1 506	272	–	1 778
Furniture and fittings	805	326	–	1 131
Office equipment	268	139	–	407
Other office fittings	210	135	–	345
Leasehold improvements	837	378	–	1 215
Plant and equipment	–	–	–	–
Mine development assets	–	–	–	–
Mineral rights	–	–	–	–
<b>Total</b>	<b>3 866</b>	<b>1 867</b>	<b>–</b>	<b>5 733</b>

#### Carrying value

	Opening balance R'000	Additions, transfers and decom- missioning asset R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<b>Owned:</b>					
Land and buildings	9 680	1 608	(510)	–	10 778
Vehicles	289	–	(107)	–	182
Computer equipment	297	137	(272)	–	162
Furniture and fittings	883	28	(326)	–	585
Office equipment	419	69	(139)	–	349
Other office fittings	404	10	(135)	–	279
Leasehold improvements	1 971	–	(378)	(47)	1 546
Plant and equipment	117 050	66 255	–	–	183 305
Mine development assets	–	328 636	–	–	328 636
Mineral rights	–	1 057 729	–	–	1 057 729
<b>Total</b>	<b>130 993</b>	<b>1 454 472</b>	<b>(1 867)</b>	<b>(47)</b>	<b>1 583 551</b>

No property plant & equipment is encumbered. Wesizwe holds full title to the building, which is available for inspection at the registered office.

3. PROPERTY, PLANT AND EQUIPMENT continued

COMPANY – 2011  
Cost

	Opening balance R'000	Transfers R'000	Additions R'000	Decom- missioning asset R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>						
Land and buildings	6 868	–	–	–	–	6 868
Computer equipment	1 310	–	288	–	–	1 598
Furniture and fittings	1 474	–	11	–	–	1 485
Office equipment	745	–	–	–	–	745
Other office fittings	368	–	180	–	–	548
Leasehold improvements	1 970	–	–	–	–	1 970
<b>Total</b>	<b>12 735</b>	<b>–</b>	<b>479</b>	<b>–</b>	<b>–</b>	<b>13 214</b>

Accumulated depreciation and impairment losses

	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>				
Land and buildings	510	112	–	622
Computer equipment	1 180	134	–	1 314
Furniture and fittings	967	251	–	1 218
Office equipment	401	141	–	542
Other office fittings	150	77	–	227
Leasehold improvements	1 068	318	–	1 386
<b>Total</b>	<b>4 276</b>	<b>1 033</b>	<b>–</b>	<b>5 309</b>

Carrying value

	Opening balance R'000	Additions, transfers and decommis- sioning asset R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>					
Land and buildings	6 358	–	(112)	–	6 246
Computer equipment	130	288	(134)	–	284
Furniture and fittings	507	11	(251)	–	267
Office equipment	344	–	(141)	–	203
Other office fittings	218	180	(77)	–	321
Leasehold improvements	902	–	(318)	–	584
<b>Total</b>	<b>8 459</b>	<b>479</b>	<b>(1 033)</b>	<b>–</b>	<b>7 905</b>

No property plant & equipment is encumbered. Wesizwe holds full title to the building, which is available for inspection at the registered office.



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**3. PROPERTY, PLANT AND EQUIPMENT continued****COMPANY – 2010  
Cost**

	Opening balance R'000	Transfers R'000	Additions R'000	Decom- missioning asset R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>						
Land and buildings	6 868	–	–	–	–	6 868
Computer equipment	1 173	–	137	–	–	1 310
Furniture and fittings	1 446	–	28	–	–	1 474
Office equipment	676	–	69	–	–	745
Other office fittings	368	–	–	–	–	368
Leasehold improvements	2 017	–	–	–	(47)	1 970
<b>Total</b>	<b>12 548</b>	<b>–</b>	<b>234</b>	<b>–</b>	<b>(47)</b>	<b>12 735</b>

**Accumulated depreciation and impairment losses**

	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>				
Land and buildings	–	510	–	510
Computer equipment	995	185	–	1 180
Furniture and fittings	691	276	–	967
Office equipment	264	137	–	401
Other office fittings	76	74	–	150
Leasehold improvements	737	331	–	1 068
<b>Total</b>	<b>2 763</b>	<b>1 513</b>	<b>–</b>	<b>4 276</b>

**Carrying value**

	Opening balance R'000	Additions, transfers and decom- missioning asset R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
<i>Owned:</i>					
Land and buildings	6 868	–	(510)	–	6 358
Computer equipment	178	137	(185)	–	130
Furniture and fittings	755	28	(276)	–	507
Office equipment	412	69	(137)	–	344
Other office fittings	292	–	(74)	–	218
Leasehold improvements	1 280	–	(331)	(47)	902
<b>Total</b>	<b>9 785</b>	<b>234</b>	<b>(1 513)</b>	<b>(47)</b>	<b>8 459</b>

No property plant & equipment is encumbered. Wesizwe holds full title to the building, which is available for inspection at the registered office.

4. AVAILABLE-FOR-SALE FINANCIAL ASSET

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Capital invested*</b>				
Opening balance	9 271	6 436	-	-
Current year investment	2 960	2 835	-	-
<b>Closing balance</b>	<b>12 231</b>	9 271	-	-
<b>Return on investments (fair value movements)</b>				
Opening balance	1 012	726	-	-
Current year adjustment	517	286	-	-
<b>Closing balance</b>	<b>1 529</b>	1 012	-	-
<b>Total</b>	<b>13 760</b>	10 283	-	-

\* Valuation method – Level 2: inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

The Group has invested in a collective investment scheme through a registered financial services provider to realise a return for the holder to settle its obligation towards mine rehabilitation.

5. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Opening balance	922 220	668 732	-	-
Equalisation liability transferred to current liabilities	-	140 236	-	-
Adjustment to equalisation liability	-	(2 037)	-	-
Acquisition of prospecting rights at fair value	-	143 730	-	-
Deferred taxation on prospecting rights	-	(40 244)	-	-
Gain on bargain purchase of previously held 26% interest	-	9 950	-	-
Deferred taxation on gain on bargain purchase	-	(2 786)	-	-
Additional net cash call	-	7 279	-	-
Share of profit/(loss) in associate	3 515	(2 640)	-	-
Loss on dilution of interest in equity accounted investee	(9 187)	-	-	-
<b>Closing balance</b>	<b>916 548</b>	922 220	-	-

This investment refers to the Group's 26% investment in Maseve Investments 11 (Pty) Ltd.

Maseve earned income from non-core assets resulting in the current year reflecting a profit.

The loss on dilution is as a result of PTM exercising its option to subscribe for additional shares, reducing the Group's interest from 45,25% to 26%.

Management assessed its investment in Maseve for impairment based on the discounted cashflow method. Refer note 2.1.

## FOR THE YEAR ENDED 31 DECEMBER 2011

## 6. INVESTMENT IN SUBSIDIARIES

			Percentage shareholding	Subsidiary issued capital 2011
<b>Wesizwe investment in:</b>				
<b>Directly held</b>				
Bakubung Minerals (Pty) Ltd			100	1 000
Africa Wide Mineral Prospecting and Exploration (Pty) Ltd			100	121
<b>Indirectly held</b>				
Vaviscan (Pty) Ltd			100	100
	<b>GROUP 2011 R'000</b>	<b>GROUP 2010 R'000</b>	<b>COMPANY 2011 R'000</b>	<b>COMPANY 2010 R'000</b>
<b>Wesizwe investment in:</b>				
Bakubung Minerals (Pty) Ltd	-	-	9 802	9 802
Africa Wide Mineral Prospecting and Exploration (Pty) Ltd	-	-	669 621	790 455
<b>Sub Total</b>	-	-	<b>679 423</b>	800 257
<b>Shareholder loans*</b>				
Bakubung Minerals (Pty) Ltd	-	-	1 186 393	985 959
Less: Impairment of shareholder's loan	-	-	-	(61 186)
Opening balance	-	-	(61 186)	(35 107)
Impairment for the current year	-	-	-	(26 079)
Reversal of historical impairment	-	-	61 186	-
Africa Wide Mineral Prospecting and Exploration (Pty) Ltd	-	-	192 008	63 995
<b>Sub Total</b>	-	-	<b>1 378 401</b>	988 768
<b>Total</b>	-	-	<b>2 057 824</b>	1 789 025

\* Shareholders loans are payable on demand, subject to the sub-ordination referred to herein, and bear no interest. These loans have also been subordinated in favour of external creditors.

Due to the equity injection received and further funding facilities made available to Wesizwe, the company concluded that the probability that the value of the core project realising is now certain and has subsequently reversed the historical impairment raised against the loan account.

Vaviscan is a wholly-owned subsidiary of Bakubung and was acquired, as a shelf company, specifically to purchase the farm Zwartkoppies to be utilised as described in the integrated project report on page 34.

Bakubung Minerals has incurred a loss of R21,2 million for the year under review (2010: Loss of R26,1 million).

Africa Wide has incurred a loss of R3,6 million for the year under review (2010: profit of R12,5 million).

Wesizwe has undertaken not to reduce its shareholding in Bakubung Minerals and Africa Wide and to provide the necessary financial support to meet their obligations as and when they become due until such time as the assets of the two companies exceed their liabilities. Wesizwe has also subordinated its loan to Bakubung Minerals and Africa Wide in favour of other creditors for as long as the liabilities of Bakubung Minerals and Africa Wide exceed their assets.

**7. OTHER RECEIVABLES**

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Value Added Tax refunds receivable	14 116	3 081	1 334	–
Other receivables	1 484	5 538	65	59
Prepayments	14 528	652	386	232
<b>Total</b>	<b>30 128</b>	<b>9 271</b>	<b>1 785</b>	<b>291</b>

**8. LOAN TO THE BAKUBUNG COMMUNITY**

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Opening balance	8 257	–	8 257	–
Loan advanced	–	8 257	–	8 257
Impairment	(8 257)	–	(8 257)	–
<b>Closing balance</b>	<b>–</b>	<b>8 257</b>	<b>–</b>	<b>8 257</b>

As previously reported, the company was requested by the Department of Mineral Resources to assist the community and the Royal Family in their efforts to obtain proper accounting for the community's assets in relation to Wesizwe. Consequently, funds were advanced 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 recoverability within the next six to 12 months is doubtful and, in adopting a conservative approach, has accordingly impaired the loan for accounting purposes.

**9. RESTRICTED CASH**

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Department of Mineral Resources – rehabilitation provision	27 370	27 000	27 370	27 000
Landlord – operating lease agreement	896	852	896	852
Eskom – connection guarantees	31 791	–	31 791	–
Transferring attorneys – purchase of land	9 250	–	9 250	–
<b>Total</b>	<b>69 307</b>	<b>27 852</b>	<b>69 307</b>	<b>27 852</b>

Call and short-term deposits have been encumbered as a result of issuing the above guarantees.

**10. CASH AND CASH EQUIVALENTS**

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Bank balances	2 636	7 167	1 607	6 820
Call and short-term deposits	1 144 670	3 690	1 144 670	3 690
	<b>1 147 306</b>	<b>10 857</b>	<b>1 146 277</b>	<b>10 510</b>
Interest accrued	20 187	–	20 187	–
<b>Total</b>	<b>1 167 493</b>	<b>10 857</b>	<b>1 166 464</b>	<b>10 510</b>



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## 11. SHARE CAPITAL

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Authorised</b> 2 000 000 000 (2010: 1 500 000 000) ordinary shares of R0.00001 each	20	15	20	15
<b>Issued</b> 1 627 827 058 (2010: 797 942 598) ordinary shares of R0.00001 each	16	8	16	8

On 4 May 2011 the company issued 829 884 460 ordinary shares at a price per share of R1,81.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

There are no unissued ordinary shares under the control of the directors.

## 12. SHARE PREMIUM

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Opening balance	1 955 159	1 489 091	1 955 159	1 489 091
Premium on issue of 211 850 125 shares	–	466 068	–	466 068
Premium on issue of 829 884 460 shares	1 505 002	–	1 505 002	–
Share issue expenses	(34 633)	–	(34 633)	–
<b>Closing balance</b>	<b>3 425 528</b>	1 955 159	<b>3 425 528</b>	1 955 159

## 13. SHARE-BASED PAYMENT RESERVE

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Opening balance	65 384	62 582	65 384	62 582
	406 795	2 802	406 795	2 802
Share-based payment expense – share incentive scheme	1 359	2 802	1 359	2 802
Share-based payment expense on issue of shares	406 643	–	406 643	–
	408 002	2 802	408 002	2 802
Option exercised in terms of LTIP share scheme	(1 207)	–	(1 207)	–
<b>Closing balance</b>	<b>472 179</b>	65 384	<b>472 179</b>	65 384

The share-based payment expense of R406,6 million relates to an IFRS 2 adjustment for the specific issue of 829 884 460 shares for cash. The issue price was set at R1,81. The closing price on 3 May 2011, which represents the fair value of the Wesizwe share, was R2,30. The difference between the fair value at the date of mutual understanding and the strike price represents the share-based payment expense.

Share-based payment expenditure of R1,4 million represents the IFRS 2 expense for the Long Term Incentive Plan and Share Appreciation Rights Scheme.

The R1,2 million represents the recognition of the options exercised in terms of the LTIP share scheme.

### 13. SHARE-BASED PAYMENT RESERVE continued

#### 13.1. Share-based payment transactions – share incentive scheme

The following share-based payment transactions occurred during the 2011 financial year:

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Share issue based on LTIP				
– Option exercised in terms of LTIP share scheme	(1 207)	–	(1 207)	–
– LTIP share expense*	1 359	2 802	1 359	2 802
<b>Net movement for the year</b>	<b>152</b>	<b>2 802</b>	<b>152</b>	<b>2 802</b>

\* Refer to Note 28.2

The LTIP and SARS schemes were established by Wesizwe in terms of which selected executive directors and employees of the company and its subsidiaries will receive a right to a fixed number of Wesizwe shares subject to certain service and performance-related conditions.

### 14. DEFERRED TAXATION

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Opening balance	290 113	–	–	–
Current year changes	(21 338)	290 113	–	–
Unrealised exchange rate gains	–	4 862	–	–
Realised exchange rate gains	(4 862)	–	–	–
Acquisition of joint venture (WBJV)	–	285 251	–	–
Other movements as set out below	(16 476)	–	–	–
<b>Closing balance</b>	<b>268 775</b>	<b>290 113</b>	<b>–</b>	<b>–</b>
Deferred tax assets and liabilities are attributable to the following items:				
<b>Deferred tax liabilities</b>				
<i>Recognised directly in profit or loss:</i>				
Property, plant and equipment	188 903	–	–	–
Unrealised exchange rate gains	–	4 862	–	–
<i>Recognised directly in equity:</i>				
Acquisition of joint venture	285 251	285 251	–	–
	<b>474 154</b>	<b>290 113</b>	<b>–</b>	<b>–</b>
<b>Deferred tax assets</b>				
<i>Recognised directly in profit or loss:</i>				
Unredeemed mining capex	(201 854)	–	–	–
Provisions	(3 525)	–	–	–
	<b>(205 379)</b>	<b>–</b>	<b>–</b>	<b>–</b>
	<b>268 775</b>	<b>290 113</b>	<b>–</b>	<b>–</b>

The company has a deferred tax asset of R6 097 081 which has not been raised due to the uncertainty of the deduction of the items comprising the asset:

	R'000
Provisions	3 317
Exploration cost	2 440
Unredeemed mining expenditure	339
	<b>6 096</b>

## FOR THE YEAR ENDED 31 DECEMBER 2011

### 15. ENVIRONMENTAL REHABILITATION OBLIGATION

This long-term obligation reflects the estimated future costs of closure, restoration and environmental rehabilitation (which includes the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related environmental disturbance occurs. An estimate is made of the escalated future rehabilitation cost based on environmental plans in accordance with current technology, environmental and regulatory requirements and is discounted using a pre-tax risk-free rate that reflects current market assessments of the time value of money. At the time of establishing the provision, a corresponding asset is recognised and depreciated over the future life of the asset to which it relates. The provision is re-assessed on an annual basis for changes in cost estimates, discount rates and useful lives.

The carry value of R12,6 million was determined based on the following:

Current cost	R31,5 million
Escalation	6,05%
Life of mine	37 years
Discount rate	8,47% regarded as an appropriate risk free rate

### 16. TRADE AND OTHER PAYABLES

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Trade payables	32 154	20 435	764	4 879
Leave pay accrual	811	698	811	698
Value Added Tax payable	-	1 081	-	1 081
Salary accrual	334	-	334	-
<b>Total</b>	<b>33 299</b>	<b>22 214</b>	<b>1 909</b>	<b>6 658</b>

The increase in trade payables is as a direct result of increased activity in the development of the Bakubung Platinum Mine.

### 17. BRIDGING LOAN

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Opening balance	33 270	-	-	-
Bank of China drawdown facility	17 800	33 270	-	-
Settlement of liability	(51 070)	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>33 270</b>	<b>-</b>	<b>-</b>

The facility was used for ongoing capital development of the Bakubung Platinum Mine. Interest was payable monthly at Jibar +250 basis points and was settled following the successful conclusion of the China-Africa Jinchuan and Micawber transaction.

**18. EQUALISATION LIABILITY**

	<b>GROUP 2011 R'000</b>	GROUP 2010 R'000	<b>COMPANY 2011 R'000</b>	COMPANY 2010 R'000
Opening balance	120 834	–	120 834	–
Equalisation liability transferred from investment in equity accounted investee	–	140 236	–	–
Adjustment of liability following agreement to fix liability in US\$ terms	–	(2 037)	–	–
Interest	330	513	–	–
Exchange rate fluctuation	4 666	(17 878)	–	–
Settlement of liability	(125 830)	–	–	–
Raising financial guarantee liability against the cost of the investment	–	–	–	120 834
Amortisation of the guarantee liability against the cost of the investment	–	–	(120 834)	–
<b>Closing balance</b>	<b>–</b>	<b>120 834</b>	<b>–</b>	<b>120 834</b>

The equalisation liability was settled on 20 May 2011. The final amount settled included interest due up to the date of payment and an exchange rate adjustment.

**19. ADMINISTRATION EXPENSES**

	<b>GROUP 2011 R'000</b>	GROUP 2010 R'000	<b>COMPANY 2011 R'000</b>	COMPANY 2010 R'000
Administration expenses include:				
Auditors' remuneration	1 809	3 108	86	3 108
Corporate social investment expenses	2 906	5 029	–	–
Depreciation	1 328	1 867	1 033	1 513
Directors' remuneration	14 409	13 419	14 409	13 419
Employee costs*	19 748	13 152	19 748	16 325
Operating lease – buildings	2 685	2 379	2 462	2 470
Professional fees				
– Legal fees	535	3 236	503	3 236
– Secretarial fees and sponsor cost	1 166	903	1 166	903
– Corporate governance review	–	1 683	–	1 683
Statutory publications, corporate identity and investor relations	3 170	3 535	2 775	3 603
Travel and accommodation	1 117	1 397	1 064	1 367
Other administration expenses	3 022	316	2 086	–
<b>Total</b>	<b>51 895</b>	<b>50 024</b>	<b>45 332</b>	<b>47 627</b>

\* Includes remuneration to prescribed officers other than directors.



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## 20. INTEREST

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Interest income</b>				
Interest earned on cash balances	26 068	6 122	26 065	6 121
Interest accrued on cash balances	20 187	–	20 187	–
<b>Total interest income</b>	<b>46 255</b>	6 122	<b>46 252</b>	6 121
<b>Interest expense</b>				
Interest on loan denominated in foreign currency	(330)	(513)	–	–
Finance charges for the year	(156)	(9)	(152)	(9)
<b>Total interest expense</b>	<b>(486)</b>	(522)	<b>(152)</b>	(9)
<b>Net interest income</b>	<b>45 769</b>	5 600	<b>46 100</b>	6 112

## 21. GAIN ON BARGAIN PURCHASE

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Gain on bargain purchase on acquisition from RPM</b>				
Fair value at acquisition	–	1 162 484	–	–
Total consideration transferred	–	(466 070)	–	–
Deferred taxation	–	(325 495)	–	–
<b>Gain on bargain purchase</b>	<b>–</b>	370 919	<b>–</b>	–
<b>Gain on bargain purchase on initial interest in the WBJV</b>				
At acquisition date fair value	–	816 881	–	–
Current net asset value of interest in WBJV	–	(806 931)	–	–
Gain	–	9 950	–	–
Deferred taxation	–	(2 786)	–	–
<b>Gain on bargain purchase</b>	<b>–</b>	7 164	<b>–</b>	–
<b>Total</b>	<b>–</b>	378 083	<b>–</b>	–

## 22. FOREIGN EXCHANGE GAIN ON PROCEEDS

On 4 May 2011, 829 884 460 shares were issued for a cash consideration of US\$227 million. On the day of subscription, the ZAR/US\$ exchange rate traded at an average of R6.63. The foreign exchange was converted over a period of 30 days and was converted at an average exchange rate of R6.90, realising an exchange gain of R60,6 million. The total cash introduced amounted to R1 565,6 million resulting in cash and cash equivalents reflecting a significant increase.

23. INCOME TAX

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
Current year – normal taxation	(7 527)	–	(4 063)	–
Current year – deferred taxation	21 338	(4 862)	–	–
<b>Total</b>	<b>13 811</b>	<b>(4 862)</b>	<b>(4 063)</b>	<b>–</b>

The Group has unredeemed capital expenditure of R720,9 million (2010: R563,1 million) for the year ended 31 December 2011. The unredeemed capital expenditure may be set-off against future taxable income.

Secondary tax on companies (10%) is replaced with dividend withholding tax (15%) with effect 1 April 2012.

Reconciliation of effective tax rate

	GROUP 2011 %	GROUP 2010 %	COMPANY 2011 %	COMPANY 2010 %
Standard tax rate	28,0	28,0	28,0	28,0
Assessed loss utilised/not utilised	7,9	–	6,8	–
Non-taxable income	–	(34,9)	6,1	–
Non-deductible expenses	(32,5)	6,8	(42,4)	(20,9)
Deferred tax asset not raised	–	1,4	–	(7,1)
Share of loss of equity accounted investee	0,3	0,3	–	–
<b>Effective rate</b>	<b>3,7</b>	<b>1,6</b>	<b>(1,5)</b>	<b>–</b>

24. NOTES TO THE CASH FLOW STATEMENT

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Reconciliation of (loss)/profit for the year to cash flows from operating activities (Loss)/profit from operations after taking the following into account:</b>	<b>(24 721)</b>	306 538	<b>68 326</b>	(86 270)
Interest income	(46 255)	(6 122)	(46 252)	(6 121)
Share of profit/(loss) of associate	(3 515)	2 640	–	–
Interest expense	486	522	152	9
<b>(Loss)/profit from operations</b>	<b>(74 005)</b>	303 578	<b>22 226</b>	(92 382)
Adjustments for:				
– Depreciation	1 326	1 867	1 033	1 513
– Gain on bargain purchase	–	(378 083)	–	–
– Loss on dilution of interest in equity accounted investee	9 187	–	–	–
– Loss/(profit) on re-measurement of liability denominated in a foreign currency	4 666	(17 878)	–	–
– Impairment of mineral rights	–	7 721	–	–
– Impairment of loan to subsidiary	–	–	–	26 079
– Impairment of loan to Bakubung community	8 257	–	8 257	–
– Reversal of historic impairment	–	–	(61 186)	–
– Share-based payment expense	(1 207)	–	(1 207)	–
<b>Operating loss before working capital changes</b>	<b>(51 776)</b>	(82 795)	<b>(30 877)</b>	(64 790)
<b>Changes in working capital</b>	<b>(9 772)</b>	(6 842)	<b>(6 243)</b>	(4 334)
Increase in other receivables	(20 857)	(4 401)	(1 494)	1 420
Increase/(decrease) in trade and other payables	11 085	(2 441)	(4 749)	(5 754)
<b>Cash flow from operating activities</b>	<b>(61 548)</b>	(89 637)	<b>(37 120)</b>	69 124

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## 25. (LOSS)/EARNINGS PER SHARE

	GROUP 2011 R'000	GROUP 2010 R'000
The basis of calculation of basic (loss)/earnings per share is:		
Attributable (loss)/profit to ordinary shareholders (Rand)	(358 326 233)	298 873 679
Weighted average number of ordinary shares in issue (shares)	1 348 167 363	731 195 298
<b>Basic (loss)/earnings per share (cents)</b>	<b>(26.58)</b>	40.87
The basis of calculation of diluted (loss)/earnings per share is:		
Attributable (loss)/profit to ordinary shareholders (Rand)	(358 326 233)	298 873 679
Adjusted weighted average number of ordinary shares in issue (shares)	1 348 167 363	731 611 765
Weighted average number of ordinary shares in issue (shares)	1 348 167 363	731 195 298
LTIP and SARS outstanding	–	416 467
<b>Diluted (loss)/earnings per share (cents)</b>	<b>(26.58)</b>	40,85
The basis of calculation of headline loss and diluted headline loss per share is:		
Attributable (loss)/profit to ordinary shareholders (Rand)	(358 326 233) 9 186 957	298 873 679 (370 362 219)
Impairment of mineral rights	–	7 720 825
Gain on bargain purchase	–	(378 083 044)
Loss on dilution of interest in equity accounted investee	9 186 957*	–
Headline loss	(349 139 276)	(71 488 540)
Weighted average number of ordinary shares in issue (shares)	1 348 167 363	731 195 298
<b>Headline loss and diluted headline loss per share (cents)</b>	<b>(25,90)</b>	(9,78)

\* Zero tax impact.

## Calculation of weighted average number of shares:

Date of share issues	Description	Number of shares issued	Number of days in issue	Weighted average number of shares
01 January 2010	Opening Balance	797 942 598	365	797 942 598
04 May 2011	Shares issued	829 884 460	242	550 224 765
<b>Total</b>		<b>1 627 827 058</b>		<b>1 348 167 363</b>

## 26. COMMITMENTS AND CONTINGENT LIABILITIES

### 26.1 Commitments at reporting date but not recognised in the financial statements are as follows:

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Commitments due within:</b>				
<b>- Next 12 months:</b>				
Rental of premises	1 567	1 959	1 567	1 959
Project capital commitments	305 339	-	-	-
Transaction costs	-	35 408	-	35 408
Qinisele Resources	-	18 000	-	18 000
Frontier Economies Advisory	-	8 704	-	8 704
First Media Distribution	-	8 704	-	8 704
<b>- Next 13 to 24 months:</b>	-	1 567	-	1 567
<b>- Next 25 to 36 months:</b>	-	-	-	-

The company has a 5 year lease for its premises in Melrose Arch expiring on 30 September 2012 with an option to renew.

Project capital commitments comprises the sum total of the outstanding portion of contracts awarded to various contractors and suppliers for the development of the Bakubung Platinum Mine.

Committed transaction costs relate to the transaction that took place in May 2011.

### 26.2 Contingent liabilities

The company is committed to a transaction fee of 1% on the additional funding when it is actually received in cash.

## 27. FINANCIAL INSTRUMENTS

### 27.1 Financial risk management

The Group has limited exposure to the following risks:

- › Credit risk
- › Liquidity risk
- › Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of liquidity. Further quantitative disclosures are included throughout these consolidated financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established the audit and risk committee which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by management to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit and risk committee also oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

#### CREDIT RISK

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's investment activities.



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**27. FINANCIAL INSTRUMENTS continued****RECEIVABLES**

The Group has exposure to receivables of R16 million and represents the maximum exposure to credit risk. This relates to prepaid expenses and other receivables.

When necessary, the Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

**INVESTMENTS**

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of at least "A". Cash and cash equivalents and available-for-sale financial assets for the Group are invested with the following institutions at 31 December 2011.

› Bank of China	R615,3 million
› Investec	R411,3 million
› Sanlam	R13,8 million
› Standard Bank	R207,4 million

**LIQUIDITY RISK**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. (Refer directors' report for going concern assessment).

The Group uses budgetary control costing which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing and financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group has various options of raising additional funding.

**MARKET RISK**

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates and equity prices which affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group's equity price risk is limited to the capital growth on the investment products with Sanlam as the capital is guaranteed.

At the current stage of the project development, management is focussed on the exchange rate risks relating to US\$ denominated loans and the imported content of the project. Various mitigating options has been identified with the assistance of specialists and will be implemented when required.

**INTEREST RATE RISK**

The Group manages its interest rate risk by entering into prime-linked investments.

The primary goal of the Group's investment strategy is to maximise investment returns on temporary surplus cash arising from the issuing of shares for cash. Management is assisted by external advisors in this regard. Management assessed the market risk as low. No capital equipment is purchased in foreign currency.

**INTEREST RATE SENSITIVITY ANALYSIS**

An increase of 100 basis points on interest on the cash balance at year end will increase annual interest income by R12,4 million. A decrease of 100 basis points would have the equal but opposite effect.

27. FINANCIAL INSTRUMENTS continued

27.2 Financial instruments

Effective interest rates and price analysis are as follows:

GROUP 2011

Accounting classification	Note	Effective interest rate %	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
<b>Current financial liabilities</b>								
Trade payables	16	–	(32 154)	(32 154)	–	–	–	–
			(32 154)	(32 154)	–	–	–	–

GROUP 2010

Accounting classification	Note	Effective interest rate %	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
<b>Current financial liabilities</b>								
Trade payables	16	–	(20 435)	(20 435)	–	–	–	–
Bridging loan	17	–	(33 270)	(33 270)	–	–	–	–
Equalisation liability	18	–	(120 834)	(120 834)	–	–	–	–
			(174 539)	(174 539)	–	–	–	–

COMPANY 2011

Accounting classification	Note	Effective interest rate %	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
<b>Current financial liabilities</b>								
Trade payables	16	–	(764)	(764)	–	–	–	–
			(764)	(764)	–	–	–	–

COMPANY 2010

Accounting classification	Note	Effective interest rate %	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
<b>Current financial liabilities</b>								
Trade payables	16	–	(4 879)	(4 879)	–	–	–	–
Equalisation liability	18	–	(120 834)	(120 834)	–	–	–	–
			(125 713)	(125 713)	–	–	–	–

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**27. FINANCIAL INSTRUMENTS continued****27.3 Fair values**

The fair values of all financial instruments are identical to the carrying amounts reflected in the statements of financial position. The fair values together with the carrying amounts shown in the balance are as follows:

GROUP	Note	2011		2010	
		Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Cash and cash equivalents	10	1 167 493	1 167 493	10 857	10 857
Restricted cash	9	69 307	69 307	27 852	27 852
Loan to Bakubung community	8	–	–	8 257	8 257
Other receivables	7	30 128	30 128	6 190	6 190
Available-for-sale financial asset	4	13 760	13 760	10 283	10 283
Trade payables	16	(32 154)	(32 154)	(20 435)	(20 435)
Bridging loan	17	–	–	(33 270)	(33 270)
Equalisation liability	18	–	–	(120 834)	(120 834)
		<b>1 248 534</b>	<b>1 248 534</b>	(111 100)	(111 100)

Cash and restricted cash, which although carried at amortised cost subsequent to initial recognition will equal the amount receivable from the third party financial institutions, thus fair value.

The fair value of other receivables, trade payables, loan and equalisation liability is equal to carrying amounts as the amounts will be received or settled in the short term and the effect of discounting is immaterial.

Available-for-sale financial asset is measured at fair value.

**COMPANY**

Fair value of other receivables, loans receivable from subsidiaries, trade payables, loan and equalisation liability is equal to carrying amounts as the amounts will be settled in the short-term and the effect of discounting is immaterial.

**27.4 Classifications**

Other receivables and trade payables are measured at amortised cost.

**27.5 Capital management**

The board defines capital as equity issued to shareholders. There were no changes in the capital management strategies from the prior year. There are no external imposed capital requirements.

**28. RELATED PARTIES**

Transactions with related parties were made on terms equivalent to those that prevail in arm's length transactions.

The aggregate amounts brought to account in respect of the following types of transactions and each class of related party involved were:

**28.1 Transactions with Group entities**

	GROUP 2011 R'000	GROUP 2010 R'000	COMPANY 2011 R'000	COMPANY 2010 R'000
<b>Bakubung Minerals</b>				
Opening balance	–	–	985 959	555 891
Management fees	–	–	14 629	14 186
Loan advanced	–	–	185 805	415 882
<b>Closing balance</b>	–	–	<b>1 186 393</b>	985 959
<b>Africa Wide</b>				
Opening balance	–	–	63 995	56 716
Loan advanced	–	–	128 013	7 279
<b>Closing balance</b>	–	–	<b>192 008</b>	63 995

The above transactions were all at arms' length.

**28. RELATED PARTIES continued**

**28.2 Transactions with key management**

	<b>GROUP 2011 R'000</b>	GROUP 2010 R'000	<b>COMPANY 2011 R'000</b>	COMPANY 2010 R'000
Salaries and bonuses	<b>19 076</b>	9 574	<b>19 076</b>	9 574
LTIP share expense	<b>1 359</b>	2 802	<b>1 359</b>	2 802
<b>Total</b>	<b>20 435</b>	12 376	<b>20 435</b>	12 376

Key management consists of executive directors and selected members of executive committee.

The prior year figures reflects only executive directors.

Details of LTIP and SARS awards made to key management personnel as well as changes effected to the schemes during the year under review are as follows:

	Number of options	Exercise price of outstanding options (cents)	Remaining contracted life (years)
<b>LTIP awards</b>			
Outstanding at 1 January 2011	617 338	1	0,5
Granted during the year	-	1	-
Cancelled during the year	(106 987)	1	-
Exercised during the year	(510 351)	1	-
<b>Outstanding at 31 December 2011</b>	-	1	-
<b>Exercisable at 31 December 2011</b>	-	-	-
<b>SARS awards</b>			
Outstanding at 1 January 2011	483 431	876	0,5
Granted during the year	-	-	-
Cancelled during the year	(241 360)	876	-
Exercised during the year	(75 080)	-	-
<b>Outstanding at 31 December 2011</b>	166 991	876	-
<b>Exercisable at 31 December 2011</b>	166 991	876	-

The 30-day VWAP at grant date was R8,76.

For transactions with directors refer to the Directors' report.

Both the SARS and LTIP scheme requires settlement in equity.

The fair value of LTIP and SARS is determined using the Black Scholes Option Pricing Model.

The vesting conditions of both schemes are linked to pre-determined performance targets and is measured by the remuneration committee on an annual basis.

**28.3 Transactions with shareholders**

	<b>GROUP 2011 R'000</b>	GROUP 2010 R'000	<b>COMPANY 2011 R'000</b>	COMPANY 2010 R'000
Bakubung Community				
Opening balance	<b>(8 257)</b>	-	<b>8 257</b>	-
Loan advanced	-	8 257	-	8 257
Loan impaired	<b>(8 257)</b>	-	<b>(8 257)</b>	-
<b>Closing balance</b>	<b>-</b>	8 257	<b>-</b>	8 257

Refer note 8.



## SHAREHOLDER ANALYSIS

### 31 December 2011

Shareholder spread	No. of shareholders	%	No. of shares	%
1 – 1 000 shares	953	19,20	544 322	0,03
1 001 – 10 000 shares	1 998	40,25	8 901 402	0,55
10 001 – 100 000 shares	1 571	31,65	57 320 566	3,52
100 001 – 1 000 000 shares	387	7,80	101 332 272	6,23
1 000 001 shares and over	55	1,10	1 459 728 496	89,67
<b>Total</b>	<b>4 964</b>	<b>100</b>	<b>1 627 827 058</b>	<b>100</b>

Distribution of shareholders	No. of shareholders	%	No. of shares	%
Banks	44	0,89	100 382 116	6,17
Brokers	20	0,40	15 645 549	0,96
Close Corporations	69	1,39	3 664 508	0,23
Empowerment	11	0,22	265 820 724	16,33
Endowment Funds	3	0,06	43 738	0,00
Individuals	4 290	86,42	125 315 920	7,70
Insurance Companies	7	0,14	31 894 460	1,96
Investment Companies	4	0,08	15 934 974	0,98
Mutual Funds	20	0,40	36 179 655	2,22
Nominees and Trusts	373	7,51	54 680 520	3,36
Other Corporations	40	0,81	1 560 875	0,10
Pension Funds	11	0,22	5 984 782	0,37
Private Companies	67	1,35	758 748 015	46,61
Public Companies	5	0,11	211 971 222	13,01
<b>Total</b>	<b>4 964</b>	<b>100</b>	<b>1 627 827 058</b>	<b>100</b>

Public/non-public shareholders	No. of shareholdings	%	No. of shares	%
Non-Public Shareholders	15	0,30	1 211 958 026	74,45
Directors Holdings	2	0,04	1 765 000	0,11
Empowerment	11	0,22	265 820 724	16,33
Strategic Holdings (more than 10% of the ISC)	2	0,04	944 372 302	58,01
Public Shareholders	4 949	99,70	415 869 032	25,55
<b>Total</b>	<b>4 964</b>	<b>100</b>	<b>1 627 827 058</b>	<b>100</b>

### Beneficial shareholders holding of 3% or more

	No. of shares	% of shares
China-Africa Jinchuan Inv Ltd	732 522 177	45,00
Rustenburg Platinum Mines Ltd	211 850 125	13,01
Micawber 809 (Pty) Ltd	97 362 283	5,98
African Continental Resources Venture	73 630 000	4,52
Deutsche Bank AG	69 300 656	4,26

## ABBREVIATIONS

<b>ABET</b>	Adult basic education and training
<b>Africa Wide</b>	Africa Wide Mineral Prospecting and Exploration Proprietary Limited (Registration No. 2002/011815/07)
<b>AGM</b>	Annual general meeting
<b>Anglo Platinum</b>	Anglo American Platinum Limited (Registration No. 1946/022542/06)
<b>Aveng Grinaker-LTA</b>	Aveng Grinaker-LTA Mining, part of the Aveng (Africa) Limited Group (Registration No. 1931/003300/06)
<b>Bakubung Minerals</b>	Bakubung Minerals Proprietary Limited (Registration No. 2002/017306/07)
<b>Bakubung Platinum Mine</b>	The company's platinum mine situated in the Frischgewaagd-Ledig complex, formally known as the Frischgewaagd-Ledig mine
<b>BEE</b>	Black economic empowerment
<b>Bushveld complex</b>	A major intrusive igneous body in the northern part of South Africa that has undergone magmatic differentiation. The Bushveld complex is a leading source of chromium and PGM's
<b>CADFund</b>	China-Africa Development Fund, with its registered office in China
<b>CBE</b>	Capital budget estimate
<b>CEMP</b>	Construction environmental management plan
<b>CEO</b>	Chief executive officer
<b>CGU</b>	Cash generating unit
<b>China-Africa Jinchuan</b>	China-Africa Jinchuan Investment Limited, a company incorporated in Hong Kong
<b>Chinese consortium</b>	Include Jinchuan and the CADFund
<b>CIO</b>	Chief information officer
<b>Community</b>	The Bakubung-Ba-Ratheo Tribe, a community in the North West Province
<b>Company, the</b>	Wesizwe Platinum Limited (Registration No. 2003/020161/06)
<b>DMR</b>	Department of mineral resources
<b>E&amp;E asset</b>	Exploration and evaluation asset
<b>EIA</b>	Environmental impact assessment
<b>EMP</b>	Environmental management plan
<b>EPCM</b>	Engineering, procurement and construction management
<b>EPS</b>	Earnings per share
<b>FD</b>	Finance director
<b>ERP system</b>	Enterprise resource planning system
<b>Group</b>	Wesizwe, Africa Wide and Bakubung Minerals
<b>HDSA</b>	Historically disadvantaged South Africans
<b>IDP</b>	Integrated development programme
<b>IT</b>	Information technology
<b>Jinchuan</b>	Jinchuan Group Limited, a Chinese state-owned company under the jurisdiction of the Peoples' Government of the Gansu Province, with its registered office in China
<b>LED</b>	Local economic development
<b>Liviero Civils</b>	Liviero Civils Proprietary Limited (Registration No. 1984/009243/07)
<b>LTI</b>	Lost time injury
<b>LTIFR</b>	Lost time injury frequency rate

<b>LTIP</b>	Long term incentive plan
<b>Maseve</b>	Maseve Investments 11 Proprietary Limited (Registration No. 2008/018995/07)
<b>Micawber</b>	Micawber 809 Proprietary Limited (Registration No. 2010/004314/07)
<b>MPRDA</b>	Mineral and petroleum resources development act, 2002 (Act No. 28 of 2002)
<b>MR</b>	Merensky reef
<b>NAV</b>	Net asset value
<b>NDRC</b>	National development and reform commission
<b>NO<sub>2</sub></b>	Nitrogen dioxide
<b>NPV</b>	Net present value
<b>PGE</b>	Platinum group elements
<b>PGM</b>	Platinum group metals comprising mainly of platinum, palladium, rhodium and gold, as well as other metals associated therewith;
<b>Platinum Group Metals</b>	Platinum Group Metals Limited, a Canadian company (Registration No. 642278)
<b>Project 1</b>	The exploration and mining project for PGM's to be operated in Maseve
<b>Project 3</b>	The exploration and mining project for PGM's to be operated in Maseve
<b>Project Delta</b>	The transaction with RPM and PTM which results in the re-organising of the Core Project and Projects 1 & 3
<b>PTM</b>	Platinum Group Metals (RSA) Proprietary Limited (Registration No. 2000/025984/07)
<b>RPM</b>	Rustenburg Platinum Mines Limited (Registration No. 1931/993380/05)
<b>SAMREC</b>	South African code for reporting of exploration results, mineral resources and mineral reserves
<b>SARS</b>	Share appreciation rights scheme
<b>Scribante</b>	Scribante Construction Proprietary Limited, (Registration No. 1963/001347/07)
<b>SLP</b>	Social and labour plan
<b>SMME</b>	Small, medium and micro enterprise
<b>SO<sub>2</sub></b>	Sulphur dioxide
<b>TWP</b>	TWP Projects Proprietary Limited (Registration No. 2001/002943/07)
<b>UG 2 ore</b>	The ore to be mined from the economically extractable layer within the UG 2 cycle unit being a band in the bushveld complex often containing economic grades of PGM
<b>US\$</b>	US dollar currency
<b>VWAP</b>	Variable weighted average price
<b>WBJV</b>	Western bushveld joint venture
<b>Wesizwe</b>	The company or Group depending on context
<b>ZAR</b>	South African Rand

# NOTICE OF ANNUAL GENERAL MEETING

WESIZWE PLATINUM LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 2003/020161/06)  
Share Code: WEZ ISIN: ZAE000075859  
("Wesizwe" or "the company" or "the Group")

Notice is hereby given that the annual general meeting of the company's shareholders will be held at Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate, Houghton, Johannesburg on Thursday 19 July 2012 at 10h00 ("the annual general meeting").

## PURPOSE

The purpose of the meeting is to transact the business set out in this notice of annual general meeting ("AGM notice") by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions hereunder. For the avoidance of doubt, the memorandum and articles of association of the company are referred to as the memorandum of incorporation in accordance with the terminology used in the new Companies Act 2008 (Act 71 of 2008), as amended ("the Companies Act"), which became effective on 1 May 2011.

## AGENDA

Presentation and consideration of the annual financial statements of the company, including the reports of the directors and the audit committee for the year ended 31 December 2011 as set out in the company's annual integrated report 2011 of which this AGM notice forms part of; and

To consider and, if deemed fit, approve, with or without modification, the following special and ordinary resolutions:

Note:

*For any of the ordinary resolutions numbers 1 to 19 and 21 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.*

*For any of the special resolutions numbers 1 to 4 to be adopted, more than 75% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.*

*For ordinary resolution number 20 to be adopted, more than 75% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.*

## 1. ORDINARY BUSINESS

### 1.1 Retirement and re-election of directors

#### 1.1.1 ORDINARY RESOLUTION NUMBER 1: RE-ELECTION OF MLIBO MGUDLWA

"Resolved that Mlibo Mgudlwa, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

An abbreviated curriculum vitae in respect of Mlibo Mgudlwa may be viewed on page 10 of the annual integrated report of which this notice forms part.

#### 1.1.2 ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF BARRIE VAN DER MERWE

"Resolved that Barrie Van Der Merwe, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

An abbreviated curriculum vitae in respect of Barrie van der Merwe may be viewed on page 11 of the annual integrated report of which this notice forms part.

#### REASON FOR ORDINARY RESOLUTIONS NUMBERS 1 AND 2

The reason for ordinary resolutions numbers 1 and 2 is that article 29 of the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, requires that a component of the non-executive directors rotate at the annual general meeting and, being eligible may offer themselves for re-election as directors.

### 1.2 Retirement and re-election of appointment of new directors

#### 1.2.1 ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF DEXIN CHEN AS DIRECTOR

"Resolved that Dexin Chen, who was appointed effective 4 May 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated curriculum vitae in respect of Dexin Chen may be viewed on page 8 of the annual integrated report of which this notice forms part.

#### 1.2.2 ORDINARY RESOLUTION NUMBER 4: RE-ELECTION OF JIANKE GAO AS DIRECTOR

"Resolved that Jianke Gao, who was appointed effective 4 May 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated curriculum vitae in respect of Jianke Gao may be viewed on page 8 and 12 of the annual integrated report of which this notice forms part.

#### 1.2.3 ORDINARY RESOLUTION NUMBER 5: RE-ELECTION OF ROBERT GARNETT AS DIRECTOR

"Resolved that Robert Garnett, who was appointed effective 17 October 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."



An abbreviated *curriculum vitae* in respect of Robert Garnett may be viewed on page 9 of the annual integrated report of which this notice forms part.

#### 1.2.4 ORDINARY RESOLUTION NUMBER 6: RE-ELECTION OF JIKANG LI AS DIRECTOR

"Resolved that Jikang Li, who was appointed effective 4 May 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of Jikang Li may be viewed on page 9 of the annual integrated report of which this notice forms part.

#### 1.2.5 ORDINARY RESOLUTION NUMBER 7: RE-ELECTION OF MICHAEL MA AS DIRECTOR

"Resolved that Michael Ma, who was appointed effective 4 May 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of Michael Ma may be viewed on page 8 and 12 of the annual integrated report of which this notice forms part.

#### 1.2.6 ORDINARY RESOLUTION NUMBER 8: RE-ELECTION OF JAMES NGCULU AS DIRECTOR

"Resolved that James Ngculu, who was appointed effective 4 May 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of James Ngculu may be viewed on page 10 of the annual integrated report of which this notice forms part.

#### 1.2.7 ORDINARY RESOLUTION NUMBER 9: RE-ELECTION OF WISEMAN NKUHLU AS DIRECTOR

"Resolved that Wiseman Nkuhlu, who was appointed effective 17 October 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of Wiseman Nkuhlu may be viewed on page 10 of the annual integrated report of which this notice forms part.

#### 1.2.8 ORDINARY RESOLUTION NUMBER 10: RE-ELECTION OF LILIANG TENG AS DIRECTOR

"Resolved that Liliang Teng, who was appointed effective 4 May 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of Liliang Teng may be viewed on page 11 of the annual integrated report of which this notice forms part.

#### 1.2.9 ORDINARY RESOLUTION NUMBER 11: RE-ELECTION OF JAMES ZHANG AS DIRECTOR

"Resolved that James Zhang, who was appointed effective 4 May 2011, retire in terms of the memorandum of incorporation of the company and, being eligible for re-election, be and is hereby re-elected as director."

An abbreviated *curriculum vitae* in respect of James Zhang may be viewed on page 11 of the annual integrated report of which this notice forms part.

#### REASON FOR ORDINARY RESOLUTIONS NUMBER 3 TO 11

The reason for ordinary resolutions numbers 3 to 11 is that article 29.9 of the memorandum of incorporation, requires that directors appointed during the year have to retire at the next annual general meeting following their appointment and, being eligible, may offer themselves for re-election as directors.

### 1.3 Re-appointment of external auditors

#### 1.3.1 ORDINARY RESOLUTION NUMBER 12: CONFIRMATION OF THE RE-APPOINTMENT OF THE AUDITORS

"Resolved that the re-appointment of KPMG Inc. as independent auditors of the company for the ensuing year (the designated auditor being Mr Kobus Volschenk) on the recommendation of the company's audit & risk committee be hereby ratified."

#### REASON FOR ORDINARY RESOLUTION NUMBER 12

The reason for ordinary resolution number 12 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the company as required by the Companies Act.

### 1.4 Auditor's remuneration

#### 1.4.1 ORDINARY RESOLUTION NUMBER 13: CONFIRMATION OF THE AUDITOR'S REMUNERATION

"Resolved that the auditor's remuneration for the year ended 31 December 2011 as determined by the audit and risk committee of the company be and is hereby confirmed."

#### REASON FOR ORDINARY RESOLUTION NUMBER 13

The reason for ordinary resolution number 13 is that article 24.1 of the memorandum of incorporation of the company requires that the remuneration of the auditor be considered at the annual general meeting.

### 1.5 Election of members to the audit and risk committee

#### 1.5.1 ORDINARY RESOLUTION NUMBER 14: APPOINTMENT OF MIKE EKSTEEN AS A MEMBER OF THE AUDIT AND RISK COMMITTEE

"Resolved that Mike Eksteen be elected as a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated *curriculum vitae* in respect of Mike Eksteen may be viewed on page 9 of the annual integrated report of which this notice forms part.

### 1.5.2 ORDINARY RESOLUTION NUMBER 15: APPOINTMENT OF ROBERT GARNETT AS A MEMBER TO THE AUDIT AND RISK COMMITTEE

"Resolved that Robert Garnett be elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated *curriculum vitae* in respect of Robert Garnett may be viewed on page 9 of the annual integrated report of which this notice forms part.

### 1.5.3 ORDINARY RESOLUTION NUMBER 16: APPOINTMENT OF JIKANG LI AS A MEMBER TO THE AUDIT AND RISK COMMITTEE

"Resolved that Jikang Li be elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated *curriculum vitae* in respect of Jikang Li may be viewed on page 9 of the annual integrated report of which this notice forms part.

### 1.5.4 ORDINARY RESOLUTION NUMBER 17: APPOINTMENT OF WISEMAN NKUHLU AS A MEMBER TO THE AUDIT AND RISK COMMITTEE

"Resolved that Wiseman Nkuhlu be elected a member of the audit and risk committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated *curriculum vitae* in respect of Wiseman Nkuhlu may be viewed on page 10 of the annual integrated report of which this notice forms part.

### THE REASON FOR ORDINARY RESOLUTIONS NUMBER 14 TO 17

The reason for ordinary resolution numbers 14 to 17 (inclusive) is that the company, being a public listed company, must appoint an audit committee as prescribed by sections 66(2) and 94(2) of the Companies Act, which also requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of a company.

### 1.5.5 ORDINARY RESOLUTION NUMBER 18: ENDORSEMENT OF REMUNERATION PHILOSOPHY

To endorse the company's remuneration philosophy, as set out in the human capital report on pages 38 and 43 of the annual integrated report, by way of a non-binding advisory note.

### THE REASON FOR ORDINARY RESOLUTION NUMBER 18

The reason for ordinary resolution number 18 is that King III recommends that the remuneration policy of the company be endorsed through a non-binding advisory vote by shareholders at the annual general meeting of a company.

## 1.6 Unissued shares placed under control of the directors

### 1.6.1 ORDINARY RESOLUTION NUMBER 19: PLACING UNISSUED SHARES UNDER DIRECTORS' CONTROL

"Resolved that the unissued shares in the company, limited to 15% of the number of shares in issue at 11 June 2012, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE Limited ("JSE"), save that the aforementioned 15% limitation shall not apply to any shares issued in terms of a rights offer."

### THE REASON FOR ORDINARY RESOLUTION NUMBER 19

The reason for ordinary resolution number 19 is that the board requires authority from shareholders, in terms of article 3.2 of its memorandum of incorporation, to issue shares in the company. This general authority, once granted, allows the board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required inter alia in terms of capital raising exercises and to maintain a healthy capital adequacy ratio that may be required from time to time. This general authority is subject to the restriction that it is limited to 15% of the number of shares in issue at 11 June 2012 on the terms more fully set out in ordinary resolution number 19 and subject to the further restrictions set out in ordinary resolution number 20 below.

## 1.7 General authority to issue shares for cash

### 1.7.1 ORDINARY RESOLUTION NUMBER 20: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

"Resolved that the directors of the company be and are hereby authorised, by way of general authority, to allot and issue any of its unissued shares for cash placed under their control as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE, and subject to the provision that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 15% of the issued share capital at 11 June 2012, provided that:

- › the approval shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond fifteen months from the date of this resolution;
- › a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;

- › the general issues of shares for cash in the aggregate in any one financial year may not exceed 15% of the company's issued share capital (number of securities) of that class. For purposes of determining whether the aforementioned 15% has been or will be reached, the securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;
- › in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30 business day period;
- › any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties; and
- › any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue."

This resolution requires the approval of not less than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at this annual general meeting.

#### THE REASON FOR ORDINARY RESOLUTION NUMBER 20

For listed entities wishing to issue shares, it is necessary for the board not only to obtain the prior authority of the shareholders as may be required in terms of their memorandum of incorporation contemplated in ordinary resolution number 20 above but it is also necessary to obtain the prior authority of shareholders in accordance with the Listings Requirements of the JSE. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares in compliance with the Listings Requirements of the JSE. The authority granted in terms of this resolution number 20 must accordingly be read together with authority granted in terms of ordinary resolution number 19 above and any exercise thereof will be subject to the conditions contained in ordinary resolution number 20.

## 1.8 Authorised directors and/or the company secretary

### 1.8.2 ORDINARY RESOLUTION NUMBER 21: AUTHORITY TO ACTION

"Resolved that any one director of the company and/or the company secretary is hereby authorised to do all such things and sign all such documents as deemed necessary to implement the ordinary and special resolutions as set out in this notice convening the annual general meeting at which these resolutions will be considered."

#### THE REASON FOR ORDINARY RESOLUTION NUMBER 21

The reason for ordinary resolution number 21 is to ensure that the resolutions voted favourably upon is duly implemented through the delegation of powers provided for in terms of article 32.1.4 of the company's memorandum of incorporation.

## 2. SPECIAL BUSINESS

### 2.1 Special resolution number 1: Remuneration of non-executive directors

"Resolved that the remuneration payable to the non-executive directors be approved on the following basis with effect from this annual general meeting until the next annual general meeting held in 2013:

Category	Recommended remuneration
<i>Chairman</i>	R25 000 monthly retainer R13 500 per meeting attended
<i>Board member</i>	R8 466 monthly retainer R12 000 per meeting attended
<i>Independent board member</i>	R10 417 monthly retainer R12 000 per meeting attended
<b>Audit and risk committee</b>	
<i>Chairman</i>	R13 500 per meeting attended
<i>Member</i>	R9 000 per meeting attended
<b>Remuneration and nominations committee</b>	
<i>Chairman</i>	R13 500 per meeting attended
<i>Member</i>	R9 000 per meeting attended
<b>Finance and investment committee</b>	
<i>Chairman</i>	R13 500 per meeting attended
<i>Member</i>	R9 000 per meeting attended
<b>Technical committee</b>	
<i>Chairman</i>	R13 500 per meeting attended
<i>Member</i>	R9 000 per meeting attended
<b>Social and ethics committee</b>	
<i>Chairman</i>	R13 500 per meeting attended
<i>Member</i>	R9 000 per meeting attended

#### REASONS FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 1

The reason for the proposed special resolution, is to comply with section 66(9) of the Companies Act, which requires the approval of directors fees prior to the payment of such fees.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting.

### 2.2 Special resolution number 2: Financial assistance to related and inter-related companies

"Resolved that the board of directors of the Group be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 2), to authorise the Group to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the board may deem fit to any related or inter-related company of the Group ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the board of directors may determine."

#### PURPOSE OF SPECIAL RESOLUTION NUMBER 2

The main purpose for this authority is to grant the board of directors the authority to authorise the Group to provide inter-group loans and other financial assistance for purposes of funding the activities of the Group.

The board undertakes that –

it will not adopt a resolution to authorise such financial assistance, unless the board is satisfied that:

- › immediately after providing the financial assistance, the Group would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- › the terms under which the financial assistance is proposed to be given are fair and reasonable to the Group; and
- › written notice of any such resolution by the board shall be given to all shareholders of the Group and any trade union representing its employees –
  - within 10 business days after the board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous financial assistance during the financial year, exceeds 0.1% of the Group's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.



#### REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 2

The reason for and the effect of special resolution number 2 is to provide a general authority to the board of directors of the Group for the Group to grant direct or indirect financial assistance to any company forming part of the Group, including in the form of loans or the guaranteeing of their debts.

### 2.3 Special resolution number 3: Conversion of authorised share capital

"Resolved that, in terms of regulation 31 of the Companies Act Regulations 2011, all the ordinary shares in the share capital of the company, comprising 2 000 000 000 authorised and 1 627 827 058 issued ordinary shares having a par value of R0.00001 each, are without altering the substance of the specific rights and privileges associated therewith, converted into ordinary shares having no par value on the basis that each ordinary no par value share shall have the same value, rights and privileges as the value, rights and privileges which attached to such shares immediately prior to the passing of this special resolution number 3 and that the whole of the amounts standing to the credit of the share capital account and the share premium account of the company be transferred to the stated capital account of the company."

Note:

*The Companies Act has abolished with the maintenance of capital rule and prescribes that all shares to be issued henceforth shall have no par value. In order to bring the company's share capital structure into harmony with the provisions of the Companies Act the board proposes a conversion of the current authorised shares into shares of no par value. The preferences, rights, limitations and other terms attaching to the no par value shares in the company will be the same as the preferences, rights, limitations and other terms which are attached to the current authorised shares, immediately prior to their conversion into no par value shares.*

In accordance with regulation 31(7) of the Companies Act Regulations 2011, the board has prepared a report as set out in Appendix 1 forming part of and attached to this AGM notice which will be submitted to the Companies and Intellectual Property Commission (CIPC) and the South African Revenue Services (SARS) prior to the annual general meeting.

#### REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 3

The reason for special resolution number 3 is to convert the ordinary shares in the company's authorised share capital from ordinary par value shares into ordinary shares of no par value.

The effect of special resolution number 3 is that the authorised and issued ordinary share capital of the company shall be converted to shares of no par value.

### 2.4 Special resolution number 4: Adoption of new memorandum of incorporation

"Resolved that subject to the passing of special resolution number 4 and in terms of section 16(1)(c)(ii) of the Companies Act, and Item 4(2) of Schedule 5 to the Companies Act, the existing memorandum and articles of association of the Group be and are hereby amended and substituted in its entirety by the new memorandum of incorporation signed by the chairman of the annual general meeting on the first page thereof for identification purposes, with effect from the date of filing of the required notice of amendment with CIPC."

#### REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 4

Special resolution number 4 is proposed in order to adopt a new memorandum of incorporation in substitution for the existing memorandum and articles of association of the Group which contains provisions which are in conflict with the provisions of the Companies Act, but which conflicting provisions generally override the provisions of the Companies Act, which became effective on 1 May 2011, for a period of two years after the effective date of the Companies Act, in order to bring the Group's constitutional documents in harmony with the provisions of the Companies Act. In terms of Item 4(2) of Schedule 5 to the Companies Act, a company that existed prior to the effective date of the Companies Act may at any time within two years immediately following the effective date file, without charge, an amendment to its memorandum and articles of association to bring it in harmony with the Companies Act.

Copies of the new memorandum of incorporation will be available for inspection by any person who has a beneficial interest in any securities of the Group at the registered office of the Group at Unit 13, 2nd Floor, 3 Melrose Boulevard, Melrose Arch, Johannesburg and at PSG Capital, First Floor, Building 8, Inanda Greens Business Park, 54 Wierda Road West, Wierda Valley, Sandton, 2196, during normal office hours from the date of issue of this AGM notice up to and including the date of the annual general meeting or any adjourned meeting. In addition, shareholders may view or download the proposed new memorandum of incorporation at the company's website address [www.wesizwe.com](http://www.wesizwe.com), alternatively, the salient features thereof is set out in Appendix 3 attached to and forming part of this AGM notice.

### 3. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

#### INFORMATION RELATING TO THE SPECIAL RESOLUTIONS

- For purposes of special resolution number 2, the board of directors of the company will only utilise the general authority bestowed upon them to provide direct or indirect financial assistance related to inter related companies to the extent that the directors, after considering the amount of financial assistance to be granted, are of the opinion that:
  - immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as defined in the Companies Act, 2008);
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
  - all conditions or restrictions regarding the granting of financial assistance as set out in the company's memorandum of incorporation have been satisfied and that the board of directors have passed a resolution authorising the grant of the said financial assistance ("the board resolution") under their general authority so granted, the company which will then provide written notice of the board resolution to all shareholders:
    - within 10 days after adoption of the board resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution(s) during the financial year, exceeds one-tenth of 1% of the company's net worth at the time of the board resolution; or
    - within 30 business days after the end of the financial year, in any other case.
- The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.
- The directors, whose names are reflected in this annual integrated report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and

that the notice contains all information required by the Listings Requirements of the JSE.

- Other than the facts and developments reported on in the annual integrated report, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report up to the date of this notice.

#### RECORD DATE, ATTENDANCE AND VOTING

- The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company ("the Share Register") for purposes of being entitled to receive this notice is Friday, 1 June 2012.
- The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this meeting is Friday, 13 July 2012 with the last day to trade being Friday, 6 July 2012.
- Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the annual general meeting and must accordingly bring a copy of their identity document, passport or drivers' license. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.
- Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the annual general meeting.
- The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 10h00 on Tuesday, 17 July 2012.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker.

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7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.
  8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.
  9. In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the annual general meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the annual general meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's license or a valid passport will be accepted at the annual general meeting as sufficient identification.

By order of the board

**S van Schalkwyk**  
*Company secretary*

11 June 2012



## APPENDIX 1

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### REPORT IN TERMS OF REGULATION 31(7) OF THE COMPANIES ACT REGULATIONS, 2011

In accordance with Regulation 31(7), it is the opinion of the board of directors of Wesizwe Platinum Limited ("Wesizwe" or "the Company") that:

- a) The value of the Wesizwe shareholders will be unaffected by the conversion of its ordinary share capital to shares of no par value;
- b) The company's issued share capital consists of one class of ordinary shares and would therefore be unaffected;
- c) There will be no material effect on the rights of Wesizwe shareholders;
- d) There will be no material adverse effects of the proposed arrangement due to any compensations.



## APPENDIX 2

## SALIENT DATES AND TIMES IN RESPECT OF THE CONVERSION OF THE AUTHORISED SHARE CAPITAL

2012

**Salient dates and times**

Record date in order to be eligible to receive the AGM notice	Friday, 1 June 2012
AGM notice posted to shareholders	Monday, 11 June 2012
Last date to trade in order to be eligible to vote at the annual general meeting	Friday, 6 July 2012
Record date in order to be eligible to vote at the annual general meeting	Friday, 13 July 2012
Last day to lodge forms of proxy for the annual general meeting (by 10h00)	Tuesday, 17 July 2012
Annual general meeting (at 10h00)	Thursday, 19 July 2012
Results of the annual general meeting released on SENS	Thursday, 19 July 2012
Submission of special resolutions to CIPC	Thursday, 19 July 2012
Anticipated date for registration of the special resolutions by the CIPC by no later than	Friday, 10 August 2012
Publication of date that shares will trade as no par value shares on or about	Monday, 13 August 2012

## Notes:

- 1 All times indicated above and below are local times in South Africa;
- 2 The dates and times indicated in the table above are subject to change. Any such changes will be released on SENS and published in the press; and
- 3 Anticipated dates are dependent on the date of registration of the special resolutions at the CIPC.

### NEW MEMORANDUM OF INCORPORATION FOR WESIZWE PLATINUM LIMITED

- 1 The new Companies Act, 2008 ("the Companies Act" or "the new Companies Act") became effective on 1 May 2011. The Companies Act differs substantially from the Companies Act, 1973 ("the 1973 Companies Act") and the memorandum and articles of association of companies need to be amended to bring it into harmony with the new Companies Act. In future a company will only have one constitutional document, being a memorandum of incorporation. In terms of the transitional provisions of the new Companies Act, a company has until 30 April 2013 to bring its memorandum and articles of association into harmony with the new Companies Act. In this transitional two year period, provisions of a company's existing memorandum and articles of association that are in conflict with the provision of the new Companies Act, will, to the extent of the conflict, prevail, subject however to a few exceptions. A company that existed prior to the effective date of the new Companies Act may at any time within the two year transitional period file, without charge, an amendment to its memorandum and articles of association to bring it in harmony with the new Companies Act.
- 2 The new memorandum of incorporation of Wesizwe Platinum Limited ("Wesizwe" or "the company") to be considered and if, approved, adopted at the annual general meeting of 2011 to be held on Thursday, 19 July 2012, is consistent with the provisions of the new Companies Act and is proposed to replace the existing memorandum and articles of association of Wesizwe.
- 3 The approach adopted in preparing the memorandum of incorporation, was to, as far as possible, retain the provisions of the existing articles of association of Wesizwe that are not inconsistent with the new Companies Act (and to the extent that there were material deviations from this approach, details of such deviations are set out below). The memorandum of incorporation was prepared with a view to such document serving as a manual to the officers of Wesizwe and others when dealing with the day to day corporate issues affecting the company, without the need to consult the Companies Act and Regulations to the Companies Act on each and every point.
- 4 The following matters contained in the proposed memorandum of incorporation should be noted in particular:
  - 4.1 The share capital of Wesizwe is not affected by the new memorandum of incorporation and in particular its shares will remain no par value shares [clause 2.1 and Schedule 1].
  - 4.2 The power to amend the authorisation (including increasing or decreasing the number) and classification of shares (including determining rights, limitations, preferences and other terms), is subject to the approval of the shareholders by way of a special resolution [clause 1.3.1].
  - 4.3 Subject to the provisions of the Companies Act and the JSE Listings Requirements where a special resolution is required for the approval of an issue of shares, the board may issue shares at any time, and/or grant options to subscribe for shares but only to the extent that such issue or option has been approved by an ordinary resolution of shareholders, either by way of a general or specific authority. Such authority shall endure for the period provided in the resolution in question but may be revoked by ordinary resolution at any time [clause 2.1.4].
  - 4.4 The board may authorise the company to issue secured or unsecured debt instruments [e.g. debentures], but no special privileges associated with any such debt instruments, such as voting rights or right to appoint directors may be granted [clause 2.2].
  - 4.5 The company may by special resolution and subject to the JSE Listings Requirements buy back its share capital [clause 2.1.10].
  - 4.6 The company may provide financial assistance to any person for the purpose of the subscription of any option, or any securities, issued or to be issued by the company, or for the purchase of any such securities, subject to a general or specific approval by special resolution [clause 2.1.8].
  - 4.7 The quorum for a shareholders' meeting to begin or for a matter to be considered, will be at least three shareholders entitled to attend and vote and present at the meeting, and in addition, a shareholders' meeting may not begin until persons are present at the meeting to exercise, in aggregate, at least 25% of the voting rights, and a matter to be decided at a shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights [clause 4.8].
  - 4.8 Subject to the provisions of the JSE Listings Requirements, if determined by the board in its discretion, the company may conduct a shareholders' meeting entirely by electronic communication or provide for participation in a meeting by electronic communication [clause 4.7].
  - 4.9 The minimum number of directors will be four and the maximum fifteen, and the composition of the board will be subject to the provisions of the Listings Requirements [clause 5.1].

- 4.10 There are no general qualifications prescribed by the company for a person to serve as a director in addition to the requirements of the Companies Act.
- 4.11 The appointment and retirement of directors by rotation are as provided for in [clauses 5.1.1, 5.1.8 and 5.1.9].
- 4.12 Subject to the provisions of the JSE Listings Requirements, the board may elect a chairman of their meetings and determine the period for which he/she is to hold office [clause 5.4.8].
- 4.13 A director authorised by the board may, at any time, call a meeting of the board, and must call a meeting of the board if required to do so by at least two directors and in any other case any director may call a meeting if there is good reason to do so [clauses 5.4.1 and 5.4.2].
- 4.14 A round robin board resolution will be as valid and effectual as if it had been passed at a meeting of the board duly called and constituted, provided that each director who is able to receive notice, has received notice of the matter to be decided upon [clause 5.4.4].
- 4.15 The board may determine the period of notice to be given of meetings of the board and may determine the means of giving such notice which may include telephone, telefax or electronic communication [clause 5.4.5].
- 4.16 The quorum necessary for the transaction of the business of the directors will be a majority of the then appointed directors and each director has one vote on a matter before the board [clause 5.4.7].
- 4.17 A majority of the votes cast in favour of a board resolution is sufficient to approve that resolution. In the case of a tied vote the chairman will not have a second or casting vote and the resolution will fail [clauses 5.4.7 and 5.4.8].
- 4.18 The company may pay remuneration to the directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years [clause 5.6]. This approval is not required for the salaries of executive directors.
- 4.19 Subject to any limitation placed on the company in this regard in terms of the Companies Act and/or the JSE Listings Requirements, the company will be entitled to indemnify any director against any liability which such director may incur in exercising his duties, to advance expenses to a director in the circumstances contemplated in section 78(4) of the Companies Act, and to purchase insurance in this regard in accordance with section 78(7). The company is entitled to claim restitution from a director or of a related company for any money paid directly or indirectly by the company to or on behalf of that director in any manner inconsistent with section 75 [clause 5.7].
- 4.20 The business and affairs of the company will be managed by the board, which has the authority to exercise all of the powers and perform any of the functions of the company, except to the extent that the Companies Act provides otherwise [clause 5.3.1].
- 4.21 Subject to the provisions of the Companies Act, the board may, from time to time, at its discretion, raise or borrow or secure the payment of any sum or sums of money for the purposes of the company [clause 5.5]. This provision is required in terms of the JSE Listings Requirements.
- 4.22 The board may appoint any number of board committees and delegate to such committees any authority of the board [clause 5.8].
- 4.23 The board must appoint a company secretary [clause 5.12].
- 4.24 The company may make distributions from time to time, provided that it will comply with section 46 of the Companies Act and the JSE Listings Requirements (to the extent applicable) in respect of each distribution to be made. A dividend may be declared by the board or by the company in general meeting, provided that the company in general meeting will not be entitled to declare a dividend greater than that recommended by the board [clause 6.1.1].
- 4.25 All unclaimed dividends or other distributions must be held by the company in trust until claimed, provided that any dividend (but not any other distribution which shall be held by the company until lawfully claimed) remaining unclaimed for a period of not less than three years from the date on which it became payable may be forfeited by resolution of the board for the benefit of the company [clause 6.1.5].
- 4.26 Save for correcting errors substantiated as such from objective evidence or which are self-evident errors in the memorandum of incorporation, which the board is empowered to do, all amendments of the memorandum of incorporation should be effected by a special resolution of shareholders [clauses 1.3.1 and 1.4.1].
- 4.27 In terms of the JSE Listings Requirements the company is prohibited from making rules [clause 1.3.5].





# FORM OF PROXY

WESIZWE PLATINUM Ltd  
 (Incorporated in the Republic of South Africa)  
 (Registration number: 2003/020161/06)  
 Share Code: WTL ISIN: ZAE000075859  
 ("Wesizwe" or "the Company" or "the Group")

FORM OF PROXY – for use by certificated and "own name" dematerialised shareholders only at the annual general meeting of shareholders to be Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate, Houghton, Johannesburg on Thursday, 19 July 2012 at 10h00 ("the annual general meeting").

I/We (please print name in full) \_\_\_\_\_  
 of (address) \_\_\_\_\_

being a shareholder/s of Wesizwe Platinum Limited, holding \_\_\_\_\_ shares in the company hereby appoint:

1. \_\_\_\_\_ or, failing him/her,
2. \_\_\_\_\_ or, failing him/her,
3. \_\_\_\_\_ or, failing him/her,
4. the chairman of the annual general meeting,

as my proxy to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof and to speak and act for me/us and, on a poll, vote on my/our behalf.

My/our proxy shall vote as follows:

	Number of shares		
	In favour of	Against	Abstain
To consider the presentation of the annual financial statements for the year ended 31 December 2011			
<b>Ordinary resolution number 1:</b> To re-elect Mlibo Mgudlwa as director			
<b>Ordinary resolution number 2:</b> To re-elect Barrie Van Der Merwe as director			
<b>Ordinary resolution number 3:</b> To re-elect Dexin Chen as director			
<b>Ordinary resolution number 4:</b> To re-elect Jianke Gao as director			
<b>Ordinary resolution number 5:</b> To re-elect Robert Garnett as director			
<b>Ordinary resolution number 6:</b> To re-elect Jikang Li as director			
<b>Ordinary resolution number 7:</b> To re-elect Michael Ma as director			
<b>Ordinary resolution number 8:</b> To re-elect James Ngculu as director			
<b>Ordinary resolution number 9:</b> To re-elect Wiseman Nkuhlu as director			
<b>Ordinary resolution number 10:</b> To re-elect Liliang Teng as director			
<b>Ordinary resolution number 11:</b> To re-elect James Zhang as director			
<b>Ordinary resolution number 12:</b> Confirmation of external auditor's re-appointment			
<b>Ordinary resolution number 13:</b> Confirmation of auditor's remuneration			
<b>Ordinary resolution number 14:</b> Appointment of Mike Eksteen to audit and risk committee			
<b>Ordinary resolution number 15:</b> Appointment of Robert Garnett to audit and risk committee			
<b>Ordinary resolution number 16:</b> Appointment of Jikang Li to audit and risk committee			
<b>Ordinary resolution number 17:</b> Appointment of Wiseman Nkuhlu to audit and risk committee			
<b>Ordinary resolution number 18:</b> Endorsement of remuneration philosophy			
<b>Ordinary resolution number 19:</b> Placing of shares under the directors' control			
<b>Ordinary resolution number 20:</b> General authority to issue shares for cash			
<b>Ordinary resolution number 21:</b> Authority to action			
<b>Special resolution number 1:</b> Remuneration of non-executive directors			
<b>Special resolution number 2:</b> Financial assistance to related and inter-related companies			
<b>Special resolution number 3:</b> Conversion of share capital			
<b>Special resolution number 4:</b> Approval of memorandum of incorporation			

(indicate instruction to proxy by way of a cross in the space provided above)  
 Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature \_\_\_\_\_

Please read the notes on the reverse side hereof



## NOTES:

1. This form or proxy should only be used by certificated shareholders or shareholders who have dematerialised their shares with own name registration.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the meeting", but any such deletion must be initialed by the shareholder. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she deemed fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
4. Dematerialised shareholders who wish to attend the meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary authority to attend the meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the member and his/her CSDP or broker.
5. Forms of proxy must be lodged at the company's Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by not later than 10h00 on Tuesday, 17 July 2012.
6. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
7. Documentary evidence establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries of the company or waived by the chairman of the meeting.
8. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
9. The chairman shall be entitled to reject the authority of a person signing the form of proxy:
  - 9.1 under a power of attorney, or
  - 9.2 on behalf of a companyunless that person's power of attorney or authority is deposited at the registered office of the Transfer Secretaries not less than 48 hours before the meeting.
10. Where shares are held jointly, all joint holders are required to sign the form of proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
12. On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of shares he/she holds or represents.
13. On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
14. A resolution put to the vote shall be decided by a show of hands, unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the annual general meeting.

## CONTACT INFORMATION

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### **Wesizwe Platinum Ltd**

Incorporated in the Republic of South Africa  
Registration number: 2003/020161/06  
Share code: WTL  
ISIN: ZAE000075859

### **Company Secretary and Registered Office**

Sirkien van Schalkwyk  
Unit 13, 2nd Floor  
3 Melrose Boulevard  
Melrose Arch  
Johannesburg  
2076  
(Private Bag X16, Northlands, 2116)

### **Sponsor**

PSG Capital (Pty) Ltd  
(Reg. No. 2006/015817/07)  
First Floor, Building 8  
Inanda Greens Business Park  
54 Wierda Road West  
Wierda Valley  
Sandton  
2196  
(PO Box 987, Parklands, 2121)

### **Transfer Secretaries**

Computershare Investor Services (Pty) Ltd  
(Reg. No. 2004/003647/07)  
70 Marshall Street  
Johannesburg  
2001  
(PO Box 61051, Marshalltown, 2107)

### **Legal Advisor**

Norton Rose South Africa  
(incorporated as Deneys Reitz Inc)  
(Reg. No. 1984/003385/21)  
15 Alice Lane  
Sandton  
2196  
(PO Box 784903, Sandton, 2146)

### **Auditors**

KPMG Inc.  
(Reg. No. 1999/021543/21)  
Registered Accountants and Auditors  
Chartered Accountants (SA)  
KPMG Crescent  
85 Empire Road  
Parktown  
2193  
(Private Bag X9, Parkview, 2122)



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