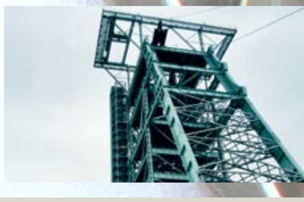

Annual Financial Statements 2014

wesizwe

Contents

The financial statements have been prepared under the supervision of the Finance Director, Mr W Ma and have been audited in compliance with the requirements of the Companies Act, 2008, as amended.

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 company annual financial statements of Wesizwe Platinum Limited, comprising the statements of financial position at 31 December 2014, statements of profit or loss and other 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, in accordance with International Financial Reporting Standards (IFRS), the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa ("Companies Act"). In addition, the directors are responsible for preparing the directors' report.

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 expressing an opinion as to whether the group financial statements and company financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of group annual financial statements and company annual financial statements

The group annual financial statements and company annual financial statements of Wesizwe Platinum Limited, as identified in the first paragraph, were approved by the board of directors on 25 March 2015 and signed by

Dawn Mokhobo
CHAIRMAN

Jianke Gao
CHIEF EXECUTIVE

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, I certify that, to the best of my knowledge and belief, the company has submitted to the Companies and Intellectual Property 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.

Vasta Mhlongo
company secretary
25 March 2015

Report of the Audit and Risk Committee

Introduction

The audit and risk committee ("the committee") is pleased to present its report in terms of the Companies Act and the JSE Listings Requirements for the financial year ended 31 December 2014. The committee has conducted its work in accordance with the written terms of reference approved by the board, information about which is recorded in the corporate governance report.

Composition

The composition of the committee changed during 2014. The committee comprised the following members, who have the necessary skills and experience to fulfil the duties of the committee:

- Ms Nosipho Molope (Independent non-executive director and chairperson) – resigned 1 July 2014
- Mr Victor Mabuza (Independent non-executive director and chairperson) – appointed 22 August 2014
- Mr James Ngculu (Independent non-executive director)
- Mr Mike Eksteen (Independent non-executive director)
- Mr Barend van der Merwe (Non-independent non-executive director) - resigned 18 July 2014
- Mr Jikang Li (Non-independent non-executive director) - resigned 18 July 2014

The appointment of all members of the committee is subject to the shareholders' approval at the next annual general meeting to be held on 6 July 2015. The profiles of the members including their qualifications can be viewed in the integrated report.

Frequency and attendance of meetings

During the year under review, three meetings were held and the attendance of the meetings can be viewed in the corporate governance section of the integrated report.

Statutory duties

The committee is satisfied that it has performed the statutory requirements for an audit & risk committee as set out in the Companies Act as well as the functions set out in the terms of reference and that it has therefore complied with its legal, regulatory or other responsibilities as may be assigned by the board. The committee reports to both the board and the shareholders.

External auditor

The committee nominated and recommended the appointment of the external auditor, KPMG Inc. to the shareholders in compliance with the Companies Act and the JSE Listings Requirements and the appointment of Shaun van den Boogaard as designated auditor for the 2014 financial year.

The committee satisfied itself that the audit firm and designated auditor are accredited to appear on the JSE List of Accredited Auditors. The committee further satisfied itself that 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, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees.

The committee has the following responsibilities for external audit:
Recommends the appointment of external auditor and oversees the external audit process and in this regard the committee must:

- nominate the external auditor for appointment by the shareholders;
- approve the annual audit fee and terms of engagement of the external auditors;
- monitor and report on the independence of the external auditors in the annual financial statements;
- define a policy for non-audit services and pre-approve non-audit services to be provided by the external auditor;
- ensure that there is a process for the committee to be informed of any reportable irregularities as defined in the Auditing Profession
- Act, 2005, identified and reported by the external auditor;
- review the quality and effectiveness of the external audit process;
- consider whether the audit firm and where appropriate the individual auditor that will be responsible for performing the functions of auditor are accredited as such on the JSE List of Accredited Auditors and their advisors as required by the JSE Listings Requirements.

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 they have access to the committee, primarily through its chairperson.

The committee has the following responsibilities for internal audit:

- the appointment, performance assessment and/or dismissal of the internal auditor;
- to approve the internal audit charter and the internal audit plan;
- to ensure that the internal audit function is subject to an independent quality review as and when the committee determines appropriate.

Report of the Audit and Risk Committee (continued)

Internal financial control

Nothing has come to the attention of the committee that caused it to believe that the company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

Duties assigned by the board

The committee oversees the preparation of the company's 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.

Expertise of the finance function

The committee has reviewed the current performance and future requirements for the financial management of the company and concluded that the current team has the appropriate skills, experience and expertise required to fulfil the finance function. In compliance with paragraph 3.84(h) of the JSE Listings Requirements, the committee satisfied itself of the appropriateness of the expertise and experience of the financial management team as a whole.

Going concern

The committee reviewed the documents prepared by management in which they assessed the going concern status of the company and its subsidiaries at year-end and the foreseeable future. The committee resolved and recommended acceptance of the conclusion to the board.

Financial statements

The committee has reviewed the financial statements of the group and company for the year ended 31 December 2014 and is satisfied that they comply with IFRS, the Companies Act and that areas of judgement were discussed to confirm accounting estimates.

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.

Fraud prevention

A fraud prevention plan has been implemented and an anonymous tip-off line is now functional. Monthly reports are provided by the independent service provider. The monitoring of reports from this service will be shared between this committee and the Social and Ethics committee.

Information Technology Governance

The committee is responsible for:

- obtaining independent assurance on the effectiveness of the IT internal controls;
- overseeing the value delivery on IT and monitor the return on investments on significant IT projects;
- ensuring that IT forms an integral part of the company's risk management;
  The IT steering committee submits reports on a quarterly basis to this committee on IT governance and management.

Recommendation of the annual financial statements for approval by the board
The committee recommended the annual financial statements for approval by the board.

Victor Mabuza
Chairman – audit and risk committee
25 March 2015

Director's Report
for the year ended 31 December 2014

The directors have pleasure in presenting the group annual financial statements and company annual financial statements for Wesizwe Platinum Limited for the year ended 31 December 2014.

Nature of business

Wesizwe Platinum Limited ("Wesizwe", "the company" or "group" depending on context) is a public company incorporated in the Republic of South Africa and its shares are listed on the JSE.

The group's main strategic project is to build and operate South Africa's next platinum group metals (PGM) mine at its Bakubung Platinum Mine (formerly known as Frischgewaagd-Ledig), firmly positioning the group as a significant mid-tier precious metals producer.

Capital

Authorised and issued stated capital

The authorised and issued stated capital as at 31 December 2014 was 2 000 000 000 ordinary no par value shares, and 1 627 827 058 ordinary no par value shares, respectively.
No ordinary shares were issued during the period under review.

Further details of the authorised and issued share capital are set out in note 12 to the annual financial statements.

Funding and going concern

Funding of Bakubung

The project funding of US$ 650million from China Development Bank ("CDB"), that Jinchuan and China-Africa Development ("CAD") Fund undertook to secure in terms of the subscription agreement, was finalised and the facility agreement was signed in December 2013. The first drawdown from this facility, in the amount of US$100million, was made in January 2014. A second drawdown of US$100million was made in August 2014. The drawdowns were utilized to repay the last outstanding US$100million from the previously utilized short-term facilities. The term of this loan is 15 years from the date of the first drawdown i.e. from January 2014. Capital repayments in "six monthly installments" only commence after 6 years from the date of the first draw down. The installments commence as relatively small amounts being 0.077% of the outstanding balance at payment date of the first installment, which increases with every consecutive repayment to a pre-final installment of 8.5% of the outstanding balance at payment date of the second last installment. The final installment will be equal to the balance outstanding on the final payment date. The variable interest rate is determined every six months, in advance, as the then ruling "six month LIBOR rate" plus 3.5%. This project funding facility is exclusively available for the purposes of developing the Bakubung Project and based on current budgets will cover the funding requirements up to the first quarter of 2017. The board is currently considering funding options post 2017; such options will be a function of market conditions closer to the target date and additional funding requirements.

Going concern

The group's available cash resources of R1 066.1 million (2013: R751.4 million), as reflected in the statement of financial position, as well as the facilities with CDB are sufficient to conduct operations and proceed with the project development up to the first quarter of 2017. Refer to note 26.

Maseve

Maseve Investments 11 (Pty) Ltd ("Maseve") is developing its project, and as such made a second cash call in February 2014 on its shareholders in terms of the Maseve shareholder agreement. On review of the Maseve investment by Wesizwe, the Wesizwe board of directors determined that Maseve did not meet Wesizwe's strategic objective, nor does the Project meet Wesizwe's required return on investment. As such the Wesizwe board resolved not to follow the Maseve cash call. As a result of this, Wesizwe's interest in Maseve was diluted down to 17.1%. Refer to note 5.

Financial results

Results of the group 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 in Maseve, of which the Wesizwe group holds a 17.1% shareholding, are brought into production.

The loss before tax for the year under review was R170.4 million (2013: R11.4 million). These results take into account operational costs amounting to R31.9 million (2013: R32.3 million), loss on adjustment of interest in equity-accounted investee amounting to R159.6 million (2013: nil) and net financial income amounting to R21.0 million (2013: R18.9 million) as presented in detail in the statements of profit or loss and other comprehensive income.

Results of wholly-owned subsidiary companies

Bakubung Minerals (Pty) Ltd ("Bakubung Minerals") made a loss after tax of R0.7 million for the year under review (2013: R5.7 million). Africa Wide Mineral Prospecting and Exploration (Pty) Ltd ("Africa Wide") made a profit after tax of R432.4 million for the year under review (2013: R0.3 million). Vaviscan (Pty) Ltd ("Vaviscan") has incurred a loss of R0.05 million (2013: R0.04 million) for the year under review. Wesizwe (Pty) Ltd ("Wesizwe Properties") Properties has incurred a loss after tax of R2.3 million (2013: R0.6 million) for the year under review.

Director's Report
for the year ended 31 December 2014 (continued)

Litigation statement

Wesizwe is defending a claim brought by an advisory firm. Although liability is not admitted, if the defence against the claim is unsuccessful, then commission costs could amount to R21.4 million. The directors, whose names are given in the integrated annual report of which this notice forms part, do not expect the claim to be successful. The directors are not aware of any legal or arbitration proceedings that may have an influence on the group's rights to explore or mine.

Directorate

Directors and changes in directors

The details of the current directors are provided in the integrated report. Mr Barend van der Merwe and Ms Nosipho Molope resigned from the board of directors in 2014. Mr Victor Mabuza and Mr Kenny Mokoka joined the board of directors in 2014. Refer to note 25.2 for further details.

In accordance with clause 5.1.8 of the company's memorandum of incorporation ("MOI") one-third of the non-executive directors shall retire at each annual general meeting on a rotational basis as determined in the said clause. Retiring directors are eligible for re-election. In terms of the company's MOI, 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 Mr Mike Eksteen, Mr Dexin Chen and Ms Dawn Mokhobo.

Directors' remuneration

Refer to the remuneration report on page 50 of the financial statements.

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 remuneration payable to non-executive directors was approved at the annual general meeting that was held on 1 July 2014 effective until the next annual general meeting, which will be held on 6 July 2015.

The board of directors of the group is to be authorised in terms of section 45(3)9(a)(ii) 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.

Annual general meeting

The notice convening the annual general meeting to be held on 6 July 2015 together with a shareholder proxy form, and the notes explaining the various resolutions to be considered at that meeting is enclosed with the annual integrated report.

Dawn Mokhobo
(Chairman)
on behalf of the board of directors
25 March 2015

Independent Auditor's report

To the Shareholders of Wesizwe Platinum Limited

We have audited the group financial statements and company financial statements of Wesizwe Platinum Limited, which comprise the statements of financial position at 31 December 2014, and the statements of profit or loss and other 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, as set out on pages 7 to 51.

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, the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices committee, Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa 2008 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 about 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 Limited at 31 December 2014, 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, the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices committee, Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa.

Other Reports Required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the certificate by the company secretary, the report of the audit and risk committee and the directors' report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.
Registered Auditor

Per S van den Boogaard
Chartered Accountant (SA)
Registered Auditor
Director
26 March 2015

1226 Francis Baard Street
Hatfield
0083

Statements of Financial Position at 31 December 2014

		GROUP		COMPANY	
		2014	2013	2014	2013
	Notes	R'000	R'000	R'000	R'000
Assets					
Non-current assets					
Property, plant and equipment	3	4 120 176	3 241 329	5 904	6 387
Available-for-sale financial asset	4	788 700	-	-	-
Investment in equity-accounted investee	5	-	920 750	-	-
Investment in subsidiaries	6	-	-	604 792	679 423
Intangible assets	7	7 448	-	-	-
Restricted cash	8	134 641	80 670	-	-
Loans receivable from subsidiaries	6	-	-	4 038 825	2 917 273
Total non-current assets		**5 050 965**	**4 242 749**	**4 649 521**	**3 603 083**
Current assets					
Other receivables	10	25 912	11 606	1 007	297
Taxation	17	4 363	2 557	4 363	2 557
Loans receivable from subsidiaries	6	-	-	353 074	-
Restricted cash	8	32 700	34 458	27 000	34 458
Cash and cash equivalents	11	1 066 094	751 423	520 162	733 988
Total current assets		**1 129 069**	**800 044**	**905 606**	**771 300**
Total assets		**6 180 034**	**5 042 793**	**5 555 127**	**4 374 383**
Equity and liabilities					
Capital and reserves					
Stated capital	12	3 425 544	3 425 544	3 425 544	3 425 544
Share-based payment reserve	13	-	-	-	-
Available-for-sale financial asset reserve		22 581	-	-	-
(Accumulated loss)/retained income		(64 318)	198 886	(190 813)	(108 706)
Total equity		**3 383 807**	**3 624 430**	**3 234 731**	**3 316 838**
Non-current liabilities					
Deferred tax liability	9	362 218	264 289	-	-
Interest-bearing borrowings	14	2 310 114	-	2 310 114	-
Mine closure and environmental rehabilitation obligation	15	39 618	29 395	-	-
Total non-current liabilities		**2 711 950**	**293 684**	**2 310 114**	**-**
Current liabilities					
Interest-bearing borrowings	14	-	1 049 552	-	1 049 552
Trade and other payables	16	84 277	73 104	10 251	7 993
Loans payable to subsidiaries	6	-	-	31	-
Taxation	17	-	2 023	-	-
Total current liabilities		**84 277**	**1 124 679**	**10 282**	**1 057 545**
Total equity and liabilities		**6 180 034**	**5 042 793**	**5 555 127**	**4 374 383**

Statements of Profit or Loss and other Comprehensive Income for the year ended 31 December 2014

	Notes	GROUP 2014 R'000	GROUP 2013 R'000	COMPANY 2014 R'000	COMPANY 2013 R'000
Operations					
Revenue	18	-	-	332 799	180 819
Administration expenses	19	(165 634)	(87 290)	(97 285)	(78 698)
Project related expenses capitalised		133 839	53 691	-	-
		(31 795)	(33 599)	235 514	102 121
Impairment of investment in subsidiary company		-	-	(74 631)	-
Loss on scrapping of property, plant and equipment		-	(18)	-	(18)
Profit on sale of property, plant and equipment		111	70	60	-
Share of (loss)/profit in equity-accounted investee	5	(194)	1 235	-	-
Net operating (costs)/income		(31 878)	(32 312)	160 943	102 103
Loss on adjustment of interest in equity-accounted investee	5	(159 556)	-	-	-
Available-for-sale financial asset reclassified to profit or loss	4	-	1 651	-	-
Profit on disposal of available-for-sale financial asset		-	412	-	-
Financial income/(expense)					
Finance income	20	56 413	77 970	24 200	76 776
Finance expense	20	(69 817)	(42 050)	(67 398)	(40 616)
Net foreign exchange loss	20	(199 935)	(144 890)	(199 852)	(144 884)
Finance costs capitalised	20	234 385	127 865	-	-
Net finance income / (expense)		21 046	18 895	(243 050)	(108 724)
Loss before tax		**(170 388)**	**(11 354)**	**(82 107)**	**(6 621)**
Income tax (expense) / income	17	(92 816)	2 343	-	415
Loss for the year		**(263 204)**	**(9 011)**	**(82 107)**	**(6 206)**
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Gain/(loss) on fair value movements of available-for-sale asset	4	27 700	(1 525)	-	-
Tax on other comprehensive income	17	(5 119)	285	-	-
Available-for-sale financial asset reclassified to profit or loss		-	(1 651)	-	-
Total other comprehensive income/ (loss)		22 581	(2 891)	-	-
Total comprehensive loss for the year		**(240 623)**	**(11 902)**	**(82 107)**	**(6 206)**
Loss per share					
Basic loss per share (cents)	21	(16.17)	(0.55)		
Diluted loss per share (cents)	21	(16.17)	(0.55)		

Statements of Changes in Equity for the year ended 31 December 2014

GROUP	Stated capital	Available -for-sale reserves	Share-based payment reserve	Retained Income / (accumulated loss)	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 1 January 2013	**3 425 544**	**2 891**	**472 179**	**(264 282)**	**3 636 332**
Total comprehensive loss for the year					
Loss for the year	-		-	(9 011)	(9 011)
Other comprehensive loss	-	(2 891)	-	-	(2 891)
	-	**(2 891)**	**-**	**(9 011)**	**(11 902)**
Transactions with owners recorded directly in equity:					
Transfer of share-based payment reserve to retained income*	-	-	(472 179)	472 179	-
	-	**-**	**(472 179)**	**472 179**	-
Balance at 31 December 2013	**3 425 544**	**-**	**-**	**198 886**	**3 624 430**
Total comprehensive loss for the year					
Loss for the year	-	-	-	(263 204)	(263 204)
Other comprehensive income	-	22 581	-	-	22 581
	-	**22 581**	**-**	**(263 204)**	**(240 623)**
Balance at 31 December 2014	**3 425 544**	**22 581**	**-**	**(64 318)**	**3 383 807**

* The share based payment reserve was transferred to accumulated loss as no allocations in terms of the Long Term Incentive Plan and the Share Appreciation Rights Scheme would be made in future. The share-based payment expenses relating to the issue of shares has lapsed.

Statements of Changes in Equity for the year ended 31 December 2014 (continued)

COMPANY	Stated capital	Available -for-sale reserves	Share-based payment reserve	Retained Income / (accumulated loss)	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 1 January 2013	**3 425 544**	**-**	**472 179**	**(574 679)**	**3 323 044**
Total comprehensive loss for the year					
Loss for the year	-	-	-	(6 206)	(6 206)
	-	-	-	**(6 206)**	**(6 206)**
Transactions with owners recorded directly in equity:					
Transfer of share-based payment reserve to retained income*	-	-	(472 179)	472 179	-
	-	-	**(472 179)**	**472 179**	-
Balance at 31 December 2013	**3 425 544**	**-**	**-**	**(108 706)**	**3 316 838**
Total comprehensive loss for the year					
Loss for the year	-	-	-	(82 107)	(82 107)
	-	-	-	**(82 107)**	**(82 107)**
Balance at 31 December 2014	**3 425 544**	**-**	**-**	**(190 813)**	**3 234 731**

* The share based payment reserve was transferred to accumulated loss as no allocations in terms of the Long Term Incentive Plan and the Share Appreciation Rights Scheme would be made in future. The share-based payment expenses relating to the issue of shares has lapsed.

Statements of Cash Flows for the year ended 31 December 2014

		GROUP		COMPANY	
		2014	2013	2014	2013
	Notes	R'000	R'000	R'000	R'000
Cash flows from operating activities					
Cash receipts from customers		-	-	-	-
Cash paid to suppliers and employees		(36 528)	(19 734)	(26 566)	(21 046)
Cash utilised in operations	22	**(36 528)**	**(19 734)**	**(26 566)**	**(21 046)**
Finance income received		27 682	19 731	22 113	76 391
Finance cost paid		(8 822)	(666)	(69 469)	(41 870)
Taxation paid	17	(3 855)	(2 557)	(1 806)	(2 557)
Taxation received	17	-	13 408	-	13 408
Cash (utilised in)/generated from operating activities		**(21 523)**	**10 182**	**(75 728)**	**24 326**
Cash flows from investing activities					
Acquisition of property, plant and equipment as a result of increase in operations	22	(709 327)	(829 673)	(13)	(1 154)
Acquisition of intangible assets	7	(7 827)	-	-	-
Increase in amounts owed by group companies		-	-	(1 210 245)	(803 733)
Increase in amounts owed to group companies		-	-	31	-
Available-for-sale investment contributions	4	-	(2 744)	-	-
Available-for-sale investment receipts		-	20 162	-	-
Proceeds on disposal of property, plant and equipment		138	-	60	-
Net cash outflow from investing activities		**(717 016)**	**(812 255)**	**(1 210 167)**	**(804 887)**
Cash flows from financing activities					
Interest-bearing borrowings raised	14	2 125 523	1 022 460	2 125 523	1 022 460
Interest-bearing borrowings repaid	14	(1 022 460)	(847 250)	(1 063 000)	(964 658)
Net cash inflow from financing activities		**1 103 063**	**175 210**	**1 062 523**	**57 802**
Net increase/(decrease) in cash and cash equivalents		364 524	(626 863)	(223 372)	(722 759)
Cash at beginning of year		865 149	1 492 012	767 057	1 489 816
Cash at end of year		**1 229 673**	**865 149**	**543 685**	**767 057**
Cash at end of year comprises:					
Cash balances	11	1 066 094	751 423	520 162	733 988
Less: Interest accrued	11	(3 762)	(1 402)	(3 477)	(1 389)
Cash and cash equivalents		1 062 332	750 021	516 685	732 599
Restricted cash	8	167 341	115 128	27 000	34 458
Cash at end of year		**1 229 673**	**865 149**	**543 685**	**767 057**

Notes to the Financial Statements for the year ended 31 December 2014

1. Accounting policies

Reporting entity

Wesizwe Platinum Limited is a company domiciled in the Republic of South Africa. The consolidated financial statements at 31 December 2014 comprise the company and its subsidiaries (together referred to as the group). The ordinary shares of the company are listed on the JSE. Wesizwe, through its wholly-owned subsidiary Bakubung Minerals 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 group financial statements and company financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the JSE Listing Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis of measurement

The group financial statements and company financial statements for the year ended 31 December 2014 have been prepared on the historical cost basis except for available-for-sale financial assets measured at fair value.

Functional and presentation currency

These 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 Note 2: Judgements by Directors and Management.

Change in accounting policies

There was no change in accounting policies during the year under review. Refer to page 18 for standards, amendments to standards and interpretations that have become effective or have been early adopted.

a. Basis of consolidation

i) Business Combinations

The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii) Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the group financial statements from the date on which control commences until the date on which control ceases

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

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

iv) Loss of control

When the group loses control over a subsidiary or an associate, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v) Interests in equity-accounted investees

The group's interests in equity-accounted investees comprise an interest in an associate.

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases. The group stops equity accounting associates when it does not exercise significant influence.

vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees 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.

b. Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's CEO (who is the Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

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

c. Stated Capital

Ordinary shares 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.

d. Property, plant and equipment

Property, plant and equipment are initially measured at cost. 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.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing cost.

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. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

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	Period of the lease
Technical equipment	20.00%
Land	Not depreciated
Buildings	4.00%
Plant and equipment	5.00% - 33.33%
Mine development assets	Unit of production*

** Depreciated using the units-of-production method based on the estimated proved and probable mineral reserves.*

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

e. Intangible assets

Software that is acquired by the group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is only capitalised when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimate useful lives, and is recognised in profit or loss. Amortisation on software for the current and comparative period is provided on a straight-line basis over the estimated useful life of the asset at a rate of 33.33% per annum.

f. Financial instruments

Financial instruments are measured at fair value, including any directly attributable transaction costs, upon initial recognition when the group becomes party to the contractual terms of the instruments. Subsequent to initial recognition, these instruments are measured as follows:

i) Financial assets

The group's financial assets are loans receivable from subsidiaries, 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 other 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 receivable from subsidiaries 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 cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the group is recognised as a separate asset or liability.

ii) Financial liabilities

The group's financial liabilities are loans payable to subsidiaries, trade and other payables and an interest-bearing borrowing.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

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

Loans and Trade and other payables
Loans and all trade and other payables are measured at amortised cost, using the effective interest method.

Interest-bearing borrowing
The interest-bearing borrowing is measured at amortised cost using the effective interest rate method.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

g. 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 ("CGU") 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 recognized in profit or 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) 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.

Loans and receivables
An allowance for impairment of other receivables, investments in subsidiaries 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. 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.

h. 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.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

i. 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 risk specifics of the liability.

i) Mine closure and environmental rehabilitation obligation

This long-term provision results from environmental disturbances associated with the group's mining operations. This cost will arise from rectifying damage caused during the construction of the mine.

Estimated long-term environmental and decommissioning obligations, comprising pollution control, rehabilitation and mine closure are based on the group Environmental Management Plans, in compliance with current environmental and regulatory requirements.

Provision is made for the present value of the decommissioning and environmental cost at the end of the mine's life. The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the decommissioning and environmental provision due to the passage of time is recognised as a finance expense in profit or loss.

j. 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 or loss except to the extent that it relates to a business combination, or items recognized 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 which 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.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and taxable entity.

k. 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. Revenue also comprise of the on-charge of qualifying borrowing costs.

l. 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.

m. Finance costs

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

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. The group has elected to capitalise foreign exchange losses that are directly attributable to borrowing costs incurred for the acquisition, construction or production of a qualifying asset.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

Foreign exchange differences have been included in the capitalised borrowing costs to the extent that they represent an adjustment to the interest rate. Therefore foreign exchange differences to be capitalised are restricted to such that total capitalised borrowing costs are in the range between:

- interest incurred at the contractual rate (translated into the subsidiaries' functional currency)
- interest that would have been incurred on a borrowing with identical terms in the subsidiaries' functional currency (local market related rate had the loan been issued locally).

n. Operating leases

Assets held under leases which transfer substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Assets held under other leases are classified as operating leases and are not recognised in the statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

o. 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.

p. Earnings per share (EPS)

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 adjusted for any possible dilutive effects.

q. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies 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. Foreign currency differences are generally recognised in profit or loss.

r. Employee benefits

Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Long term incentive plan ("LTIP") and Share appreciation rights scheme ("SARS")

Currently there are no outstanding awards, made to key management personnel, in terms of LTIP or SARS while both these schemes are being reviewed for possible future implementation.

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

New standards and amendments and interpretations under IFRS

The following standards, amendments to standards and interpretations have become effective or have been early adopted.

Standards Amendments Interpretations	Nature of Change	Effective Date	Salient Features of the Change and Impact	Impact
IAS 32 Financial Instruments: Presentation	Amendment	1 January 2014	Amendments to application guidance on the offsetting of financial assets and financial liabilities. The new disclosures require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its statement of financial position and the effects of rights of set-off on the entity's rights and obligations.	No impact.
IFRS 10 Consolidated Financial Statements **IFRS 12** Disclosure of Interests in Other Entities **IAS 27** Separate Financial Statements	Amendment	1 January 2014	Amendments that relate specifically to investment entities. These amendments include: • the creation of a definition of an investment entity; • the requirement that such entities measure investments in subsidiaries at fair value through profit or loss instead of consolidating them; • new disclosure requirements for investment entities; and • requirements for an investment entity's separate financial statements.	No impact.
IFRIC 21 Levies	New Interpretation	1 January 2014	The interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain.	No impact.
IAS 36 Impairment of Assets	Amendment	1 January 2014	The amendment aligns the disclosure requirements in IAS 36 with that of IFRS 13 Fair Value Measurement. The amended standard requires disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.	No impact.
IAS 39 Financial Instruments: Recognition and Measurement	Amendment	1 January 2014	The amendment clarifies whether an entity is required to discontinue hedge accounting for hedging relationships in which a derivative has been designated as a hedging instrument in accordance with IAS 39 in a circumstance in which that derivative is novated to a central counterparty following the introduction of a new law or regulation.	No impact.

New standards and amendments and interpretations under IFRS

The following standards, amendments to standards and interpretations have become effective or have been early adopted.

Standards Amendments Interpretations	Nature of Change	Effective Date	Salient Features of the Change and Impact	Impact
IAS 19 Employee Benefits	Amendment	1 January 2015	This amendment addresses the accounting for contributions from employees or third parties when the requirement for such contributions is set out in the formal terms of a defined benefit plan. It proposes that such contributions may be recognised as a reduction in the service cost in the same period in which they are payable if, and only if, they are linked solely to the employee's service rendered in that period.	No impact.
IFRS 11 Joint Arrangements	Amendment	1 January 2016	The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interest in the joint operation will not be remeasured.	No impact.
IAS 16 Property, Plant and Equipment **IAS 38** Intangible Assets	Amendment	1 January 2016	The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.	No impact.
IAS 27 Separate Financial Statements	Amendment	1 January 2016	The amendments allow an entity to apply the equity method in its separate financial statements to account for its investments in subsidiaries, associates and joint ventures.	No impact.
IFRS 10 Consolidated Financial Statements **IAS 28** Investments in Associates and Joint Ventures	Amendment	1 January 2016	The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.	No impact.
IAS 1 Presentation of Financial Statements	Amendment	1 January 2016	The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.	No significant impact.

New standards and amendments and interpretations under IFRS

The following standards, amendments to standards and interpretations have become effective or have been early adopted.

Standards Amendments Interpretations	Nature of Change	Effective Date	Salient Features of the Change and Impact	Impact
IFRS 15 Revenue from Contracts with Customers	New standard	1 January 2017	This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.	No impact.
IFRS9 Financial Instruments	New standard	1 January 2018	On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.	No significant impact.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

2. Judgements by directors and management

2.1 Determination of mineral resource estimates

The group 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 mine closure and environmental rehabilitation obligation. 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 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 Mine closure and environmental rehabilitation obligation

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 the mine closure and environmental rehabilitation obligation 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. Refer to note 15.

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. 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 2013. 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 Oxford Economics 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 Bakubung project starts producing saleable production in 2019.

On this basis the determined fair value exceeds the Net asset Value ("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 for Bakubung:

	2014	2013
US$ exchange rate (ZAR) up to 2019	10.54 – 11.62	8.85 – 11.15
US$ exchange rate (ZAR) long-term	11.62	11.15
Pt price (US$/oz) up to 2019	1 385 – 1 714	1 483 – 2 221
Pt price (US$/oz) long-term	1 714	2 210
Pd price (US$/oz) up to 2019	859 – 1 016	664 – 1 319
Pd price (US$/oz) long-term	1 016	1 267
Rh price (US$/oz) up to 2019	1 320 – 2 423	700 – 2 537
Rh price (US$/oz) long-term	2 423	2 356
Au price (US$/oz) up to 2019	1 200 – 1 358	1 219 – 1 490
Au price (US$/oz) long-term	1 358	1 355
Pre-tax Discount rate/Weighted Average Cost of Capital (%) (Real)	11.41	12.94

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

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 as follows:

	2014	2013
	R'million	R'million
10% increase in the US$ exchange rate	976.3	2 177.7
10% decrease in the US$ exchange rate	(3 923.3)	(2 178.5)
10% increase in the platinum price	210.2	1 565.7
10% decrease in the platinum price	(3 155.4)	(1 568.0)

2.4 Measurement of fair values

A number of the group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The fair value of financial instruments that are not traded in an active market (the investment in Maseve) is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The fair value of the unlisted equity securities are based on the discounted cash flows method. The valuation model considers the present value of estimated future cash flows, discounted using a risk-adjusted discount rate. The significant unobservable inputs are:

	December 2014	September 2014
US$ exchange rate (ZAR) up to 2019	10.54 – 11.62	10.12 – 10.75
US$ exchange rate (ZAR) long-term	11.62	10.75
Pt price (US$/oz) up to 2019	1 385 – 1 714	1 553 – 1 778
Pt price (US$/oz) long-term	1 714	1 778
Pd price (US$/oz) up to 2019	859 – 1 016	850 – 961
Pd price (US$/oz) long-term	1 016	961
Rh price (US$/oz) up to 2019	1 320 – 2 423	1 344 – 2 804
Rh price (US$/oz) long-term	2 423	2 308
Au price (US$/oz) up to 2019	1 200 – 1 358	1 202 – 1 389
Au price (US$/oz) long-term	1 358	1 389
Pre-tax Discount rate/Weighted Average Cost of Capital (%) (Real)	14.91	14.59

2.5 Loss of significant influence

Wesizwe at 31 December 2013 had a 21.3% interest in Maseve. The group had equity-accounted for Maseve as it concluded that the group had significant influence as it held more than 20% of the voting power of the investee and the group was entitled to appoint 2 directors to the board of Maseve. As at 30 September 2014, new shares had been issued by Maseve and the group's interest in the equity was diluted to 17.1%. As that date the group became entitled to appoint 1 director to the board of Maseve and management concluded that the group had lost significant influence on Maseve and discontinued reporting Maseve on the equity-accounted basis. The investment in Maseve has been reclassified as an available-for-sale financial asset (refer to note 4).

2.6 Local market related interest rate

Wesizwe in discussions with various banks and financial institutions concluded that obtaining a loan in the current and previous prevailing market conditions with the same terms as the US$ 650million CDB loan is not achievable in South Africa. Since Bakubung is a start-up operation any funding would inevitably be viewed as equity and demand equity rates of return. Confirmed by an independent valuation, the nominal cost of equity for a start-up company similar to Bakubung platinum mine is 19.9%. The appropriate long-term risk free rate is currently 7.96%. Consequently the risk premium is 11.94%. Based on the foregoing, management concluded that rate of prime plus 8.25% is a reasonable market related interest rate for the cost of loan funding for the Bakubung project and the capitalised portion, referred to in note 3, is lower than the local market interest rate.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

3. Property, plant and equipment

GROUP 2014

COST	Opening Balance R'000	Additions R'000	Disposals R'000	Transfer R'000	Closing Balance R'000
Land and buildings	43 000	5 682	-	405	**49 087**
Vehicles	1 818	2 400	(140)	-	**4 078**
Computer equipment	3 292	5 726	(41)	-	**8 977**
Furniture & fittings	2 778	390	-	-	**3 168**
Office equipment	768	313	(31)	-	**1 050**
Other office fittings	928	2 407	-	386	**3 721**
Leasehold improvements	791	-	-	(791)	**-**
Technical equipment	-	362	-	-	**362**
Plant and equipment	981 410	256 970	-	-	**1 238 380**
Mine development assets	2 213 532	609 288	-	-	**2 822 820**
Total	**3 248 317**	**883 538**	**(212)**	**-**	**4 131 643**

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	Opening Balance R'000	Depreciation R'000	Disposals R'000	Transfer R'000	Closing Balance R'000
Land and buildings	1 038	1 215	-	-	**2 253**
Vehicles	588	587	(140)	-	**1 035**
Computer equipment	2 181	1 527	(41)	-	**3 667**
Furniture & fittings	1 801	819	-	-	**2 620**
Office equipment	394	139	(3)	-	**530**
Other office fittings	701	244	-	285	**1 230**
Leasehold improvements	285	-	-	(285)	**-**
Technical equipment	-	132	-	-	**132**
Plant and equipment	-	-	-	-	**-**
Mine development assets	-	-	-	-	**-**
Total	**6 988**	**4 663**	**(184)**	**-**	**11 467**

CARRYING VALUE	Opening Balance R'000	Additions R'000	Depreciation R'000	Disposals R'000	Transfer R'000	Closing Balance R'000
Land and buildings	41 962	5 682	(1 215)	-	405	**46 834**
Vehicles	1 230	2 400	(587)	-	-	**3 043**
Computer equipment	1 111	5 726	(1 527)	-	-	**5 310**
Furniture & fittings	977	390	(819)	-	-	**548**
Office equipment	374	313	(139)	(28)	-	**520**
Other office fittings	227	2 407	(244)	-	101	**2 491**
Leasehold improvements	506	-	-	-	(506)	**-**
Technical equipment	-	362	(132)	-	-	**230**
Plant and equipment	981 410	256 970	-	-	-	**1 238 380**
Mine development assets	2 213 532	609 288	-	-	-	**2 822 820**
Total	**3 241 329**	**883 538**	**(4 663)**	**(28)**	**-**	**4 120 176**

All property, plant and equipment are owned by group entities. Wesizwe holds full title of the land and buildings. The title deeds of all owned buildings are available for inspection at our registered office.

Bakubung Minerals (Pty) Ltd have encumbered all its assets in favour of a South African Special Purpose Vehicle ("Security SPV") that holds the security for the benefit of the lender, CDB, and the guarantor Jinchuan. Wesizwe Platinum Limited and Bakubung Minerals (Pty) Ltd have agreed to jointly and severally indemnify the Security SPV harmless in respect of claims and losses which the Security SPV may suffer by reason or in consequence of the Security SPV having issued the Debt Guarantees. This Security SPV is a wholly owned subsidiary of a trust of which the beneficiaries are the lender and the guarantor. Wesizwe and/or Bakubung do not have any interest, no managerial influence nor are they trustees of the Security SPV.

There has been no impairment or impairment reversals.

Plant and equipment and mine development assets are currently not being depreciated as the mine is not yet in production.

The effective interest rate of the CDB loans has been calculated at 14.22% (2013: 11.9%) taking into account all foreign exchange differences and finance costs incurred. Therefore all borrowing costs incurred and foreign exchange differences incurred on the loan for the year ended 31 December 2014 and 31 December 2013 have been capitalised to the cost of the asset; as the actual effective interest rate of the CDB loan is lower than a local market related interest rate (refer to note 2.6).

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

GROUP 2013

COST	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Land and buildings	22 068	20 932	-	**43 000**
Vehicles	1 349	698	(229)	**1 818**
Computer equipment	3 148	997	(853)	**3 292**
Furniture & fittings	1 803	975	-	**2 778**
Office equipment	809	374	(415)	**768**
Other office fittings	794	134	-	**928**
Leasehold improvements	2 761	-	(1 970)	**791**
Plant and equipment	558 242	423 168	-	**981 410**
Mine development assets	1 813 428	400 104	-	**2 213 532**
Total	**2 404 402**	**847 382**	**(3 467)**	**3 248 317**

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	Opening Balance R'000	Depreciation R'000	Disposals R'000	Closing Balance R'000
Land and buildings	830	208	-	**1 038**
Vehicles	466	351	(229)	**588**
Computer equipment	2 264	770	(853)	**2 181**
Furniture & fittings	1 668	133	-	**1 801**
Office equipment	683	109	(398)	**394**
Other office fittings	582	119	-	**701**
Leasehold improvements	1 945	309	(1 969)	**285**
Plant and equipment	-	-	-	**-**
Mine development assets	-	-	-	**-**
Total	**8 438**	**1 999**	**(3 449)**	**6 988**

CARRYING VALUE	Opening Balance R'000	Additions R'000	Depreciation R'000	Disposals R'000	Closing Balance R'000
Land and buildings	21 238	20 932	(208)	-	**41 962**
Vehicles	883	698	(351)	-	**1 230**
Computer equipment	884	997	(770)	-	**1 111**
Furniture & fittings	135	975	(133)	-	**977**
Office equipment	126	374	(109)	(17)	**374**
Other office fittings	212	134	(119)	-	**227**
Leasehold improvements	816	-	(309)	(1)	**506**
Plant and equipment	558 242	423 168	-	-	**981 410**
Mine development assets	1 813 428	400 104	-	-	**2 213 532**
Total	**2 395 964**	**847 382**	**(1 999)**	**(18)**	**3 241 329**

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

COMPANY 2014

COST	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Land and buildings	**6 868**	-	-	**6 868**
Computer equipment	**1 645**	8	(41)	**1 612**
Furniture & fittings	**1 555**	-	-	**1 555**
Office equipment	**406**	5	(2)	**409**
Other office fittings	**548**	-	-	**548**
Leasehold improvements	**-**	-	-	**-**
Total	**11 022**	**13**	**(43)**	**10 992**

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	Opening Balance R'000	Depreciation R'000	Disposals R'000	Closing Balance R'000
Land and buildings	**1 038**	208	-	**1 246**
Computer equipment	**1 323**	207	(41)	**1 489**
Furniture & fittings	**1 484**	22	-	**1 506**
Office equipment	**349**	21	(2)	**368**
Other office fittings	**441**	38	-	**479**
Leasehold improvements	**-**	-	-	**-**
Total	**4 635**	**496**	**(43)**	**5 088**

CARRYING VALUE	Opening Balance R'000	Additions R'000	Depreciation R'000	Disposals R'000	Closing Balance R'000
Land and buildings	**5 830**	-	(208)	-	**5 622**
Computer equipment	**322**	8	(207)	-	**123**
Furniture & fittings	**71**	-	(22)	-	**49**
Office equipment	**57**	5	(21)	-	**41**
Other office fittings	**107**	-	(38)	-	**69**
Leasehold improvements	**-**	-	-	-	**-**
Total	**6 387**	**13**	**(496)**	**-**	**5 904**

All property, plant and equipment are owned by the company and the title deeds are available for inspection at our registered office.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

COMPANY 2013

COST	Opening Balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Land and buildings	6 868	-	-	**6 868**
Computer equipment	2 405	93	(853)	**1 645**
Furniture & fittings	1 521	34	-	**1 555**
Office equipment	760	61	(415)	**406**
Other office fittings	548	-	-	**548**
Leasehold improvements	1 970	-	(1 970)	**-**
Total	**14 072**	**188**	**(3 238)**	**11 022**

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES	Opening Balance R'000	Depreciation R'000	Disposals R'000	Closing Balance R'000
Land and buildings	830	208	-	**1 038**
Computer equipment	1 627	549	(853)	**1 323**
Furniture & fittings	1 431	53	-	**1 484**
Office equipment	666	81	(398)	**349**
Other office fittings	337	104	-	**441**
Leasehold improvements	1 704	265	(1 969)	**-**
Total	**6 595**	**1 260**	**(3 220)**	**4 635**

CARRYING VALUE	Opening Balance R'000	Additions R'000	Depreciation R'000	Disposals R'000	Closing Balance R'000
Land and buildings	6 038	-	(208)	-	**5 830**
Computer equipment	778	93	(549)	-	**322**
Furniture & fittings	90	34	(53)	-	**71**
Office equipment	94	61	(81)	(17)	**57**
Other office fittings	211	-	(104)	-	**107**
Leasehold improvements	266	-	(265)	(1)	**-**
Total	**7 477**	**188**	**(1 260)**	**(18)**	**6 387**

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

4. Available-for-sale financial asset

	GROUP		COMPANY	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Capital invested (cost)				
Opening balance	-	15 355	-	-
Current year investment	-	2 744	-	-
Investment repaid	-	(18 099)	-	-
Closing balance	-	-	-	-
Return on investments (fair value movements)				
Opening balance	-	2 891	-	-
Current year fair value adjustment	-	(1 525)	-	-
Deferred tax on fair value movements	-	285	-	-
Available-for-sale financial asset reclassified to profit or loss	-	(1 651)	-	-
Closing balance	-	-	-	-
Unlisted equity securities:				
Investment in equity-accounted investee reclassified to available-for-sale financial asset	761 000	-	-	-
Fair value adjustments	27 700	-	-	-
Closing balance	**788 700**	**-**	**-**	**-**

The group invested in a collective investment scheme through a registered financial service provider in 2008. The monthly premium included a contribution towards administration fees and did not contribute towards the fund value. It was decided to terminate the investment in 2013 and the market value of the fund was paid to the group.

In 2014, the investment in equity-accounted investee was reclassified as an available-for-sale financial asset due to the loss of significant influence in the investment. The group currently holds 17.1% of Maseve. Refer to note 5 below for further details. Refer to note 2 for the judgement relating to the loss of significant influence.

The fair value is within level 3 of the fair value hierarchy (see note 24).

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

5. Investment in equity-accounted investee

The investment refers to the group's investment in Maseve. Maseve is in the process of constructing a platinum mine adjacent to the Bakubung Mine.

Wesizwe at 31 December 2013 held a 21.3% interest in Maseve. As previously reported in the 2013 group financial statements and in the SENS announcements of 12 October 2013 and 12 November 2013 Wesizwe has chosen not to fund its share of the equity funding call made by Maseve. A disagreement as to the calculation of the resulting dilution of Wesizwe shareholding in Maseve was referred to arbitration.

As announced on SENS on 22 August 2014, the arbitrator gave his ruling on 20 August 2014 and this ruling is binding on both parties. In terms of the ruling and with effect from the ruling date, Africa Wide's interest in Maseve has been diluted, as a result of the first cash call made in October 2013, to 21.3% and further diluted to 17.1% as a result of the second cash call made in February 2014. As at 30 September 2014, the new shares had been issued by Maseve and the group's interest in the equity was diluted to 17.1%. As at that date the group had lost significant influence over Maseve and discontinued reporting Maseve on the equity-accounted basis (refer to note 2 regarding the conclusion on the loss of significant influence). As a result the investment in Maseve was reclassified as an available-for-sale financial asset (refer to note 4). A loss of R73.4 million has been recognised at that date.

Maseve is currently developing the WBJV Project 1 Platinum Mine. As at 31 December 2014, the Maseve project is 82.9% held by Platinum Group Metals Limited ("PTM") and is managed by PTM. The project, at steady state, should produce 270,000 oz 4E platinum group metals per annum. The mine commissioning is planned for late 2015.

Wesizwe's management is of the opinion that there will be no further cash calls on the shareholders' of Maseve and that all future funding will be in the form of a loan from PTM.

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Opening balance	920 750	919 515	-	-
Share of (loss)/profit in equity-accounted investee	(194)	1 235	-	-
Loss on adjustment of value in interest in equity-accounted investee	(159 556)	-	-	-
Investment in equity-accounted investee reclassified to available-for-sale financial asset	(761 000)	-	-	-
Closing balance	-	**920 750**	-	-

Shareholding	2014	2013
Number of shares		
Ordinary shares held in Maseve	4 525	4 525
Effective holding	17.1%	21.3%

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

Maseve has a reporting date of 31 August. The equity accounting is performed using its management accounts as indicated below. The information for the current period presented in the table only includes the results of Maseve for the period from 1 January 2014 to 30 September 2014, as Maseve was no longer classified as an associate post this date.

Summarised financial information	30 December 2014 R'000	31 December 2013 R'000
Capital and reserves	-	3 654 175
Non-current liabilities	-	215 086
Current liabilities	-	118 058
	-	**3 987 319**
Non-current assets	-	3 945 587
Current assets	-	41 732
	-	**3 987 319**
Revenue	-	-
(Loss)/profit for the period	(1 691)	7 922

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

6. Investment in subsidiaries

	Percentage shareholding	Subsidiary Issued Capital 2014
Bakubung Minerals (Pty) Ltd	100	**1 000**
Wesizwe Properties (Pty) Ltd	100	**1**
Africa Wide Mineral Prospecting and Exploration (Pty) Ltd	100	**121**
Indirectly held : Vaviscan (Pty) Ltd**	100	**100**

	COMPANY	
	2014	2013
	R'000	R'000
Wesizwe investment in :		
Bakubung Minerals (Pty) Ltd	9 802	9 802
Wesizwe Properties (Pty) Ltd^	-	-
Africa Wide Mineral Prospecting and Exploration (Pty) Ltd%		
- Cost	669 621	669 621
- Impairment	(74 631)	-
- Carrying amount	594 990	669 621
Sub total	**604 792**	**679 423**
Shareholder loans :		
Non-current		
Bakubung Minerals (Pty) Ltd*	1 682 756	2 702 491
Bakubung Minerals (Pty) Ltd@	2 135 960	-
Wesizwe Properties (Pty) Ltd*	26 399	22 763
Africa Wide Mineral Prospecting and Exploration (Pty) Ltd*	193 710	192 019
	4 038 825	2 917 273
Current		
Bakubung Minerals (Pty) Ltd#	353 046	-
Wesizwe Properties (Pty) Ltd#	28	-
	353 074	-
Sub total	**4 391 899**	**2 917 273**
Loans payable to subsidiaries :		
Wesizwe Properties (Pty) Ltd#	(31)	-
Sub total	**(31)**	-
Total	**4 996 660**	**3 596 696**

* Shareholder loans are payable on demand, subject to the subordination referred to herein, and bear no interest. These loans have been subordinated in favour of external creditors.

**Vaviscan (Pty) Ltd is a wholly-owned subsidiary of Bakubung Minerals (Pty) Ltd. The company is held specifically for the farm Zwartkoppies which is to be utilised in a community project.

^ Wesizwe Platinum Limited holds a R1 investment in Wesizwe Properties (Pty) Ltd.

@ The shareholder loan is payable on the same terms as the loan with CDB and bears interest on the same terms as the loan with CDB. Refer to note 14.

The loans are short-terms loans payable on normal credit terms.

% The recoverable amount of the investment was calculated with reference to the fair value of the investment in Maseve. Refer to notes 2.4, 4 and 24.1

Wesizwe Platinum Limited has undertaken not to reduce its shareholding in Bakubung Minerals (Pty) Ltd, Africa Wide Mineral Prospecting and Exploration (Pty) Ltd and Wesizwe Properties (Pty) Ltd 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 subordinated its loan to Bakubung Minerals, Africa Wide and Wesizwe Properties in favour of other creditors for as long as the liabilities of Bakubung Minerals, Africa Wide and Wesizwe Properties exceed their assets.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

7. Intangible assets

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Cost				
Opening balance	-	-	-	-
Additions	7 827	-	-	-
Closing balance	**7 827**	**-**	**-**	**-**
Accumulated amortisation and impairment losses				
Opening balance	-	-	-	-
Amortisation	379	-	-	-
Closing balance	**379**	**-**	**-**	**-**
Carrying amount	**7 448**	-	-	-

Intangible assets comprises of software that has been acquired by the group.

8. Restricted cash

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Non-current				
Eskom – Connection guarantees	77 641	23 670	-	-
Aveng Mining Ltd – Performance payment guarantee	57 000	57 000	-	-
Total Non-current	**134 641**	**80 670**	-	-
Current				
Department of Mineral Resources – Rehabilitation obligation	27 000	27 000	27 000	27 000
Landlord – Operating lease agreement	-	611	-	611
Eskom – Connection guarantees	-	6 847	-	6 847
Aveng Mining Ltd – Performance payment guarantee	-	-	-	-
Land purchase guarantee	5 700	-	-	-
Total current	**32 700**	**34 458**	**27 000**	**34 458**
Total restricted cash	**167 341**	**115 128**	**27 000**	**34 458**

Call and short term deposits have been encumbered as a result of guarantees issued to certain service providers.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

9. Deferred taxation

	GROUP		COMPANY	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Deferred taxation liability				
Opening balance	264 289	267 265	-	-
Current year charges	97 929	(2 976)	-	-
Property, plant and equipment	248 161	230 796	-	-
Available-for-sale financial asset	98 043	(664)	-	-
Unredeemed exploration expenditure	-	(1 191)	-	-
Unredeemed mining capex	(245 413)	(229 329)	-	-
Provisions	(2 862)	(2 588)	-	-
Closing balance	362 218	264 289	-	-
Deferred taxation asset				
Opening balance	-	(400)	-	(400)
Current year charges	-	400	-	400
Provisions	-	400	-	400
Closing balance	-	-	-	-
Total	**362 218**	**264 289**	-	-
Deferred tax assets and liabilities are attributable to the following items:				
Deferred tax liabilities				
Recognised in profit or loss:				
Property, plant and equipment	850 308	602 147	-	-
Available-for-sale financial asset reserve	92 924	-	-	-
Recognised directly in equity:				
Acquisition of mineral rights in Bakubung	285 251	285 251	-	-
Available-for-sale financial asset reserve	5 119	-	-	-
	1 233 602	887 398	-	-
Deferred tax assets				
Recognised in profit or loss:				
Unredeemed exploration expenditure	(1 191)	(1 191)	-	-
Unredeemed mining capex	(859 101)	(613 688)	-	-
Provisions	(11 092)	(8 230)	-	-
	(871 384)	(623 109)	-	-
Total	**362 218**	**264 289**	-	-

	COMPANY	
	2014 R'000	2013 R'000
Unrecognised deferred tax asset		
Provisions, prepayments and minor assets	(1 209)	(951)
	(1 209)	**(951)**

The company has a deferred tax asset of R1.2 million (2013: R 0.95 million) which has not been raised due to the uncertainty of the asset being realised. Amounts that have been recognised are assumed to be recovered at a rate of 28%. Losses still in doubt have not been recognised because a trend of profitability is not yet fully established. No deferred tax assets have been raised for any of the other group companies due to the uncertainty of the asset being realised.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

10. Other receivables

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Value Added Tax receivable	24 241	11 097	-	-
Other receivables	1 183	141	1 007	119
Prepayments	488	368	-	178
Total	**25 912**	**11 606**	**1 007**	**297**

11. Cash and cash equivalents

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Bank balances	13 665	62 975	10 079	51 726
Call and short-term deposits	1 048 667	687 046	506 606	680 873
	1 062 332	750 021	516 685	732 599
Interest accrued	3 762	1 402	3 477	1 389
Total	**1 066 094**	**751 423**	**520 162**	**733 988**

12. Stated capital

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Stated Capital				
Authorised				
2 000 000 no par value shares				
(2013: 2 000 000 000 no par value shares)	-	-	-	-
Issued				
1 627 827 058 no par value shares				
(2013: 1 627 827 058 no par value shares)	3 425 544	3 425 544	3 425 544	3 425 544

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

13. Share-based payment reserve

	GROUP		COMPANY	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Opening balance	-	472 179	-	472 179
Transfer to Retained Income	-	(472 179)	-	(472 179)
Closing balance	-	-	-	-

In 2013, the share-based payment reserve of R 472.2 million was transferred to Retained Income as the share based payment, amounting to R55.0 million which relates to shares issued to Vuyani Capital in 2007 has lapsed; LTIP and SARS, both amounting to R 10.5 million, has been cancelled and the share-based payment expense, amounting to R 406.7 which relates to the issue of shares to China-Africa Jinchuan Inv Ltd in 2011 has lapsed.

14. Interest bearing borrowings

	GROUP		COMPANY	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Current				
Opening balance	1 049 552	847 916	1 049 552	847 916
China Development Bank - drawdown	-	1 022 460	-	1 022 460
Interest accrued	7 496	40 820	7 496	40 820
China Development Bank - loan repayment	(1 022 460)	(847 250)	(1 063 000)	(964 658)
China Development Bank - interest repayment	(8 257)	(40 725)	(8 206)	(41 870)
Realised foreign exchange loss	-	-	14 158	118 552
Unrealised foreign exchange loss	(26 331)	26 331	-	26 332
Closing balance	**-**	**1 049 552**	**-**	**1 049 552**
Non-current				
Opening balance	-	-	-	-
China Development Bank - drawdown	2 125 523	-	2 125 523	-
Interest accrued	59 897	-	59 897	-
China Development Bank - loan repayment	-	-	-	-
China Development Bank - interest repayment	(58 865)	-	(61 257)	-
Realised foreign exchange loss	(1 270)	-	1 122	-
Unrealised foreign exchange loss	184 829	-	184 829	-
Closing balance	**2 310 114**	**-**	**2 310 114**	**-**

The group has a secured US$200 million loan with a carrying amount of R2 310.1 million at 31 December 2014 (2013: R1 049.6 million). Refer to note 3 regarding the security for the loan. The total facility amounts to US$650 million. The interest rate on the facility is determined six monthly in advance as the six month LIBOR rate plus 3.5%. The term of the loan is 15 years and no capital repayments are due during the first six years. Repayments in semi-annual instalments over the last nine years of the facility commence at an amount equal 0.077% of the outstanding balance at the end of the sixth year, after which every instalment increase until the second last payment amounts to 8.5% of the initial outstanding amount. The last instalment repays the total balance. The interest expense is payable bi-annually. A facility fee amounting to 0.5% of the unutilized balance is payable annually. The interest expense and facility fee is included in the effective interest rate calculation.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

15. Mine closure and environmental rehabilitation obligation

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Opening balance	29 395	20 148	-	-
Additional obligation recognised	7 804	7 812	-	-
Charged to interest expenses (Note 21)	2 419	1 435	-	-
Closing balance	**39 618**	**29 395**	**-**	**-**

This long-term obligation reflects the net present value of closure, restoration and environmental rehabilitation (which includes the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) cost. The annual changes can be ascribed to additional disturbances caused during the year and changes in the escalation and discount rates. This estimate is based on the current cost estimate and escalated to the future planned closure date and then discounted at an appropriate rate. The current estimates are based on environmental plans in accordance with current technology, environmental and regulatory requirements and the measurements of an independent professional surveyor. The discount rate is based on a pre-tax risk-free rate available in the current market.
At the time of establishing the provision, a corresponding asset is recognised that will be 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.

As required by the Department of Mineral Resources, a deposit of R27.0 million (2013: R27.0 million) is held with a financial institution (refer note 8). This investment had been ceded as security in favour of the guarantees which the bank issued on behalf of the Group. The guarantee has been provided to the Department of Mineral Resources for the mine closure and environmental rehabilitation.

The discount rate regarded as an appropriate long-term risk-free rate is 7.96% (2013: 8.23%) and the appropriate escalation rate is 5.80% (2013: 5.81%).
The current cost rehabilitation estimate is R 78.7 million (2013: R 64.8 million).

16. Trade & other payables

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Trade payables	4 124	2 730	754	1 439
Capital expenditure payables	70 656	63 820	-	-
Leave pay accrual	4 009	2 988	4 009	2 988
Value Added Tax payable	1 635	3 006	1 635	3 006
Salary accrual	3 853	560	3 853	560
Total	**84 277**	**73 104**	**10 251**	**7 993**

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

17. Income tax (expense) / income

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
South African company tax	(6)	430	-	815
Current year	-	(385)	-	-
Prior year adjustment	(6)	815	-	815
Deferred tax	(92 810)	1 913	-	(400)
Temporary differences	(92 810)	2 313	-	-
Prior year adjustment	-	(400)	-	(400)
Total	**(92 816)**	**2 343**	**-**	**415**
Current year – deferred taxation	(5 119)	285	-	-
Tax on other comprehensive income	**(5 119)**	**285**	**-**	**-**

The group has unredeemed capital expenditure of R3 068.2 million (2013: R2 191.7 million) and unredeemed exploration expenditure of R4.3 million (2013: R4.3 million) for the year ended 31 December 2014. The unredeemed capital expenditure may be set-off against future taxable income.

Reconciliation of effective tax rate

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Standard tax rate	28.0	28.0	28.0	28.0
Non-taxable income	-	10.5	-	18.0
Non-deductible expenses	(1.2)	(6.5)	(27.7)	(9.4)
Deferred tax asset not raised	(0.5)	(19.8)	(0.3)	(36.6)
Deferred tax asset reversed	-	(3.5)	-	(6.0)
Share of profit of equity-accounted investee	-	3.0	-	-
CGT rate on disposal of available-for-sale financial asset	-	1.7	-	-
Fair value gain on available-for-sale financial asset at CGT rate in the subsidiary	(80.8)	-	-	-
Overprovision prior year	-	7.2	-	12.3
Effective rate	**(54.5)**	**20.6**	**-**	**6.3**

Taxation period

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Balances receivable at beginning of year	(534)	(9 309)	(2 557)	(11 231)
Profit or loss charge	6	(430)	-	(815)
Tax penalties	20	(1 646)	-	(1 362)
Taxation refund received	-	13 408	-	13 408
Taxation paid	(3 855)	(2 557)	(1 806)	(2 557)
Balance receivable at end of year	**(4 363)**	**(534)**	**(4 363)**	**(2 557)**

Notes to the Financial Statements
for the year ended 31 December 2014 (continued)

18. Revenue

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Revenue comprises of:				
- Management fees	-	-	68 418	52 954
- On-charge of qualifying borrowing costs	-	-	264 381	127 865
Total	**-**	**-**	**332 799**	**180 819**

19. Administration expenses

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Administration expenses include :				
Internal and external auditor's remuneration	3 219	3 628	1 750	1 762
Depreciation	4 663	1 999	496	1 260
Amortisation	379	-	-	-
Directors fees – short term benefits	11 106	8 095	11 106	8 095
Employee costs – short term benefits	62 667	43 221	62 555	43 196
Operating lease - buildings	243	3 471	400	3 312
Legal fees	14 885	2 767	11 026	2 643
Statutory publications, corporate identity and investor relations	3 949	3 889	2 900	3 016
Travel and accommodation	2 284	2 738	1 883	2 144
Technical consulting fees	20 592	6 105	2 168	4 084
Security costs	8 535	589	2	38
Electricity and water	19 315	9 334	-	-
Communication costs	2 215	898	484	1 795
Municipal rates and services	1 128	-	-	-
Licence fees	1 084	-	21	-
Maintenance expenditure	4 130	556	1	219
Other administration expenses	5 240	-	2 493	7 134
Total	**165 634**	**87 290**	**97 285**	**78 698**

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

20. Net finance income and net foreign exchange loss

	GROUP		COMPANY	
	2014 R'000	2013 R'000	2014 R'000	2013 R'000
Finance income				
Interest earned on cash balances	52 651	76 568	20 723	75 387
Interest accrued on cash balances	3 762	1 402	3 477	1 389
Total finance income	**56 413**	**77 970**	**24 200**	**76 776**
Finance expense				
Interest on loan denominated in foreign currency	(67 393)	(40 820)	(67 393)	(40 820)
Finance costs for the year	(5)	205	(5)	204
Time value of money adjustment to rehabilitation obligation	(2 419)	(1 435)	-	-
Total finance expense	**(69 817)**	**(42 050)**	**(67 398)**	**(40 616)**
Net finance (expense)/income	**(13 404)**	**35 920**	**(43 198)**	**36 160**
Foreign exchange gain				
Realised gain on conversion of US$100 million to rands	1 270	24 010	1 270	24 010
Realised gain on supplier payment	175	-	258	-
Total foreign exchange gains	**1 445**	**24 010**	**1 528**	**24 010**
Foreign exchange losses				
Realised loss on conversion of US$100 million to rands	-	(2 460)	-	(2 460)
Realised loss on suppliers payments	-	(6)	-	-
Realised loss on payment of interest accruals denominated in foreign currency	(2 330)	(1 145)	(2 330)	(1 145)
Realised loss on payment of loan denominated in foreign currency	(14 220)	(138 958)	(14 220)	(138 958)
Unrealised loss on conversion of interest accruals denominated in foreign currency	(54)	(11)	(54)	(11)
Unrealised loss on conversion of loan denominated in foreign currency	(184 776)	(26 320)	(184 776)	(26 320)
Total foreign exchange losses	**(201 380)**	**(168 900)**	**(201 380)**	**(168 894)**
Net foreign exchange losses	**(199 935)**	**(144 890)**	**(199 852)**	**(144 884)**
Net finance costs capitalised*				
Interest income	(26 371)	(57 839)	-	-
Interest expense	60 647	40 820	-	-
Net foreign exchange losses	200 109	144 884	-	-
Net finance costs capitalised	**234 385**	**127 865**	**-**	**-**

* The net finance costs capitalised are those that directly relate to the loan only.

Notes to the Financial Statements
for the year ended 31 December 2014 (continued)

21. Earnings/(loss) per share

	GROUP 2014	GROUP 2013
The basis of calculation of basic loss per share is :		
Attributable loss to ordinary shareholders (rand)	(263 203 837)	(9 011 003)
Weighted average number of ordinary shares in issue (shares)	1 627 827 058	1 627 827 058
Basic loss per share (cents)	**(16.17)**	**(0.55)**
The basis of calculation of diluted loss per share is :		
Attributable loss to ordinary shareholders (rand)	(263 203 837)	(9 011 003)
Weighted average number of ordinary shares in issue (shares)	1 627 827 058	1 627 827 058
Diluted loss per share (cents)	**(16.17)**	**(0.55)**

	Gross	Net	Gross	Net
The basis of calculation of headline loss and diluted headline loss per share is:				
Loss attributable to ordinary shareholders (rand)		(263 203 837)		(9 011 003)
Adjustment for:		252 400 311		(1 710 621)
Profit on disposal of property, plant and equipment	(110 539)	(79 588)	(70 175)	(50 526)
Profit on disposal of available-for-sale financial asset	-	-	(2 062 634)	(1 677 609)
Loss on scrapping of property, plant and equipment	-	-	17 514	17 514
Loss on adjustment of value in interest in equity-accounted investee	159 555 896	252 479 900	-	-
Headline loss		**(10 803 526)**		**(10 721 624)**
Weighted average number of ordinary shares in issue (shares)		1 627 827 058		1 627 827 058
Headline loss per share (cents)		**(0.66)**		**(0.66)**

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

22. Notes to the statements of cash flows

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Reconciliation of loss for the year to cash flows from operating activities				
Loss before tax:	**(170 388)**	**(11 354)**	**(82 107)**	**(6 621)**
Finance income	(30 042)	(20 131)	(21 079)	(18 937)
Share of profit / (loss) in equity-accounted investee	194	(1 235)	-	-
Finance expense	9 170	1 230	5	(204)
Foreign exchange loss	-	6	-	-
Adjustments for:				
- Depreciation	4 664	1 999	496	1 260
- Amortisation	378	-	-	-
- Impairment of loan to subsidiary	-	-	74 631	-
- Loss on adjustment of interest in equity-accounted investee	159 556	-	-	-
- Penalties relating to taxation	20	(797)	-	(511)
- Scrapping loss of PPE	-	18	-	18
- Profit on disposal of PPE	(111)	(70)	(60)	-
- Profit on disposal of financial asset	-	(2 063)	-	-
Loss before working capital changes	**(26 559)**	**(32 397)**	**(28 114)**	**(24 995)**
Changes in working capital	(9 969)	12 663	1 548	3 949
(Increase)/decrease in other receivables	(14 306)	9 984	(710)	(10)
Increase in trade and other payables	4 337	2 679	2 258	3 959
Cash utilised in operations	**(36 528)**	**(19 734)**	**(26 566)**	**(21 046)**
Reconciliation of the acquisition of property, plant and equipment				
Additions per PPE note 3	883 538	847 382	13	188
Increase in decommissioning asset	(7 804)	(7 812)	-	-
Trade-in of vehicle	-	(70)	-	-
Change in capital expenditure payables	(6 836)	17 265	-	966
Unrealised foreign exchange differences capitalised	(159 571)	(27 092)	-	-
Acquisition of property, plant and equipment	709 327	829 673	13	1 154

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

23. Commitments

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Commitments due within:				
- Next 12 months:	432 219	448 758	1 482	-
Operating expenses	2 123	-	1 482	-
Project capital commitments	430 096	448 758	-	-
- Next 13 to 24 months:				
Project capital commitments	293 884	264 291	-	-
- Next 25 to 36 months:				
Project capital commitments	115 924	354 280	-	-
- Next 37 to 48 months:				
Project capital commitments	-	-	-	-
- Next 49 to 60 months:				
Project capital commitments	-	-	-	-
Total commitments				
Operating expenses	2 123	-	-	-
Project capital commitments	839 904	1 067 329	-	-
Total	**842 027**	**1 067 329**	-	-

Project capital commitments comprise the aggregate of the outstanding portion of contracts awarded to various contractors and suppliers for the development of the Bakubung Platinum Mine. There are no other commitments that had been authorised but not contracted for.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

24. Financial instruments

24.1 Financial risk management

The group is exposed to the following risks:
- Credit risk
- Liquidity risk
- Market risk (currency risk, interest rate risk and other market price risk)

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

	Notes	Loans and receivables R'000	Available-for-sale R'000	Total R'000
Group 2014				
Financial assets				
Cash and cash equivalents	11	1 066 094	-	1 066 094
Restricted cash	8	32 700	-	32 700
Other receivables	10	1 183	-	1 183
Available-for-sale financial asset	4	-	788 700	788 700
		1 099 977	**788 700**	**1 888 677**
Group 2013				
Financial assets				
Cash and cash equivalents	11	751 423	-	751 423
Restricted cash	8	34 458	-	34 458
Other receivables	10	141	-	141
Available-for-sale financial asset	4	-	-	-
		786 022	**-**	**786 022**

	Notes	Loans and receivables R'000	Total R'000
Group 2014			
Financial liabilities			
Trade payables	16	(82 642)	(82 642)
Interest-bearing borrowings	14	(2 310 114)	(2 310 114)
		(2 392 756)	**(2 392 756)**
Group 2013			
Financial liabilities			
Trade payables	16	(70 098)	(70 098)
Interest-bearing borrowings	14	(1 049 552)	(1 049 552)
		(1 119 650)	**(1 119 650)**

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

	Notes	Loans and receivables R'000	Total R'000
Company 2014			
Financial liabilities			
Cash and cash equivalents	11	520 162	520 162
Restricted cash	8	27 000	27 000
Other receivables	10	1 007	1 007
Loans receivable from subsidiaries (non-current)	6	4 038 825	4 038 825
Loans receivable from subsidiaries (current)	6	353 074	353 074
		4 940 068	**4 940 068**
Company 2013			
Financial assets			
Cash and cash equivalents	11	733 988	733 988
Restricted cash	8	34 458	34 458
Other receivables	10	119	119
Loans receivable from subsidiaries (non-current)	6	2 917 273	2 917 273
Loans receivable from subsidiaries (current)	6	-	-
		3 685 838	**3 685 838**

	Notes	Other financial liabilities R'000	Total R'000
Company 2014			
Financial liabilities			
Trade payables	16	(8 616)	(8 616)
Interest-bearing borrowings	14	(2 310 114)	(2 310 114)
Loans payable to subsidiaries	6	(31)	(31)
		(2 318 761)	**(2 138 761)**
Company 2013			
Financial assets			
Trade payables	16	(4 987)	(4 987)
Interest-bearing borrowings	14	(1 049 552)	(1 049 552)
Loans payable to subsidiaries	6	-	-
		(1 054 539)	**(1 054 539)**

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.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

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. The group's counterparty exposure arises from investments in money market instruments, and the risk is limited by dealing with reputable financial institutions.

- Receivables and cash

The group has exposure to receivables of R1.2 million (2013: R0.1 million). This relates to other receivables. The group has exposure to cash and cash equivalents of R1 066.1 million (2013: R751.4 million) and restricted cash of R167.3 million (2013: R115.1 million).

When necessary, the group establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables 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.

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 restricted cash for the group are invested with the following institutions at 31 December 2014.

	GROUP	
	2014	2013
	R'million	R'million
Bank of China	488.6	327.7
China Construction Bank	476.4	0.0
Investec	174.3	181.0
Standard Bank	94.1	235.0
Rand Merchant Bank	0.0	122.9

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 manage this risk is to ensure, as far as possible, that it will always have sufficient cash resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The company will continue developing the mine while significant revenue from operations is only expected from 2019 onwards. Consequently the company is projecting negative cash flows, before funding, until about 2020. The repayment terms of the US$ 650 million funding facility is favourable and will only commence in 2021.

Various funding options for the balance required from 2017 onwards are being considered and will be pursued nearer the time that it is required.

Market risk

Market risk is the risk of changes in foreign currency rates and interest rates which can 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.

At the current stage of the project development, management is focussed on the currency rate risks relating to US$ denominated loans and the imported content of the project. Various mitigating options have been identified with the assistance of specialists and will be implemented when required. Once the repayments of the loan commences and company begins to earn US$ denominated revenue, 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 weakens, and vice versa if the rand strengthens.

- 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 Management is assisted by external advisors in this regard. Management assessed the market risk as low.

Interest rate sensitivity analysis
A decrease of 100 basis points on interest on the cash balance at year end will decrease annual interest income by R10.4 million (2013: R16.0 million). An increase of 100 basis points would have the equal but opposite effect.

- Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rate. The group is exposed to currency risk on borrowings that are denominated in United States Dollars ('US$') in the 2014 financial year.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

The carrying amounts of the group's foreign currency-denominated monetary assets and liabilities at reporting date are as follows:

	US dollar US$'000	ZAR R'000
Group 2014		
Financial liabilities :		
Interest-bearing borrowings	(199 119)	(2 310 114)
Company 2014		
Financial liabilities :		
Interest-bearing borrowings	(199 119)	(2 310 114)

Exchange rates at year end	2014	2013
US$/ZAR	11.6017	10.4878

- **Exchange rate sensitivity analysis**

A weakening of 10% in the foreign exchange rate will result in a loss of R231.0 million (2013: R104.9 million) on the interest-bearing borrowings. A strengthening of 10% in the exchange rate would have an equal but opposite effect.

- **Other market price risk**

The group is exposed to equity securities price risk because of investments held by the group and classified on the consolidated balance sheet as an available-for sale financial asset at fair value. The group is exposed price risks due to the various inputs used for the discounted cash flows method (refer to note 2.4).

	Dec 2014 R'million	Sep 2014 R'million
10% increase in the US$ exchange rate	209.3	203.8
10% decrease in the US$ exchange rate	(213.2)	(209.2)
10% increase in the platinum price	137.8	137.4
10% decrease in the platinum price	(138.6)	(139.8)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

24.2 Financial instruments

Remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments, are as follows:

	Notes	Contractual 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
Group 2014								
Trade payables	16	-	(82 642)	(82 642)	-	-	-	-
Interest-bearing borrowings	14	3.94	(3 083 670)	(29 004)	(45 321)	(88 830)	(355 226)	(2 565 289)
			(3 166 312)	(111 646)	(45 321)	(88 830)	(355 226)	(2 565 289)
Group 2013								
Trade payables	16	-	(70 098)	(70 098)	-	-	-	-
Interest-bearing borrowings	14	2.65	(1 049 552)	(1 049 552)	-	-	-	-
			(1 119 650)	(1 119 650)	-	-	-	-

	Notes	Contractual 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
Company 2013								
Trade payables	16	-	(8 616)	(8 616)	-	-	-	-
Interest-bearing borrowings	14	3.94	(3 083 670)	(29 004)	(45 321)	(88 830)	(355 226)	(2 565 289)
			(3 092 286)	(37 620)	(45 321)	(88 830)	(355 226)	(2 565 289)
Company 2013								
Trade payables	16	-	(4 987)	(4 987)	-	-	-	-
Interest-bearing borrowings	14	2.65	(1 049 552)	(1 049 552)	-	-	-	-
			(1 054 539)	(1 054 539)	-	-	-	-

24.3 Fair values

The fair values together with the carrying amounts shown in the balance are as follows:

	Notes	GROUP 2014 Carrying amount R'000	GROUP 2014 Fair value R'000	GROUP 2013 Carrying amount R'000	GROUP 2013 Fair value R'000
Cash and cash equivalents	11	1 066 094	1 066 094	751 423	751 423
Restricted cash	8	32 700	32 700	34 458	34 458
Other receivables	10	1 183	1 183	141	141
Available-for-sale financial asset	4	788 700	788 700	-	-
Trade payables	16	(82 642)	(82 642)	(70 098)	(70 098)
Interest-bearing borrowing	14	(2 310 114)	(2 310 114)	(1 049 552)	(1 049 552)
		(504 079)	(504 079)	(333 628)	(333 628)

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

	Notes	COMPANY 2014 Carrying amount R'000	COMPANY 2014 Fair value R'000	COMPANY 2013 Carrying amount R'000	COMPANY 2013 Fair value R'000
Cash and cash equivalents	11	520 162	520 162	733 988	733 988
Restricted cash	8	27 000	27 000	34 458	34 458
Other receivables	10	1 007	1 007	119	119
Loans receivable from subsidiaries (non-current)	6	4 038 825	2 771 231	2 917 273	960 439
Loans receivable from subsidiaries (current)	6	353 074	353 074	-	-
Trade payables	16	(8 616)	(8 616)	(4 987)	(4 987)
Interest-bearing borrowing	14	(2 310 114)	(2 310 114)	(1 049 552)	(1 049 552)
Loans payable to subsidiaries	6	(31)	(31)	-	-
		2 621 307	1 353 713	2 631 299	674 465

The levels are classified as follows:
Level 1 – fair value is based on quoted prices in active markets for identical financial assets or liabilities.
Level 2 – fair value is determined using directly observable inputs other than Level 1 inputs.
Level 3 – fair value is determined on inputs not based on observable market data.

There were no transfers between levels 1 and 2 during the year.

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 and the current interest-bearing borrowing is carried at amortised cost which approximates carrying amounts as the amounts will be received or settled in the short term.

Loans received from subsidiaries are carried at amortised cost. Valuation method – Level 2: Fair value is determined at discounting the carrying amount at the prime lending rate for nine to thirteen years depending on the expected payback of the loan.

Available-for-sale financial assets are measured at fair value. Valuation method – Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Level 3 fair values

- Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balance to the closing balances for Level 3 fair values.

	Equity securities available-for-sale R'000
Balance at 1 January 2014	-
Transfer into Level 3	761 000
Gain included in OCI	
- Fair value adjustments	27 700
Closing balance	**788 700**

- Transfer into Level 3

The group used to equity account the investment in Maseve as an associate. As at 30 September 2014, the group had lost significant influence on Maseve and discontinued reporting Maseve on the equity-accounted basis and reclassified the investment in Maseve as an available-for-sale financial asset. The investment in Maseve is categorised as Level 3 because the shares were not listed on an exchange and there was no recent observable arm's length transactions in the shares.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

24.4 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. The company's debt-equity ratio is currently 65.3% (2013: 29.0%). The company has loan covenants in that the net worth of the group will not be less than 2 billion rands and that the financial indebtedness of the group shall not exceed US$700 million. The group is managing the capital of the group to ensure that neither of these loan covenants are defaulted on.

25. Related parties

25.1 Transactions with subsidiaries

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Non-Current Assets				
Bakubung Minerals*				
Opening balance	-	-	2 702 491	1 793 666
Management fees	-	-	-	180 819
Loan advanced	-	-	-	728 006
Transfer to current	-	-	(147 614)	-
Loan repaid	-	-	(872 121)	-
Closing balance	-	-	**1 682 756**	**2 702 491**
Bakubung Minerals**				
Opening balance	-	-	-	-
Loan advanced	-	-	2 135 960	-
Closing balance	-	-	**2 135 960**	**-**
Wesizwe Properties*				
Opening balance	-	-	22 763	-
Loan advanced	-	-	3 636	22 763
Closing balance	-	-	**26 399**	**22 763**
Africa Wide*				
Opening balance	-	-	192 019	192 008
Loan advanced	-	-	1 691	11
Closing balance	-	-	**193 710**	**192 019**
Bakubung Minerals***				
Opening balance	-	-	-	-
Management fees	-	-	68 418	-
On-charge of qualifying borrowing costs	-	-	264 381	-
Transfer from non-current	-	-	147 614	-
On-charge of costs	-	-	13 082	-
Payments received	-	-	(140 449)	-
Closing balance	-	-	**353 046**	**-**
Wesizwe Properties***				
Opening balance	-	-	-	-
Cost Recovery	-	-	28	-
Closing balance	-	-	**28**	**-**
Current Liabilities				
Wesizwe Properties***				
Opening balance	-	-	-	-
Rental charges	-	-	(369)	-
On-charge of costs			(6)	
Payments made	-	-	344	-
Closing balance	-	-	**(31)**	**-**

* Inter-group loans are interest free and have no fixed repayment terms. Management fees were charged at arm's length.
** The shareholder loan is payable on the same terms as the loan with CDB and bears interest on the same terms as the loan with CDB.
*** Management fees were charged at arm's length. The borrowing costs are payable as the borrowing costs become due to CDB. The loans are payable on normal credit terms.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

25.2 Transactions with key management

	GROUP		COMPANY	
	2014	2013	2014	2013
	R'000	R'000	R'000	R'000
Salaries and bonuses	28 606	19 036	28 606	19 036
Total	**28 606**	**19 036**	**28 606**	**19 036**

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

Service contracts of directors

Name	Start Date	End date	Exec/Non-exec	Position
Ms Dawn Nonceba Merle Mokhobo	17-Dec-09		Independent Non-Executive Director	Chairman
Mr William Machiel (Mike) Eksteen	17-Dec-09		Independent Non-Executive Director	
Mr Barend Johannns (Barrie) van der Merwe	7-Sep-10	11-Aug-14	Non-Executive Director	
Mr Dexin Chen	4-May-11		Non-Executive Director	Deputy Chairman
Mr Lilang Teng	4-May-11		Non-Executive Director	
Mr Jikang Li	4-May-11		Non-Executive Director	
Mr Lincoln Vumile (James) Ngculu	4-May-11		Non-Executive Director	
Mr Wenliang (Michael) Ma	4-May-11		Executive Director	Financial Director
Mr Jianke Gao	4-May-11		Executive Director	Chief Executive Officer
Ms Nosipho Molope	1-Nov-12	01-Jul-14	Independent Non-Executive Director	
Mr Victor Mabuza	22-Aug-14		Independent Non-Executive Director	
Mr Kenny Mokoka	07-Nov-14		Non - Executive Director	

In accordance with clause 5.1.8 of the company's memorandum of incorporation ("MOI") one-third of the nonexecutive 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 MOI, new directors may hold office until the next annual general meeting at which they are required to retire and offer themselves for re-election.

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:

2014	Direct Ordinary Shares	Indirect Ordinary Shares
Mr Mike Eksteen	3 000 000	-
Mr James Ngculu	-	5 795 888
Mr Paul Smith	213 000	-
Mr Hamlet Morule	245 280	-
	3 458 280	5 795 888

2013	Direct Ordinary Shares	Indirect Ordinary Shares
Mr Mike Eksteen	3 000 000	-
Mr James Ngculu	-	5 795 888
Mr Paul Smith	213 000	-
Mr Hamlet Morule	155 199	-
	3 368 199	5 795 888

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

Remuneration paid to related parties

Remuneration for executive directors

Name	No of months	2014			2013		
		Salaries R'000	Bonuses R'000	Total R'000	Salaries R'000	Bonuses R'000	Total R'000
Jianke Gao	12	3 051	2 226	5 277	2 810	460	3 270
Wenliang Ma	12	2 076	1 302	3 378	1 875	256	2 131

Remuneration for non-executive directors

Name	2014				2013		
	Directors Fees R'000	Attendance fees R'000	Other (travel) R'000	Total R'000	Directors Fees R'000	Attendance fees R'000	Total R'000
Dawn Mokhobo	321	136	-	457	309	147	456
Dexin Chen	109	79	-	188	118	81	199
Mike Eksteen	134	322	6	462	129	198	327
Jikang Li	109	96	-	205	118	160	278
James Ngculu	134	178	-	312	129	167	296
Nosipho Molope	67	34	-	101	129	136	265
Liliang Teng	109	96	-	205	105	122	227
Victor Mabuza	45	74		119	-	-	-
Barrie van der Merwe	66	19	-	85	105	84	189
Kenny Mokoka	16	10	-	26	-	-	-

Remuneration for prescribed officers (members of the Executive Committee)

Name	No of months	2014			2013		
		Salaries R'000	Bonuses R'000	Total R'000	Salaries R'000	Bonuses R'000	Total R'000
Jacob Mothomogolo	12	2 293	1 451	3 744	2 076	288	2 364
Kgomotso Tshaka	12	1 929	968	2 897	1 794	190	1 984
Hamlet Morule	12	1 840	910	2 750	1 696	176	1 872
Basetsana Ramaboa	12	1 683	256	1 939	1 186	129	1 315
Paul Smith	12	2 679	1 130	3 809	2 450	-	2 450
Vasta Mhlongo	12	1 376	266	1 642	1 300	-	1 300
Eddie Mohlabi	12	2 423	747	3 170	2 083	-	2 083
Kagisho Reid	-	-	-	-	267	-	267

All remuneration paid to key management personnel represents only short-term benefits.

Notes to the Financial Statements for the year ended 31 December 2014 (continued)

26. Going concern

The group's cash resources at the reporting date of R1 066.1 million (2013: R751.4 million) together with the available drawdown facility from the loan funding secured from CDB are sufficient, based on current budgets, to conduct operations and develop the Bakubung Mine Project up to the first quarter of 2017. Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

27. Events after reporting date

No material events have occurred after the reporting period and up to the date of this report that required further disclosure in these financial results.

28. Dividends

The group has never declared nor paid dividends. The group has no intention of paying dividends in the immediate future as it anticipates that all available funds will be invested to finance its business.

29. Contingencies

Wesizwe is defending a claim brought by an advisory firm. Although liability is not admitted, if the defence against the claim is unsuccessful, then commission costs could amount to R21.4 million. The directors do not expect the claim to be successful.

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