Ground breaking times

Annual Report 2010

wesizwe

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Forward looking statement

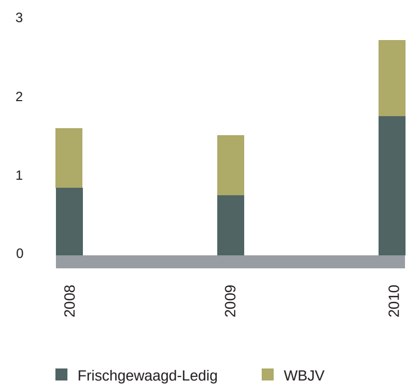
Certain statements included in this report constitute "forward looking statements" that are not profit forecasts or estimates in any way as defined by the JSE Listings Requirements. Such forward looking statements do however involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements expressed or implied by those forward looking statements. Wesizwe is subject to the effect of changes in platinum group metal prices, exchange rates and the risks involved in mining and exploration operations.

A list of abbreviations appears on pages 95 to 96.

Highlights

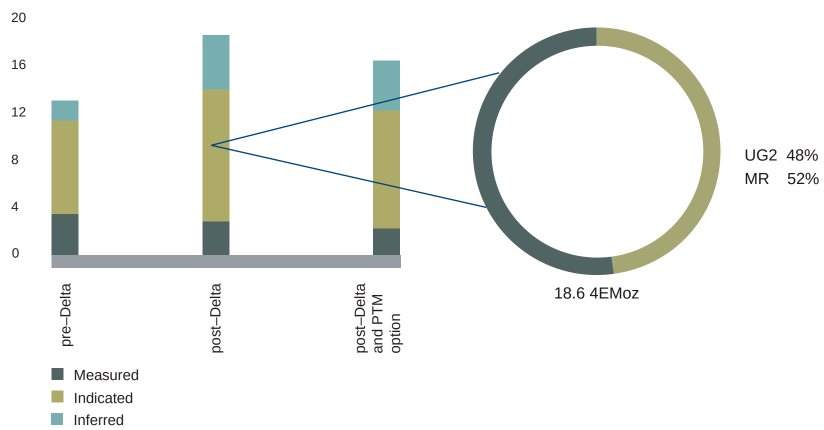
Total Assets increased from R1.4billion - R2.6billion

Increase in total assets



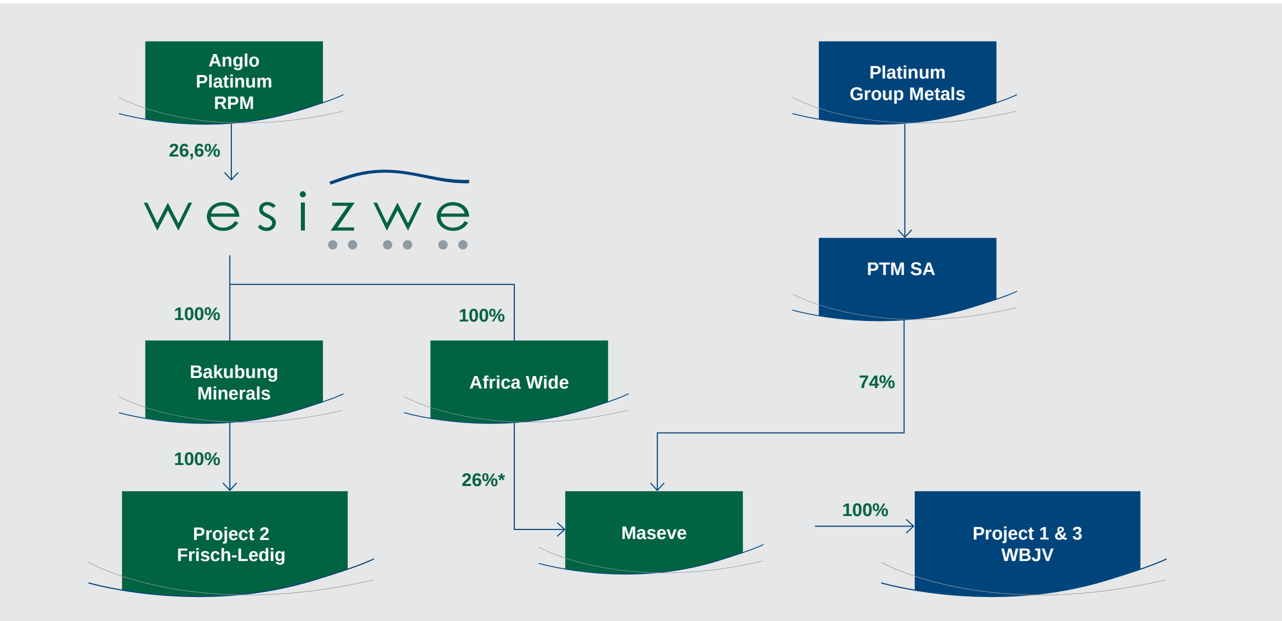
Mineral resources increased from 13.1Moz - 18.6Moz

Mineral resource evolution



Group overview

Wesizwe Platinum Limited is a public company incorporated in the Republic of South Africa with its shares listed on the JSE Limited. Wesizwe, through its wholly-owned subsidiaries Bakubung Minerals and Africa Wide, is engaged in the development of its mine, located in the western limb of the Bushveld Complex, close to the town of Rustenburg in the North West Province following successful exploration and capitalisation of the projects. Wesizwe's strategic intent is to commission and operate the Frischgewaagd-Ledig PGM mine, which has the potential of positioning the Group as a significant mid-tier precious metals producer.



*This is the percentage holding in Maseve after PTM exercised its rights to subscribe for additional shares as stipulated in the Delta agreements.

Chairman's statement

The Group has... self-assuredly started the transformation process from explorer to mine developer.

As I reflect on 2010, the first full year in office for the newly constituted board of directors, I am struck by the significant progress of the Group in the last year as it self-assuredly started the transformation process from explorer to mine developer.

In April 2010, Wesizwe was granted the necessary approvals by the DMR to conclude a transaction resulting in the company gaining full ownership of its core Frischgewaagd-Ledig Project whilst retaining a 45,25% shareholding in Maseve's Projects 1 & 3. As a consequence, RPM, wholly owned by Anglo Platinum, has become the largest single shareholder in the company with a 26,9% interest.

The approval of the capitalisation transaction by Wesizwe shareholders brings the core project into a fully funded status. Wesizwe is now in a position to move ahead with building a mine, a key business objective which has had to be deferred for a variety of reasons, not least of which was the impact of the global economic crisis on financing options.

The agreement signed with the Chinese consortium in December 2010 constitutes a total investment of nearly USD1 billion into the company and not only provides funding for the company on very favourable terms, but it also ensures that current Wesizwe shareholders will not be further diluted, at least until the project is fully operational.

The board is fully committed to lead and support the strategy that will ensure that mine development begins as soon as possible and progresses without further distraction.

At this point I would like to acknowledge the support the company has received from the DMR in successfully concluding this transaction; this is the largest deal ever with a Chinese investor in the South African mining industry. Working side-by-side, the company and the DMR addressed what were highly complex issues to achieve an outcome that is agreeable to all stakeholders. The DMR readily engaged the executive management and the Wesizwe board in order to ensure alignment with national imperatives for transformation and the expectations of the MPRDA and the resultant transaction is one which I believe is consistent with these principles.

The year was not without its disruptions however.

The company's AGM in August was postponed by an order of the High Court as various shareholder representatives approached the judiciary for a ruling on who has the right to vote the shares of the community. It is disappointing that the discord in the community continues to interfere with the day-to-day business of the company. However, the company is confident that, as mine construction begins in earnest, all parties can work together to realise the full value of the project for all shareholders.

Delivering on the transformation agenda

Wesizwe continues to uphold the principles of genuine transformation and is supportive of the changes that the Government has made to the revised mining legislation in an effort to ensure greater accountability for delivery on the MPRDA objectives.

Following the issuing of approximately 830 million shares in terms of the financing agreement, the new structure will dilute the current BEE credentials of the company. It is for this very reason that management negotiated the inclusion of Micawber in the transaction. A special purpose vehicle established to increase BEE participation in the company, Micawber's participants comprise the identifiable BEE shareholders reflected in the public share register as at 31 October 2010, subject to certain conditions.

Furthermore, the board will ensure that there are sound strategic initiatives in place to enhance the company's BEE credentials in line with Government requirements.

Board changes

Michael Solomon informed the board in July of his decision not to renew his contract as CEO of the company. The contract came up for consideration as Wesizwe was facing imminent change, both in its format and operational requirements, and Michael thought it best to hand the baton on to a fresh team with different attributes.

I would like to take this opportunity to thank Michael for the instrumental part he has played in building the company into what it is today. As a member of the founding team, he has seen the company through many stages: from the drilling of the initial exploration boreholes, to its pioneering move to engage a community as the single-largest shareholder, which followed the company's listing on the JSE Limited to raise funds for an extensive exploration programme. Michael also initiated the negotiations with the Chinese, a unique approach to finding a strategic partner for the company at the time. The progress made by the company is thanks to Michael's extensive mining industry experience and we wish him well as he embarks on a new journey.

Former FD, Arthur Mashiatshidi, readily stepped into the role of CEO from 1 October 2010. Arthur joined the company at a difficult time when the finance and administrative functions needed to be bolstered and sound governance practices and policies had to be implemented as a matter of urgency. Both he and Jacques de Wet, the company's new FD, have played a critical role in ensuring that the company is on track to be fully compliant with the requirements of King III by December 2011.

Since taking the helm as CEO, Arthur has boldly led the team that negotiated the deal with the Chinese consortium to a successful conclusion. On behalf of the board, I want to thank Arthur and his entire team at Wesizwe for the tremendous input and hard work over the last year.

The board has seen a number of departures during the course of 2010. Advocate Kgomotso Moroka and Goleele Mosinyi both resigned as non-executive directors of the company due to other business commitments. RPM's nominated representative on the board, Mike Rogers, resigned as a non-executive director in August following his appointment to a company with similar interests to Wesizwe. Mike was replaced on the board by Barrie van der Merwe.

The board of directors wishes to thank all the above directors for their contributions during their tenure with the company. I would like to extend a warm welcome on behalf of the board to Barrie who, in his short time as part of the directorate, has already made an invaluable contribution to the business.

The board welcomes Sirkien van Schalkwyk as company secretary and is confident that with her skills and experience she will add value at various levels in the company, most importantly by ensuring that the board fulfils its fiduciary and legal requirements.

As the new shareholders contemplate the role they will play in the future of the business, it is likely that, as with any such transaction, there will be a direct impact on the constituency of the board. However, I am confident that new board members will continue to drive the corporate strategy, which was the major selling point of the transaction, ensuring value enhancement for shareholders while aligning with the spirit and intent of the national regulatory frameworks.

Market fundamentals remain strong

As we start to see slow and uncertain recovery in the richer economies, it seems that emerging markets are moving ahead at a much stronger pace, boosting their economies with an increased share of global production, saving and consumption.

Although there was some volatility in platinum shares in the second half of the year and prices lagged those of other commodities, the outlook for PGM, particularly platinum and palladium, remains strong for the next five to ten years. This is largely because of the supply demand fundamentals.

It is expected that Jinchuan's expertise will be invaluable in finding ways to accelerate development so that Wesizwe will be well positioned to take advantage of this market scenario.

Drilling for blasting of the main shaft box-cut

Appreciation

For their support and commitment throughout the year I wish to thank my fellow directors. My appreciation is extended to the executive directors and Wesizwe staff for keeping the company on track in a trying year. I look forward to your continued support and am excited for the prospects that lie ahead of us.

Dawn Mokhobo
Chairman

Chief executive's review

The challenges of this financial year have pushed management to think out of the box in order for the Group to stay on its strategic course.

Introduction

The year 2010 ended on a positive note, culminating in the signing of a capitalisation agreement whereby a Chinese consortium is to subscribe for a significant participation in Wesizwe. This successful capital raising is a milestone in the life of Wesizwe – it is a destiny-changing trigger in that, after this transaction, the company will be different in many ways. With this transaction, Wesizwe acquires a new strategic shareholder who has the capacity to influence Wesizwe's future. The company will have at its disposal sufficient cash and guarantees to enable the development and delivery of the Frischgewaagd-Ledig mine. In Jinchuan, Wesizwe has secured a formidable technical partner who has the potential to influence key issues over the development of its core project. The CADFund gives Wesizwe access to a strong balance sheet which provides an underpin for future growth opportunities for Wesizwe. As far as consolidation and synergy opportunities on the bushveld complex are concerned, Wesizwe now has a "ticket to the game" where it can assume its rightful position in the industry alongside its peers.

The gearing and structure of the completed financial package should be interesting to the Wesizwe shareholders in that: the gearing levels achieved in this transaction would be difficult to achieve in local capital markets; and the cost of project finance component is at rates which are very competitive – even on the international markets. All this ultimately has a positive influence on the NPV attributable to the company's core project.

Project Delta was concluded and consummated during April 2010. Project Delta relates to the consolidation and rationalisation of the various projects adjacent to and near the company's core project area, the Frischgewaagd-Ledig mine. Following the conclusion of Project Delta, the company now has full ownership of its core Frischgewaagd-Ledig mine, whilst holding a 45,25% shareholding in a new company, Maseve, with the remaining 54,75% being held by PTM. PTM has an option to subscribe for a further 19,25% of the shares in Maseve by injecting capital on behalf of Wesizwe. After exercising the option, PTM will own 74% of Maseve and Wesizwe's participation will be diluted to a 26% holding. PTM has given notice of its intention to exercise the option.

Wesizwe's combined PGM resources have increased from 15,70 million ounces to 18,61 million ounces. The combined resources consist of 13,26 million ounces from the Frischgewaagd-Ledig project; the balance (5,35 million ounces) is the resource attributable to Wesizwe through Africa Wide which holds 45% of Maseve (Projects 1 and 3) as well as PTM's War Springs and Tweespalk projects.

Highlights

The challenges of this financial year have pushed management to think out of the box in order for the Group to stay on its strategic course. Despite the severe capital constraints, the Group was legally obliged to continue to advance the mine construction and development in terms of the mining licence. The company has been affected by developments around the community's need for proper accounting for their assets. The company had to rely on a court interdict against interruptions at the construction site and the AGM was halted and postponed pending a resolution of the intra-shareholder dispute. Regrettably, other Wesizwe shareholders have been unduly affected by these disputes. The share price of Wesizwe exhibited a free-fall direction, a trend which was reinforced by market pessimism around management's ability to finalise a capitalisation transaction for the development of the mine. The public announcement of the successful conclusion of negotiations with the Chinese consortium has introduced a welcome reprieve.

During the year under review, management have embarked on a wide range of policy and operating protocol changes that were designed to underpin good corporate governance and operational efficacy. Significant progress has been made in implementing these changes. Governance activities have received special attention and work plans that are consistent with meeting the requirements of the King III governance framework have been adopted by the board and the various committees as well for implementation during the current financial year.

Notable achievements for the year include:

- Conclusion of the corporate governance review by Deloitte and Deneys Reitz, which has enabled the company to effectively address the corporate governance allegations levelled against members of Wesizwe;
- Implementation of corporate governance frameworks across the organisation to ensure accountability, transparency and the highest levels of compliance;
- Implementation of effective reporting structures at management level and ultimately feeding into the board and board sub-committees;
- Implementation of an approval authority framework which clarifies authority levels across the Group;
- The successful conclusion of Project Delta which clarified the resources attributed to the Group;
- The successful sourcing of interim funding from the Bank of China to enable the company to continue with development of the core project in terms of the requirements of the mining licence;
- Successful negotiation of funding from the Chinese consortium, including the securing of transaction support from the DMR;
- Restructuring the company in preparation for mine development activities;
- Conducting and documenting a skills audit in the community in preparation for recruitment based on increased activities at the mine site;
- Regularising affairs of the Group including the creation of tax-efficient accounting structures as well as clearing the backlog of unresolved tax matters; and
- The re-establishment of the internal audit function through an outsourced service provider.

Operations review

In spite of the limited cash resources, the Group had to continue mine development activities in line with the requirements of its mining licence. With judicious capital rationing and austerity measures, management managed to demonstrate commitment to progressing the mine construction process.

The following capital development activities at the mine site were achieved with the benefit of interim funding from the Bank of China:

- Complete construction of the power supply (Eskom) terracing;
- Establishment of substation container base;
- Complete construction of access roads on mine site;
- Construction of temporary water pipeline;
- Ventilation shaft terracing;
- Partial construction of the ventilation box-cut (fenced);
- Construction of trapezoidal drains; and
- Construction of the first pollution control dam.

Financial summary

Wesizwe's gross charges for the year amounted to R102,8 million (R57,5 million in 2009) and relates to operating expenditure, impairment of mineral rights, investment in subsidiary and exploration expenditure. Included in the operating expenditure are material exceptional expense items such as corporate finance and transaction fees of R27,8 million, Yorkville drawdown facility fees of R5 million, legal fees of R3,2 million and corporate governance review costs of R1,7 million.

Operational activities resulted in a profit of R298,9 million (R38,9 million in 2009) comprising gross charges of R102,8 million (R57,5 million in 2009) offset by a gain on bargain purchase of R378,1 million, profit on the re-measurement of the equalisation liability denominated in a foreign currency of R17,9 million, net finance income of R5,6 million and other sundry income of R0,1 million. There was a significant reduction in interest income which amounted to R6,1 million (R18,5 million in 2009). The basic earnings per share for the period was 40.87 cents per share (basic loss of 6.65 cents per share for the same period in 2009). The headline loss per share was 9.78 cents per share (headline loss of 6.58 cents per share for same period in 2009).

Chief executive's review continued

During the year under review the Group's assets doubled from R1,3 billion to R2,6 billion. This increase was mainly attributable to the acquisition by Wesizwe of RPM prospecting rights and 37% participation rights in the WBJV, which led to the consolidation and rationalisation of the various reserves around Wesizwe's core project, the Frischgewaagd-Ledig mine. As the acquisition was equity-settled, RPM becomes the single largest shareholder in Wesizwe.

Applying the principles of IFRS 3 *Business Combinations* and IAS 27 *Consolidated and Separate Financial Statements*, the Project Delta transaction was accounted for using the purchase method. Any difference between the acquisition-date fair value and the consideration paid is required to be recognised as goodwill.

In accounting for Project Delta, the fair value of the 37% interest in the WBJV far exceeded the consideration payment thus resulting in a "bargain purchase". A bargain purchase represents negative goodwill which must be accounted for in profit or loss through the statement of comprehensive income.

The Project Delta transaction further resulted in the net asset value of the Group exceeding the current market capitalisation. Management is of the opinion that the investment acquired is fairly valued and no impairment is required.

It is important to highlight that Wesizwe's reported headline loss resulted from cash consuming activities that support the project development process which is the basis for value creation and future capital growth. These losses therefore are likely to continue until such time that the Group commences mining production activities that will generate revenues and ultimately profit for distribution in the form of dividends in the long run.

It is a common industry practice to value the company by attributing a discount or premium to the NPV of the company's projects. Development stage (junior) companies are usually priced at a discount to NPV (currently 0.4x to 0.9x). Producers are priced at a premium to NPV (average 1.5x). At the lowest ebb, Wesizwe was valued at 0.3x NPV, a 70% discount to NPV.

Markets

Money markets and commodity markets have continued to be extremely volatile. The rand strengthened from R7.34 in January and closed at R6.63. Platinum prices have improved from an average of USD1 205/oz in 2009 to an average of USD1 581/oz. Whilst the rand's strength and PGM prices usually have a counteracting effect on minerals value, the situation is different in that these instruments are exhibiting differing rates of volatility. The rand is more volatile than PGM prices. Most concerning to Wesizwe is the fact that, as a result of the strengthening of the rand, the company may receive a reduced rand amount from the dollar capital proceeds from its capitalisation transaction.

Strategy direction and focus

The resumption of the 2009 AGM offers Wesizwe an opportunity to draw a line in the sand from the difficult past. The Group will leave behind all the negative aspects and move into a new era focusing on shareholder value creation. Wesizwe shareholders deserve better, and should at least be relieved from the theatrics and dramatics which have been the primary cause for value erosion.

With capital funding secured, the strategic thrust for the Group is now clear. The focus will be on accelerating the mine construction at the core project of Wesizwe.

While the primary focus for Wesizwe is the development and construction of the Frischgewaagd-Ledig mine, the company is well placed to play a key role in the opportunities for consolidation around the bushveld complex. In addition, management are evaluating potential infrastructure synergies with the Group's neighbours on the complex. The realisation of these synergies would significantly reduce investment expenditure which would in turn improve the NPV of the project.

The conclusion of Project Delta provided a simplified ownership structure which makes it viable and possible to implement and realise cost optimisation synergies that are beneficial to both the Frischgewaagd-Ledig mine and Maseve (Projects 1 & 3). Wesizwe and PTM have a cordial working relationship which is essential for unlocking and realising the contemplated synergies. As an ultimate 26% investor participant in Maseve, Wesizwe will be able to influence the developments of Projects 1 & 3. Wesizwe's capital contribution is significantly covered for a period in excess of two years of development through PTM's exercising the option to dilute Wesizwe from 45,25% to 26% shareholding in Maseve.

Corporate governance

The objective of Wesizwe's governance regime is to achieve the highest level of compliance in all regulated and legislated areas. The board is the ultimate custodian of the Group's governance principles and policies; therefore a strong, well functioning board is of fundamental importance to the achievement of good corporate governance. It is anticipated that after the conclusion of the capitalisation transaction, the Wesizwe board will be supplemented and strengthened further with representatives of the new shareholders.

Operator on a diamond drill machine

Currently, the board is supported by five sub-committees, which are chaired by non-executive directors as required under the provisions of King III. It is anticipated that going forward, these committees will be rationalised to provide a platform for optimal compliance on corporate governance matters.

Sustainability

Wesizwe is committed to sustainable development practices. To that end sustainability is integral to its strategic and operational considerations. This is reflected in the way in which the Group responds to regulatory and legislative obligations as well as its engagement with communities in which it operates. The goal of Wesizwe's sustainable development is that the Group's interactions with the environment should lead to an improved environment that contributes towards a better life for the communities in which the Group operates.

Arthur Mashiatshidi
Chief Executive

Operational report

Frischgewaagd–Ledig

Location and project outline

Figure 1 depicts the detail location of Wesizwe's Frischgewaagd–Ledig mine in relation to its neighbours. It is situated directly adjacent to the west of the Royal Bafokeng Platinum Styldrift project and immediately north of Project 1 of the Canadian group, PTM. These properties are all located on the western limb of the bushveld igneous complex, in the North West Province. The Wesizwe core property consists of various portions of the farms Frischgewaagd 96 JQ and Ledig 909 JQ. These two farms are located directly south of the Pilanesberg complex of which the majority of the area has been declared a national park.

The Frischgewaagd–Ledig mine will comprise an underground mine with a twin shaft complex, a main shaft and a ventilation shaft which will also function as the second escape route. The main shaft is planned to have a hoisting capacity of 230 000 tonnes per month of ore of which, initially, the primary Merensky Reef ore will be 180 000 tonnes and secondary UG2 ore the other 50 000 tonnes. Once the Merensky Reef is depleted the full 230 000 tonnes will be generated from UG2 ore. It is anticipated that the annual 4E (3PGM + Au) production during steady state will vary between 310 000 and 378 000 ounces.

The Merensky Reef will be mined using conventional stoping methods and the UG2 through semi-mechanised methods. Crushing will be done underground from where the reefs will be separately conveyed to separate stockpiles at the concentrator plant. The concentrator plant design is based on current best industry practices and test work results obtained during the BFS.

Wesizwe owns 100% of its subsidiary company Bakubung Minerals, to which a mining right (NW 30/5/1/2/2/339 MR) was awarded on 25 May 2009 in terms of section 23(1) of the MPRDA. The minerals included in this right are PGM, as well as gold, silver, nickel, copper, cobalt and chrome.

Work completed during 2010

Site establishment was initiated on Monday, 17 May 2010. However activity was disrupted due to disgruntled community members interfering with contractors on-site. Earthworks only resumed on 7 June 2010 after the Group was granted a court interdict. The slow execution early works programme for 2010 (Wezlite phase I) included the following preparatory earthworks that will enable accelerated development when capital is finally in place:

- Construction of access roads;
- Construction of the Eskom terrace for future power supply;
- Construction of the ventilation shaft terrace (and starting the box-cut);
- Constructing and connecting the temporary water supply line (200 kl/day); and
- Construction of the first pollution control pond.

The Group also relocated most of its previously purchased long-lead items from the various storage facilities to its regional office near Boschoek. This includes the four winders for the main shaft as well as other shaft sinking equipment, purchased as new or used. Some of these used items have been refurbished and the rest will be sent for refurbishment in due course. The benefit of having this equipment ready is that it enables the Group to install and commission the equipment as and when required without undue delays.

Figure 1: Locality plan

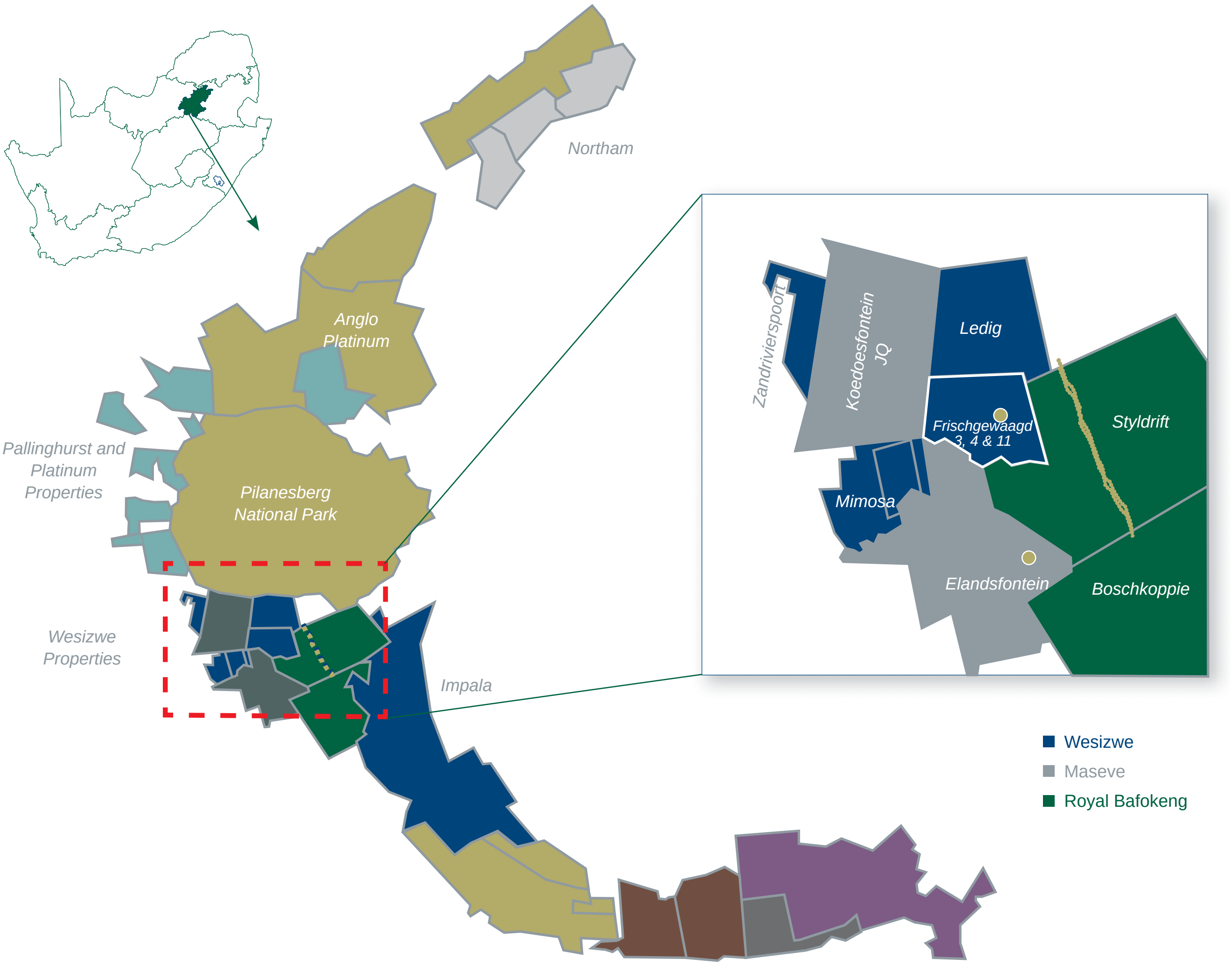
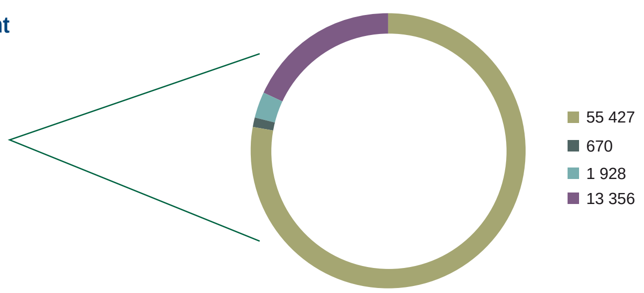


Table 1: Hours worked for the year

	Compliment
Scribante & sub-contractors	18
TWP	2
Falcon security	7
Visitors	4

Project hours



Progressive combined total for the year = 71 381

LTI free hours = 71 381

Total cumulative hours (2004-2010) = 1 022 841

Operational report continued

Health and safety

A total of one hundred and fifty six days have been spent in this construction phase of the project without any LTI or any accidents. The total Wesizwe hours worked from 2004 to date (including all contractors and the prospecting phase) equate to 1 022 841 (see Table 1) with only one LTI during drilling operations in 2007. This is an excellent safety record of which Wesizwe is very proud. The target for the project is to have no LTI's.

The only incidents that occurred on site during the period under reporting were two minor veld fires, a cement spillage that was cleaned up immediately and two short periods without water supply.

During the period under review, one hundred and fifty six inductions were done, fifty seven entry medicals and thirty four exit medicals were performed.

All statutory requirements in terms of legislation were complied with and all legal appointments were submitted to the DMR. The DMR has signed a confirmation letter to this effect.

Environmental

Air quality monitoring: The monthly air quality monitoring has been ongoing throughout 2010 as part of the baseline data gathering process and will continue through 2011.

CEMP audit: One CEMP audit was performed during the last quarter of 2010 which culminated in the drawing up of an environmental action plan. This action list has been implemented and the actions requiring attention are being dealt with.

Water quality monitoring: Monthly surface water and borehole water field and laboratory quality test results were done throughout 2010 and are measured against *SANS 241: 2006 standards for drinking water.* The results of the environmental monitoring are described in more detail in the sustainability report which is found on pages 18 and 33.

All statutory requirements in terms of environmental legislation were complied with and the legal register updated accordingly.

Work planned for 2011

The initial work envisioned for the first half of 2011 is the extension of the slow execution early works (Wezlite phase II) programme. This entails enlarging the existing ventilation shaft terrace to incorporate the main shaft terrace and winder houses. It will include removal of topsoil and turf as well as backfilling and compacting the excavated area. The blasting and excavating of both shaft box-cuts will then proceed.

Once the funding is in place, Wesizwe will be in an ideal position to accelerate its development and construction programme. The remainder of 2011 will be used to prepare for shaft sinking activities. These activities can be summarised (but not limited to) as follows:

1. **Eskom**
   a) Accept budget quote
   b) Eskom start site construction of the sub-station
   c) Liaison engineering and construction

2. **Environmental impact assessment**
   a) Continued monitoring of water, dust and air
   b) Hire PM10 monitor and install

3. **Bulk water – north and south lines**
   a) Magalies liaison
   b) Revalidate feasibility study and design of south line only
   c) Servitudes and EIA south line only
   d) Continue with north line (supply to the mines north of the Pilanesberg)

4. **Project synergies**
   a) Continue to investigate all aspects

5. **Mine aspects development**
   a) Complete design and drawings of the following areas
      - Earthworks
      - Civil engineering
      - Pollution control facilities
      - Shaft infrastructure
      - Power supply
      - Logistical infrastructure
      - Shaft sinking

   b) Issuing of tenders and procurement of the following activities
      - Earthworks
      - Civil engineering
      - Shaft infrastructure
      - Electrical equipment
      - Shaft sinking

   c) Construction/manufacture of the following areas
      - Main terrace
      - Civils collars, head gears and winder houses foundations
      - Installation of winder houses
      - Winders' refurbishment
      - Service winder manufacture continues
      - Vent shaft head gear manufacture
      - Vent shaft winder house manufacture

Strategic outlook

The immediate future focus is to expeditiously develop the mine safely and within budget and schedule. Operational issues that could impact on the successful construction and operation of the mine will be given special management attention to ameliorate the risks. Such issues include (but are not limited to) the following:

- Bulk water supply
  - Temporary water supply (200kl/day) already installed;
  - The feasibility study for permanent water supply from Vaalkop dam is in place. This will be updated and be followed by the final design and construction of the line; and
  - A 48 hours storage capacity will be installed as a buffer supply to cater for service interruptions.

- Power supply
  - Temporary power supply of 2MVA has already been installed. This is sufficient to take the project to the end of pre-sinking (80m) on both shafts;
  - The phase 1 supply of 8MVA for shaft sinking requirements has been negotiated with Eskom. Construction of the sub-station will be initiated as soon as Wesizwe accepts the received budget quote from Eskom; and
  - Phase 2 of the negotiated Eskom supply will deliver 60MVA needed for operational requirements.

- Health and safety
  - Legal appointments in terms of the Mines and Works Act have been made;
  - A safety manager has been appointed;
  - Comprehensive policies and procedures are in place for safety; and
  - Continued performing of internal safety audits on site.

Wesizwe mineral resource statement

Frischgewaagd-Ledig project

The total mineral resource (per reef horizon) for the Wesizwe Frischgewaagd-Ledig mine is reflected in Table 2 below. There was no new geological information generated during the year under review. No changes were made to the reef models, facies plans or structural model. Following from the conclusion of Project Delta the resource for Project 2 (Frischgewaagd-Ledig) is now 100% attributable to Wesizwe. The total Wesizwe attributable resource for the Frischgewaagd-Ledig mine has by way of this transaction increased from 9,876 million ounces to 13,260 million ounces, an increase of 34,27%.

Table 2: Frischgewaagd-Ledig mineral resource statement

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

Project: Frischgewaagd-Ledig		Total								
Including geological loss 27,5%		Mt	4E g/t	4E Moz	Pt g/t	Pd g/t	Rh g/t	Au g/t	Cu %	Ni %
UG2 Mineral resource	Measured									
	Indicated	32,894	4,63	4,901	2,77	1,35	0,49	0,02	–	0,12
	Inferred	10,078	4,16	1,349	2,48	1,22	0,44	0,02	–	0,12
	Total	**42,972**	**4,52**	**6,250**	**2,70**	**1,32**	**0,48**	**0,02**	**–**	**0,12**
Total Frischgewaagd-Ledig Project		**79,005**	**5,22**	**13,260**						

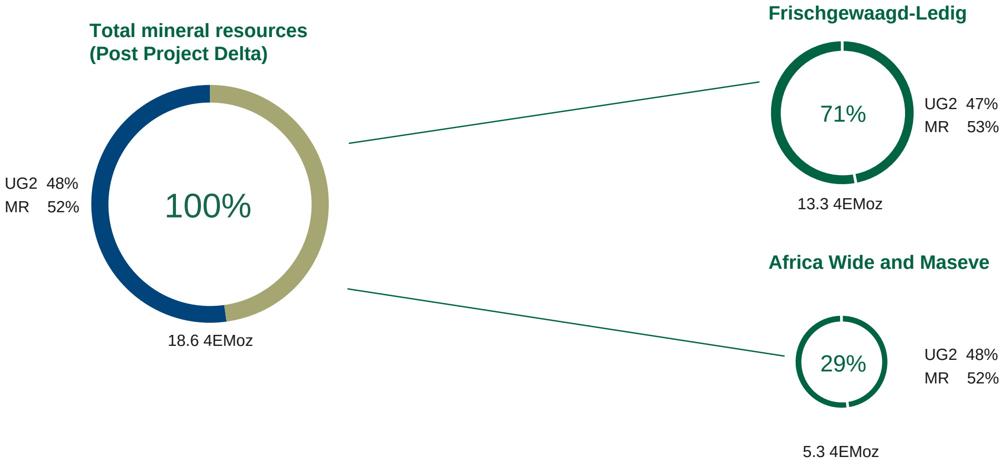


Table 3: Maseve Project 1 mineral resource

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

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

Table 4: Maseve Project 3 and War Springs mineral resource

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

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

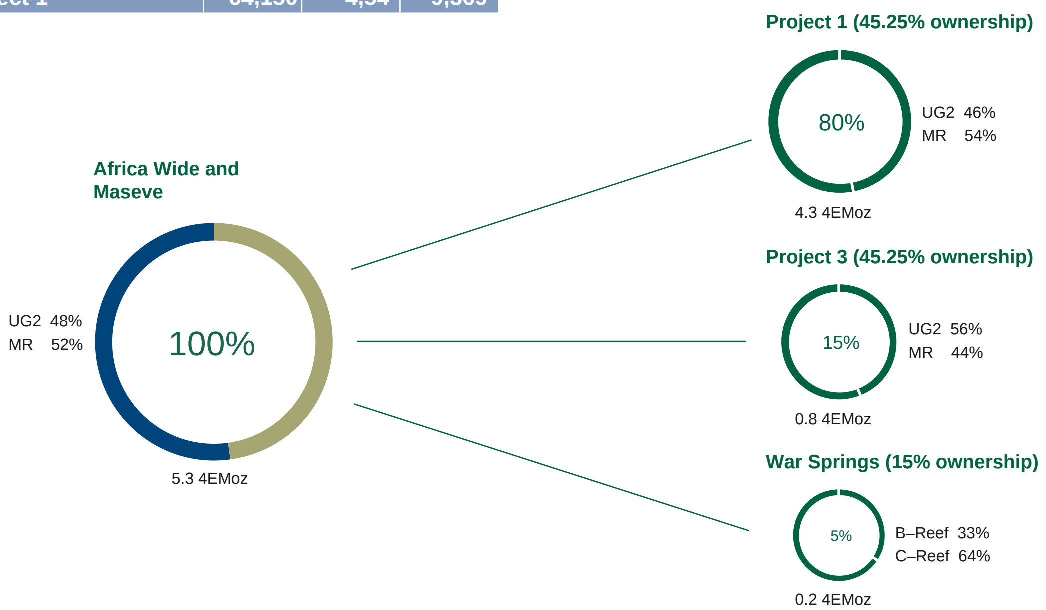


Table 5: Wesizwe's attributable consolidated mineral resource statement (post the Delta transaction)

		Total			Wesizwe attributable			
		Mt	**4E g/t**	**4E Moz**	**%**	**Mt**	**4E g/t**	**4E Moz**
Combined resource totals for all projects	Measured	26,401	5,41	4,591	59,14	15,614	5,61	2,817
	Indicated	93,878	4,80	14,479	74,99	70,395	4,94	11,170
	Inferred	80,011	2,77	7,135	42,08	33,670	4,27	4,623
	Total Resource	**200,290**	**4,07**	**26,205**	**59,75**	**119,679**	**4,84**	**18,611**

Table 6: Wesizwe attributable consolidated mineral resource after PTM has exercised its option to increase their shareholding in Maseve to 74%

		Total			Wesizwe attributable			
		Mt	**4E g/t**	**4E Moz**	**%**	**Mt**	**4E g/t**	**4E Moz**
Combined resource totals for all projects	Measured	26,401	5,41	4,591	44,77	11,821	5,77	2,193
	Indicated	93,878	4,80	14,479	66,19	62,139	5,01	10,007
	Inferred	80,011	2,77	7,135	39,26	31,413	4,20	4,241
	Total resource	**200,290**	**4,07**	**26,205**	**52,61**	**105,373**	**4,85**	**16,441**

Wesizwe's core storage facility at Boschoek

Maseve

In April 2010 Wesizwe received the necessary regulatory approvals required under Project Delta to assume 100% ownership of its core Frischgewaagd-Ledig mine while retaining a 45,25% interest in neighbouring Projects 1 and 3 of Maseve. This deal has clarified the ownership structure of the previously confusing WBJV and will ensure better understanding of the value attributed to Wesizwe from this project.

The terms of this transaction granted PTM an option to enhance its stake to 74% through an injection of capital (R408 million) into Maseve on behalf of Wesizwe, whose interest would be diluted to 26%.

PTM, the manager and operator of Maseve (Projects 1 and 3) has proposed an initial construction budget of USD100 million for the Project 1 platinum mine in December 2010. The budget was approved by the Maseve board, on which Wesizwe currently holds two seats.

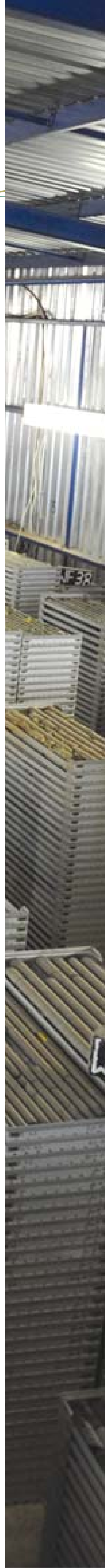
All the independent mineral resource estimates have been prepared in accordance with the SAMREC Code (2007) and have been substantiated by evidence obtained from site visits and observations. They are supported by details of drilling results, analyses and other evidence and account is taken of all relevant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

Exploration activities

Only one exploration project was still active during 2010, the Vogelstruisnek Project. Three boreholes were drilled on this property during March 2010 to explore for platinum group elements. The total amount of drilled metres for these holes is 726,06m. No deflections were drilled. All three holes were stopped without intersecting any platinum bearing horizons. Samples taken from these holes returned no anomalous PGE grades. This project has been stopped and closure has been applied for.

Closure applications for all other prospecting rights outside the Frischgewaagd-Ledig mining right area have also been submitted. No further prospecting activities are envisioned for 2011.

Manie Blignaut
General Manager: Operations



Corporate affairs report

As Wesizwe gears itself for mining, it is important that there be increased energy and drive around stakeholder engagement.

During the year under review, corporate affairs was introduced as a strategic focus area in the executive committee and to this end an executive director was appointed to oversee this function. As Wesizwe gears itself for mining, it is important that there be increased energy and drive around stakeholder engagement. The Group fully understands the importance of stakeholder engagement and most importantly its interaction with the community and the DMR, which are critical activities at this stage in the development of the company.

Focus on consultation

Wesizwe management's approach is to develop and maintain relationships that ensure two-way communications with all stakeholders. This approach is key in enabling a conducive environment for sound and safe operations where everyone is appropriately informed about the mine project. To put this philosophy into practice, the Group has developed a stakeholder engagement policy that is in line with international standards. Refer to the sustainability report on page 18 for further detail on this policy.

As indicated in the chairman's statement, the year was not without discord at community level over the community shareholding in Wesizwe. This development occurred at a time when Wesizwe was awaiting approval of its section 11 for Project Delta by the DMR Minister whilst in the final stage of consolidating its properties. The company was called on by the DMR to assist the community to establish the status of its shares in the company. This necessitated regular engagement with the community, DMR, NWPG through the MEC Traditional Affairs and the Bakubung-Ba-Ratheo royal family. A steering committee was formed as a vehicle to enable monthly contact and feedback to address the above matter.

Relations with stakeholders

Wesizwe executive directors have regular discussions with Wesizwe's institutional and other shareholders where they believe it is in the Group's interest to do so and to keep them informed. This interaction with shareholders was intensified during the year under review, largely because of the company's AGM being disrupted in August 2010. The AGM offers a platform for shareholders to interact directly with the board and to vote on issues proposed by meeting resolutions. Detailed feedback from shareholders is shared with management and the board to inform future strategic engagements.

The Group maintains dialogue with its key financial audiences, especially institutional shareholders and analysts. The investor relations team manages the dialogue with these audiences and presentations take place at the time of publishing interim and final results.

The Group adopts a proactive stance in timely dissemination of appropriate information to stakeholders through print and electronic news releases and the statutory publication of the Group's financial performance. The Group's website provides the latest and historical financial and other information, including the financial reports.

Drilling on the main shaft box-cut

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

Management of issues through effective community liaison

Wesizwe strategically weighs the importance of issues raised by the stakeholders in its process of identifying key risks to the company. Consequently, critical issues have been identified for immediate attention and action. Key issues that was raised during the year at community level involved cracked houses; where cracks were perceived to have been caused by Wesizwe's 2007 3-D seismic survey. There was also a need for the relocation of local farmers' cattle from the mine site. These issues were identified based on the frequency with which they were raised by stakeholders and their importance was determined primarily by the potential impact and liability they would have on the Frischgewaagd-Ledig mine. Focused engagement is taking place with the respective government departments, professional structural inspections to determine the level of damage and the Department of Rural Development to identify land that can be leased to facilitate relocation of cattle. All affected stakeholders are involved in regular meetings which are held with the home owners and the farmers respectively, to ensure a collective approach to solution finding.

Mlibo Mgudlwa
Executive: corporate affairs

Sustainability report

Sustainability as part of our business strategy

Wesizwe's approach focuses on ensuring long-term business success while contributing towards economic growth, social development and a healthy environment. The Group believes that sustainable development should be integral to the way it conducts business and directly contributes to stable communities in the area in which it operates. This approach requires strategic planning and responsible action to minimise social and environmental impacts on the community and to be responsive to social concerns.

Wesizwe's approach to the Frischgewaagd-Ledig mine demonstrates the balance between social and environmental factors and economic considerations. The measures put in place illustrate the company's understanding that sustainable development is a strategic imperative, core to the operation's strategy. The Group understands that corporate governance is the foundation on which the three pillars of sustainable development stand, therefore a governance framework that is aligned with King III principles has been defined. More information can be found in our corporate governance report on pages 38 to 45.

Wesizwe accomplishes its objectives through expressing company values in all of its actions by focusing on value creation for shareholders in a socially responsible and sustainable way.

Risk based approach to sustainability reporting

This is the first time the Group has identified and prioritised sustainability risks. The sustainability risk matrix shown in Figure 2 and Table 8 highlights the sustainability risks identified in the year under review. A risk workshop was conducted involving multi-disciplined participants internal to the organisation. This workshop highlighted the top three risks as community, people and stakeholder expectations.

Wesizwe's response to these risks is to execute an avoidance strategy, where we seek to eliminate activities giving rise to the risk and to prevent any exposure to them. However, in cases such as the community, where the risk is never fully mitigated, a reduction strategy is used where we focus on reducing the likelihood or severity of the risk to a point where the residual risk is tolerable.

Stakeholder engagement

Wesizwe has identified a range of internal and external stakeholders who have material interest in the Frischgewaagd-Ledig mine. Wesizwe employed a proactive strategy to communicate and engage with these stakeholders. In response a corporate affairs role was introduced in the executive team to ensure directed engagement with the company's diverse stakeholders.

Sustainability risk heat map

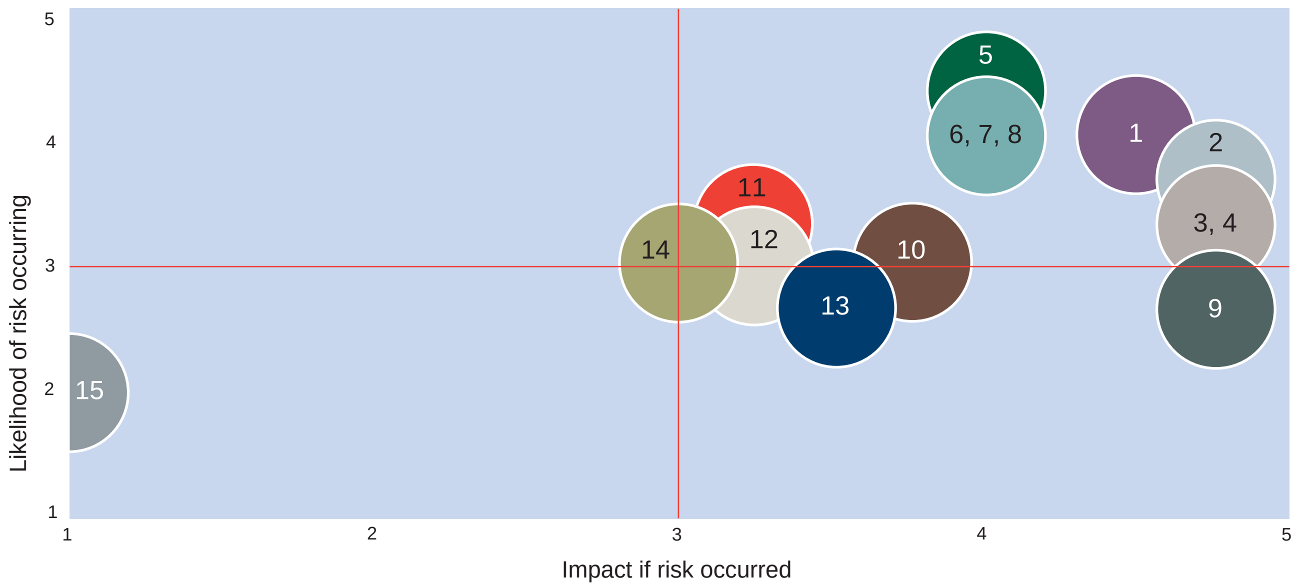


Table 7: Legend to sustainable risk heat map

Risks	Ranking	Risk area
Community (social and licence to operate)	1	Stakeholder engagement
People (influence and mindset change)	2	Stakeholder engagement
Stakeholder expectations (major foreign investor)	3	Stakeholder engagement
Power	4	Infrastructure risks
Rail	5	Infrastructure risks
Government (political)	6	Stakeholder engagement
Legislation (compliance)	7	Regulatory risks
Demand for product	8	Economic risks
Water use (industrial vs domestic use)	9	Environmental risks
Transformation	10	Employee risks
Skills (availability, acquisition, retention)	11	Employee risks
Procurement	12	Economic risks
Security	13	Infrastructure risks
Roads	14	Infrastructure risks
Reporting (data integrity)	15	Regulatory risks

The board adopted a stakeholder engagement policy which commits to enhance the company's reputational capital with strategic stakeholders through the Group's responsiveness to stakeholder material concerns. The policy ensures that in engaging with the Group's stakeholders, Wesizwe maintains stature as an ethical Group, and also ensures compliance with the internationally accepted *AA1000 Stakeholder Engagement Standards,* based on the principles of knowing, understanding, and responding to stakeholders' material concerns. The policy flows from Wesizwe's responsibility as a good corporate citizen to engage its stakeholders directly, based on values of transparency, honesty and mutual respect. In applying these values, the Group approaches stakeholders with the utmost respect, sensitivity and empathy warranted by the matter at hand.

Wesizwe employs a range of methods to engage with stakeholders. As far as possible, a combination of face to face engagement and corporate communication channels are used. The Group promotes two-way communication in its engagement to ensure mutual understanding.

Stakeholder engagement is effected with concern for the Group's interests and business imperatives on value creation. This approach prevails over private individual agendas, be they explicit or implied.

In order to ensure commitment to openness, transparency and accountability, to stakeholder material issues and in compliance with the EMP requirements, a complaints and suggestions management system was implemented in 2009.

This was done to realise the following benefits evidenced by management and affected stakeholders:

- Improved credibility as a result of increased accountability;
- Development of trust and building of good relations between the operation and its stakeholders;
- Enhanced reputation in the eyes of external stakeholders through being seen to be accountable and to follow 'due process';
- Provision of a standardised and streamlined approach to identifying, resolving and reporting on complaints;
- Provision of documented actions, serving as a reference for the handling of any similar future complaints, as well as providing evidence of how, when and by whom a complaint was dealt with;
- Embedding a key monitoring function by helping to ensure that operational problems are identified and resolved, thus minimising the risk of continued non-compliance, and facilitating improved performance;
- Providing a consistent and transparent approach for all complaints; and
- Ensuring that the complaints are directed appropriately, and that accountable employees are prompted to respond accordingly.

Figure 3: Data captured up to the end of December 2010

Complaints management system analysis

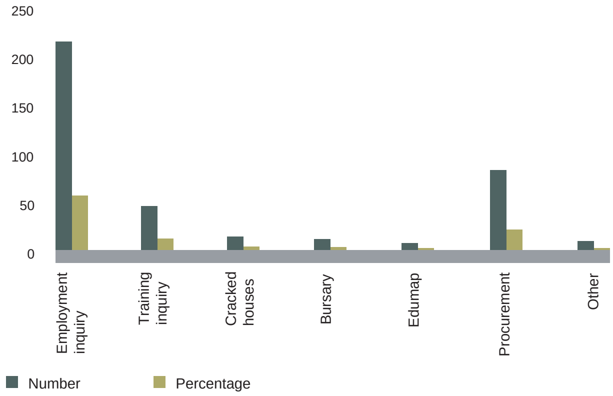


Table 8: Nature of dealings with stakeholders

Activity	Summary of material issues	Methods of engagement	Frequency of engagement	Outcomes
Community liaison				
Complaints and suggestions management system developed to manage community inquiries and complaints related to the Group's mining activities The system is also part of the EMP compliance requirement to capture and address the affected community complaints This is a structured process that records all interactions with the community A database of all interactions is kept. There are defined turnaround times and escalations in the automated system	Recently most of the inquiries have been on employment and procurement opportunities as the company has commenced with mine construction This system enabled creation of a database for people looking for employment and procurement opportunities The process has been very valuable in detailing the types and frequency of queries Approximately 380 queries have been logged to date	Face to face contact at the mine community office and telephonic contact	The office is open daily Monday to Thursday Contact is also made via a company mobile phone	All walk-in enquiries are registered and resolved within a defined timeframe Majority (89%) of enquiries are for employment and procurement opportunities Interactive engagement with the community and other stakeholders was enhanced Informed community on mine related developments
Stakeholder management forum				
Stakeholder engagement framework is in place The community is one of the critical stakeholders Skills audit conducted has identified more than 100 organisations to be used as a base for identifying relevant stakeholders to participate in the stakeholders' forum The forum will be established in the 2011 financial year	The purpose of the forum is to engage local stakeholders on mining related issues Stakeholder engagement is one of the tenets of ensuring that relevant partners have meaningful interaction with the company The stakeholder engagement process has been expanded to include relevant stakeholders such as the provincial and local spheres of government	Meeting	Monthly	Stakeholder forum framework is defined More than 100 local organisations have been identified to participate in the forum
Ad hoc steering committee				
The steering committee is an initiative espoused by the DMR to address community challenges that were escalated to the department by the host community	Engagement done through monthly meetings with stakeholders that include organised community structures, the royal family, the DMR and the NWPG to address community issues The committee is also a channel that ensures the dissemination of information to the broader community	Meeting	Monthly	Improved communication with community structures The community is able to access information regarding their equity and company social projects

Activity	Summary of material issues	Methods of engagement	Frequency of engagement	Outcomes
Farmers' association				
Local farmers with livestock on the mine site area raise concerns	Regular meetings held with the local farmers' association regarding alternative grazing land for livestock on the mine site Meetings are used to build rapport, discuss safety issues and update the farmers on mining activities affecting their livestock	Meeting	Bi-monthly	To finalise the process of acquiring alternative land
Local SMMEs				
Local supplier database established with more than 80 local companies registered as part of the suppliers' development framework Verification process on the registered companies conducted Tender adjudication committee to be in place in 2011 financial year	Wesizwe SLP made provision for preferential procurement participation by local SMMEs HDSA participation in the EPCM contract Procurement policy and procedures in place Wesizwe has to seek to achieve the stated targets to comply with mining charter requirements Three local suppliers have been sub-contracted for work at the mine site thus far and plans are underway to ensure greater participation	Walk-in service	Daily	HDSA local suppliers participate in the procurement process during the mine construction.
Potential future employee pool				
Recruitment of local people in compliance with the mining charter	SLP commitment to ensure local jobs are created Community members queue at the mine gate seeking employment opportunities A community site office established to manage enquiries and offer advice Approximately 2 500 CVs received and sorted in terms of qualifications and being captured in the management system and a further number captured during the skills audit process	Walk-in consultation	Daily	24 local residents have been employed during the earthworks phase of the mine project

Table 9: Performance against the mining charter scorecard

Performance against the mining scorecard as per commitments in the SLP

Scorecard compliance questions	Compliance	Wesizwe status and progress made
1. Human resource development		
Have employees been offered the opportunity to become functionally literate and numerate by 2009 and are they being trained?	Yes	Wesizwe continues to create an enabling environment for ABET. Currently 11 employees are participating in the various ABET levels
Has the mining company implemented career paths for the HDSA employees, including skills development?	Partially	Wesizwe is yet to develop a plan for a pool of individuals for fast tracking in a career progression plan. These programmes are in the fields of engineering, mining, metallurgy, human resources and finance A skills development plan has been developed and submitted to the relevant body
Has the mining company developed systems through which empowerment groups can be monitored?	Not yet	Wesizwe aims to use mentorship as an intervention to assist and support the development of targeted and identified individual employees. A structured mentorship programme is being developed for employees at operational level
2. Employment equity		
Has the mining company published its employment equity plan and reported annual progress?	Partially	Wesizwe complies with the DOL requirements in respect of reporting and aspiration for diversity in the workplace to reflect the country's demographics and will align with set targets The employment equity report has been submitted annually, however Wesizwe is yet to publicise this plan
Has the mining company established a plan to achieve a target for HDSA participation in management of 40% within five years and is it being implemented?	Yes	Wesizwe has established a plan to ensure that the statutory targets are met and that they are sustainable
Has the mining company identified talent and is it being fast tracked?	No	This programme is yet to be developed along with the company's succession plan and the mentorship plan and will focus mainly on the following disciplines: engineering, mining, metallurgy, human resources and finance
Has the mining company established a plan for female participation in mining of 10% within five years and is it implementing it?	No	Wesizwe has a target of 10% female participation, with women playing a key role in the decision-making processes in its operations. The participation of women in mining is 2%, and the percentage of female employees is currently 27%. Plans are being developed to ensure that the 10% statutory target is reached
3. Housing and living conditions		
Has the mining company formulated integrated human settlement development plans and is it co-operating with government in the implementation of these plans for communities where mining takes place and for major labour sending areas? Has the company engaged local mine communities and labour-sending communities?	Not applicable	It is anticipated that 25% of Wesizwe workforce will be migrant at any time of operation

Sustainability report continued

Scorecard compliance questions	Compliance	Wesizwe status and progress made
4. Mine community and rural development		
Has the company co-operated on its own and with government in formulating and implementing integrated development plans for communities where mining takes place and for major labour-sending areas? Has the company made an effort to engage the local mine community and communities in major labour-sending areas?	Yes	Wesizwe has participated in the IDP process to register all the SLP projects. Regular engagement is taking place with the Moses Kotane Municipality of the respective projects detailed in the community engagement section on page 31 below Monthly meetings with the community, royal family, DMR and NWPG are held to address community issues. This is a Wesizwe initiative that is fully endorsed by the DMR and the NWPG to help the community to resolve issues. Resolutions arise from the meetings that have informed themes for the media plan and "crisis" issues have been discussed proactively on local radio, allowing a phone-in session. This has been very positive and feedback from the community has been equally positive. All Wesizwe projects form part of the Moses Kotane Local Municipality IDP projects
5. Housing and living conditions		
For company-provided housing, has the mine established measures for improving the standard of housing including the upgrading of hostels, the conversion of hostels to family accommodation and promoted home ownership for employees?	Not applicable	Even though it is anticipated that 25% of the Wesizwe workforce will be migrant at its time of operation, Wesizwe has developed a concept document addressing an integrated human settlement housing plan. The plan is currently being reviewed by management for approval to conduct a feasibility study
For company-provided housing, has the mine established measures for improving the nutrition of mine employees?	Not yet applicable	
6. Procurement		
Has the mining company given HDSA's preferred supplier status?	Yes	Wesizwe has a preferred supplier development strategy for local BEE companies
Has the mining company identified the current level of procurement from HDSA companies in terms of capital goods, consumables and services?	Yes	Wesizwe is in the process of verification of all local suppliers registered on the database, and a procurement procedure is in place
Has the mining company indicated a commitment to a progression of procurement from HDSA companies?	Yes	Wesizwe is committed to a black empowered supplier target of 40% of the company's operational procurement
7. Ownership and joint ventures		
Has the mining company achieved HDSA participation in terms of ownership of equity or attributable units of production of 15% in HDSA hands within five years and 26% in 10 years?	Yes	The company is at 21,12% BEE owned as at 31 December 2010. Refer to the shareholder analysis on page 97
8. Beneficiation		
Has the mining company identified its current levels of beneficiation?	No	Not applicable at this stage
Has the company established its baseline level of beneficiation and indicated the extent that this will have to be grown in order to qualify for offsets?	No	Not applicable at this stage
9. Reporting		
Has the company reported on an annual basis its progress towards achieving its commitments in its annual report?	Yes	Progress is reported in the current financial year

Stability of workforce

Policy approach

Wesizwe strives to promote and preserve a workplace environment rich in diversity. In addition, the company strives to provide a workplace free of preventable hazards and to comply with all laws and regulations governing workplace safety and health, including *inter alia* the Occupational Health and Safety Act, Employment Equity Act, Basic Conditions of Employment Act, Labour Relations Act, Unemployment Insurance Fund, etc.

Reorganisation

The year 2010 was a challenging year for the Group, especially having to retrench employees in a downsizing exercise. The Group retrenched four employees during 2010 due to structural changes within the organisation. The objective of the retrenchment was based on the required new skills and capabilities which are needed to meet current and expected operational requirements.

Employment equity

Wesizwe regards employment equity as a business imperative and has put measures in place to ensure compliance. The Group's employment equity targets are aligned to the mining charter. In the current employment equity plan there is evidence of movement towards achieving the targets for the current reporting year. Wesizwe submits its employment equity reports bi-annually and has been recorded in the DOL's public register.

Employee skills development and training

The Group focuses on ongoing skills development reflected in its workplace skills plan and annual training report. In line with the Skills Development Act, Wesizwe awards bursaries annually to academically qualifying and financially needy students in the North West Province. The Wesizwe bursary scheme awards bursaries in specific mining disciplines that are in line with the Group's mandate. The priority fields of study are BSc mining and environmental geology, mining engineering, mechanical engineering, metallurgy, and BCom Accounting. All bursaries have been fully subsidised by Wesizwe, inclusive of tuition fees, accommodation and text books. As the bursary scheme is a critical element in Wesizwe's talent development strategy, we are proud to announce that we had three successful learners who completed their studies in BSc Geology and BCom Accounting. We congratulate all the successful learners and wish them well in their future.

Wesizwe recognises employee training and development as a key factor in meeting the organisation's strategic, business and operational goals. During the reporting year twenty employees attended generic courses and workshops, management and leadership training, including human resources, MBA, coaching and administration courses. Wesizwe sponsored ten employees with ABET, with one learner completing economic and management sciences. Although ABET encompasses a formalised set of courses and training programmes leading to qualifications, it forms part of a broader and more widely encompassing sector of adult education. Five learners have successfully completed an ABET level.

Table 10: Bursaries and training cost

	2008	2009	2010
Training and workshops	R367 810	R113 544	R148 998
Directors' training	R31 800	R34 500	
Bursaries	R234 584	R463 936	R894 593
Total training	**R634 194**	**R611 980**	**R1 043 591**

Table 11: Total training hours

	2008	2009	2010
Number of training hours for permanent employees during the year	1 700	1 800	800

Sustainability management

Safety

Wesizwe's policy supports zero harm to all stakeholders, including but not limited to employees and communities. As the Group enters its mine construction phase, it continues to ensure that safety management systems are geared towards internationally recognised safety standards.

Wesizwe's objective is that safety values are not compromised, by providing a safe workplace for all employees and other interested parties through adopting and implementing a zero harm strategy.

Our key challenge is to understand the root cause of the near misses and actual incidents to improve and strive towards achieving target.

Wesizwe's executive and the technical committee of the board review performance and receive monthly monitoring reports on safety performance.

The Group is constantly identifying, managing and mitigating risk. A chief safety officer has been appointed, whose primary role is to monitor, manage and ensure compliance.

Table 12: Year on year safety statistics for Wesizwe employees and contractors.

Year	2004 – 2007	2008	2009	2010
Hours worked (progressive)	313 854	935 436	976 459	1 022 841
LTI	1	0	0	0
LTIFR (progressive)	3,19	1,07	1,02	0,98

Health

Wesizwe is committed to protecting the health of its employees and to promoting and maintaining the highest possible level of health amongst employees and the community where we operate, as we believe that this is essential to our success. The Group seeks to mitigate the physical, chemical, ergonomic, biological and psycho-social stresses through an effective health management system. Wesizwe is committed to create scientific, reliable information and databases on various hazards associated with the workplace as well as to manage our occupational health programmes.

The Wesizwe policy states that occupational and primary health care and medical services are to be made available to all employees. The healthcare delivery structure is supported by an offsite hospital and a highly skilled 24 hour emergency team. All permanent employees are covered by a partially company subsidised medical aid scheme.

Medical examinations are conducted for all new recruits, permanent or contract. Personnel records are kept accordingly.

Impact of HIV/AIDS on the workforce

Wesizwe continues to take a proactive approach to the epidemic, as the Group fully understands the economic impact of HIV/AIDS on the mining industry as a whole. The Group is currently reviewing its strategy in line with its preparation for mine construction. The strategic plan is being reviewed in a coordinated and comprehensive manner, ensuring that the relevant partnerships at the local, regional and national level are engaged and a collaborative approach is taken towards a common vision for the community and Wesizwe employees.

The Wesizwe HIV/AIDS policy continues to provide for:

- Strengthening all efforts to prevent the spread of HIV infection;
- Encouraging openness about the disease and endeavouring to reduce stigmatisation, discrimination and prejudice against workers who are infected and affected by HIV/AIDS; and
- Development and improvement of wellness programmes within mining communities.

Environment

The Group approach to environmental management is underpinned by the following principles:

- The inclusion of environmental management in business decisions;
- The continual search for alternatives that provide fewer environmental impacts;
- The use of precautionary principles;
- Accountability and responsibility towards environmental consequences;
- Consideration of the needs and values of interested and affected parties in decision making;
- Undertaking mine design with closure in mind; and
- Compliance with all relevant legal statutes applicable to Wesizwe's activities.

An environmental policy was drawn up and accepted by the board in 2008. Since then Wesizwe has broken ground and it is planned that the environmental policy will be updated to align to current affairs, but the fundamentals of the policy will remain unchanged.

During 2008 the EMP was translated into a CEMP, which was implemented as the first ground was broken in May 2010. During the earthworks phase, the environmental management plan has been adhered to through the following measures:

- The correct stripping and placement of topsoil and sub-soil off the two terraces;
- The implementation of a clean and dirty water system through the construction of upslope diversion berms and trenches;
- The construction of a pollution control dam;
- The correct storage and handling of both hazardous substances and hazardous waste; and
- The correct disposal documentation obtained for sewage and hazardous waste.

In August 2010 an audit was conducted against the CEMP, and the results indicated that the activities on site were 71% compliant with the relevant conditions contained in the CEMP.

The major non-compliances were related to the actual time frames of the construction phase, and not non-compliances on site. Going forward, the CEMP needs to be re-written to address deficiencies identified during the audit, and make it more pertinent to major construction activities on site.

Compliance in terms of environmental legislation

In the previous annual reports, it has been stated that the EIA's and EMP's were compiled in 2008, however, we can now report that both the EIA and EMP under both National Environmental Management Act (EIA Regulations, GNR 385, 386 and 387 of 21 April 2006) and MPRDA were approved in 2009, and the water use licence for the construction activities was approved in May 2010. We have a fully licensed project.

Monitoring programmes

As part of pre-compliance to the EMP, various monitoring programmes were commenced in 2009 and monitoring continued throughout 2010. The parameters being monitored include:

Dust fallout, PM10 (respirable dust), NO_2, SO_2, surface water and groundwater.

Monthly samples are taken for dust fallout, with field samples being taken for surface water and groundwater. Quarterly full surface water and groundwater samples are taken. Monthly reports are provided for dust fallout. Quarterly reports are provided for the full sample analysis of the surface water and groundwater environments.

In terms of compliance, Wesizwe has to adhere to the guidelines issued by the Department of Environmental Affairs in terms of the National Environmental Management: Air Quality Act, Act 39 of 2004 and the Department of Water Affairs for the National Water Act, Act 36 of 1998 (Department of Water Affairs, *Drinking water standards*, and *SANS 241: Drinking water quality*). The various limits and targets are indicated on the respective graphs.

Dust fallout

Dust fallout is measured using the dust bucket method. Sixteen (16) buckets were installed on poles in and around the project site in 2009. Due to the rural nature of the area, the dust buckets tend to disappear quickly, before sampling can take place and sampling has been haphazard. Ninety percent (90%) of the results obtained so far fall below the target value (300 mg/m^3/day), with only a few results falling below the residential limit of 600 mg/m^3/day. Two results were recorded above the residential limit in the winter of 2010.

PM10

A Minivol air sampler was placed at the Wesizwe offices in Ledig in April 2009. During the commencement of construction in 2010 the sampler was to be relocated to site, but a secure power source could not be located, so currently the sampler is in storage, to be introduced to site during the construction phase in 2011. Due to the location of the sampler in Ledig and an unsecured power supply, sampling was very haphazard, and as a result no graphs could be generated for the annual report.

NO_2 and SO_2

As part of the air quality monitoring programme, four samplers were placed around the site to measure nitrogen dioxide (NO_2) and sulphur dioxide (SO_2). The samplers are attached to the poles holding the dust buckets. Due to the rural nature of the area, the dust buckets, and in some cases the passive samplers, tend to disappear quickly, before sampling can take place and sampling has been haphazard. It can be reported that both NO_2 and SO_2 levels are well below the target value set in the guidelines.

Pollution control dam on Frischgewaagd-Ledig

Figure 4
Dust fallout at four sites (Kagiso, Ledig East, House 1492 and Bakgofa Primary School), since 2009

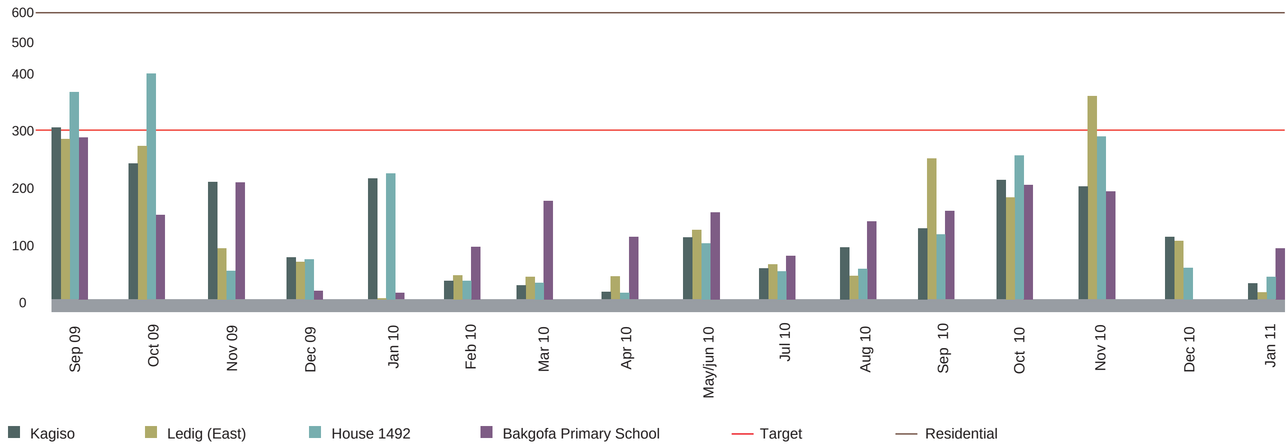


Figure 5
Dust fallout at four sites (Moses Kotane Hospital, Kayalethu High School, Tailings Dam and Tailings Dam North), since 2009

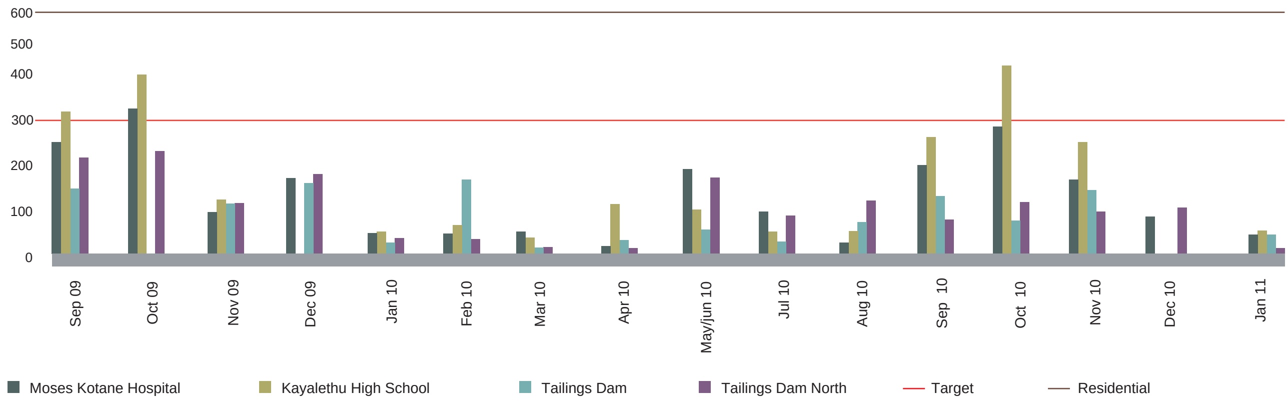


Figure 6
Dust fallout at four sites (Sun City, Opposite Sun City Sewerage, Explosives Magazine and Main Shaft), since 2009

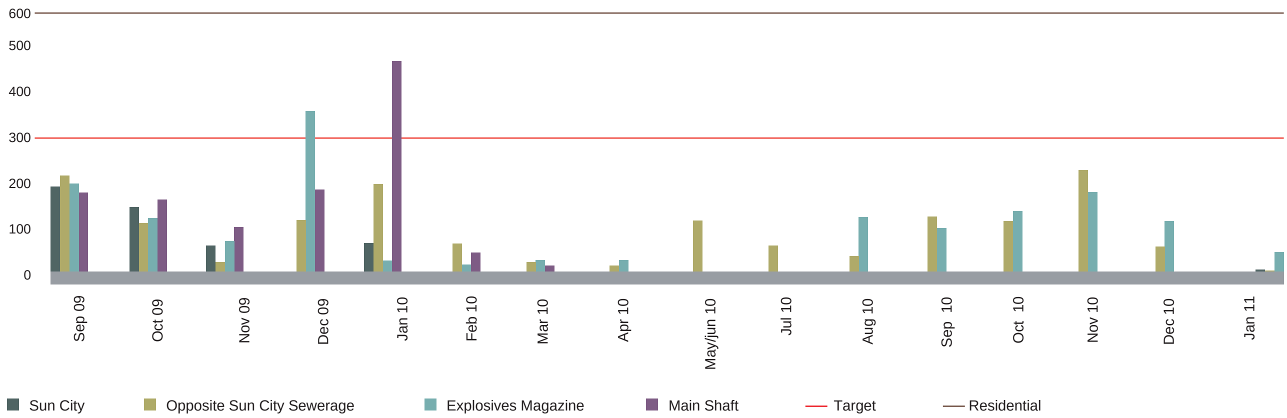


Figure 7

Dust fallout at four sites (Amtel, Tshaneng, Frischgewaagd and Lekwadi Section), since 2009

Surface water

Three sites are sampled around the project area. Sampling has taken place since 2009. All of the determinants have fallen below the *SANS 241: 2006 Drinking water quality standards,* indicating that there is no impact from our site. Where samples were not taken for SW3 during June 2010, this sampling site was dry.

Figure 8

Surface water sampling (electrical conductivity), since 2009

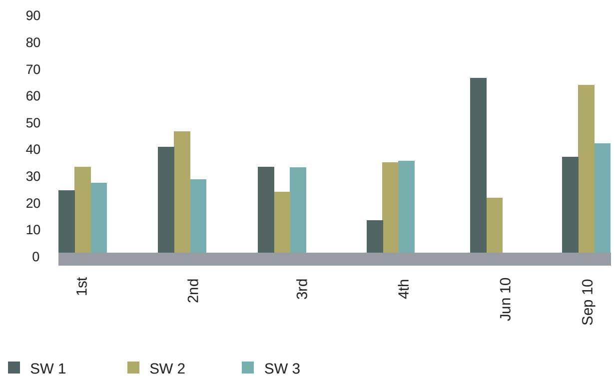


Figure 10

Surface water sampling (pH), since 2009

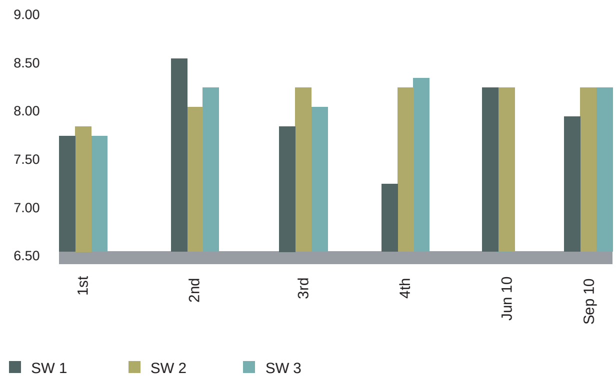
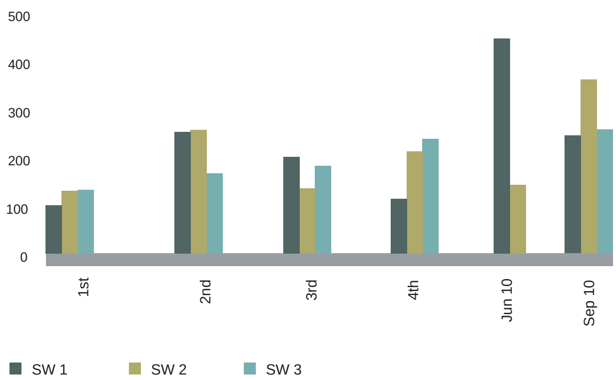


Figure 9

Surface water sampling (total dissolved solids), since 2009



Sustainability report continued

Groundwater

Sampling of the groundwater regime has taken place at 10 boreholes since 2009. Some of the boreholes monitor the shallow groundwater aquifer and some monitor the deeper groundwater aquifer. Where there are gaps in the data, the boreholes were either dry or blocked. All of the determinants have fallen below the *SANS 241: 2006 Drinking water quality standards,* indicating that there is no impact from the operations.

Figure 11
Groundwater sampling (electrical conductivity), since 2009

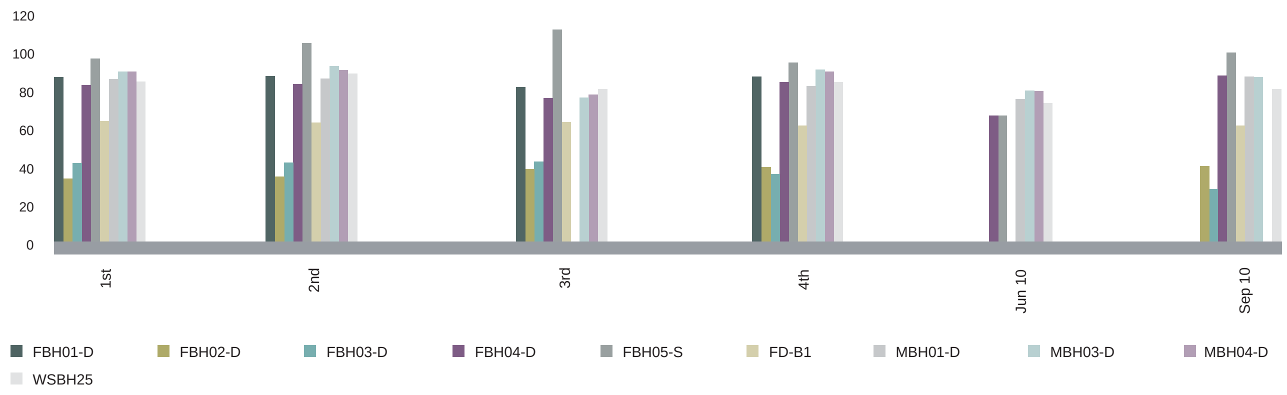


Figure 12
Groundwater sampling (total dissolved solids), since 2009

Figure 13
Ground water sampling (pH), since 2009

Community engagement

Wesizwe's commitment to engaging with the community where we operate is defined on the following principles:

- Respect for community governance and to always consult with the community prior to undertaking any significant operations that may have substantial impact on their interests and livelihoods;
- Identify the traditional and cultural heritage values potentially affected by our operations and develop strategies to address these concerns;
- Community engagement plans are in place and the effectiveness of communication, consultation and participation processes is regularly reviewed in collaboration with stakeholders;
- Positive contribution to local and labour sending community livelihoods are made with closure in mind, during and beyond the lifetime of our operations;
- Consideration is given to particular training needs of local community that facilitates employment and enhances skills, taking into account traditions and sensitivities; and
- Promoting active partnerships at all levels based on mutual commitment and trust.

Since 2008, the company's community development programmes have been defined by the SLP commitments. Wesizwe's key focus areas are infrastructure development, educational support and upliftment, job creation initiatives including commercial agriculture, health support, tourism development, housing development and local business development. These projects have been selected and developed in close collaboration with the local authority and government to ensure that we complement local integrated development plans.

Providing water

Wesizwe continues to fill 32 water tanks twice a day in the community because of the continued shortage of water in the community. Plans are in place and a record of decision has been granted to build a small reservoir to supply water to the community. This project is a collaborative effort between Wesizwe and the Moses Kotane local municipality. Discussions are still underway to secure full funding for the project.

Educational support and upliftment programme

Wesizwe conducted a school baseline assessment to identify the status quo as well as the needs of the learners, educators and management of all the primary and high schools in Ledig. Factors influencing the quality of learning and teaching for each school were identified and possible interventions recommended.

In 2010, Wesizwe engaged the NW Department of Education and a memorandum of understanding was signed detailing the partnership as well as initiatives to be collectively implemented. Currently a reading and writing programme is being implemented in the schools. This is a three-year programme focusing on reading and writing skills for the foundation phase in all Ledig primary and intermediate schools.

The NW Province Department of Education (Moses Kotane East Area Office) launched the Quality of Learning and Teaching Campaign, in which Wesizwe is a partner.

Foundation phase programme

This project is a whole school development programme rolled out in the Ledig schools in partnership with Read Trust, which is implemented in six primary schools in Ledig. The project will impact on 37 teachers and 1 408 learners in Grades R to 3.

A baseline assessment of foundation phase learners' language and reading skills was done at the end of 2010 in which twenty learners per grade were assessed. Three intervention schools and one control school within the same geographic area were randomly chosen to conduct the baseline assessment.

The baseline assessment benchmarked learners' literacy levels at the start of the intervention so that progress and impact of training can be tracked and the actual achievement of the objectives evaluated.

Baseline scores indicated that learners performed well when tested in their home language. Some learners are struggling with higher order skills such as writing and reading comprehension. Reading scores are on average poor.

Schools have received resources in the form of 20 big books for Shared Reading and Reading Aloud, 20 packs of six titles for Group Reading and Guided Reading as well as learner's workbooks and a Teacher's Guide. The books have been levelled per grade and the assessment tools have been based on this curriculum.

ABET programme

This programme continues from 2009 where 14 ABET learners were enrolled, three of those secured employment and four dropped out due to family commitments. Seven students sat for their examinations in December 2010 and are awaiting results. In preparation for 2011, 35 assessments were conducted for a new intake due to start in February next year.

Sustainability report continued

Community skills audit

As Wesizwe gears itself up towards the mine construction phase, there was a need to conduct a community skills audit in Ledig. With the rapid mobilisation of construction equipment and contractors, word quickly spreads that the “mine has arrived” and this resulted in rising expectations to secure benefits from the community.

Wesizwe has a significant role to play in local economic development, job creation and small business development within the community. As a means to involve local community members in determining the collective base of skills, competence and knowledge in the community, a skills audit was conducted.

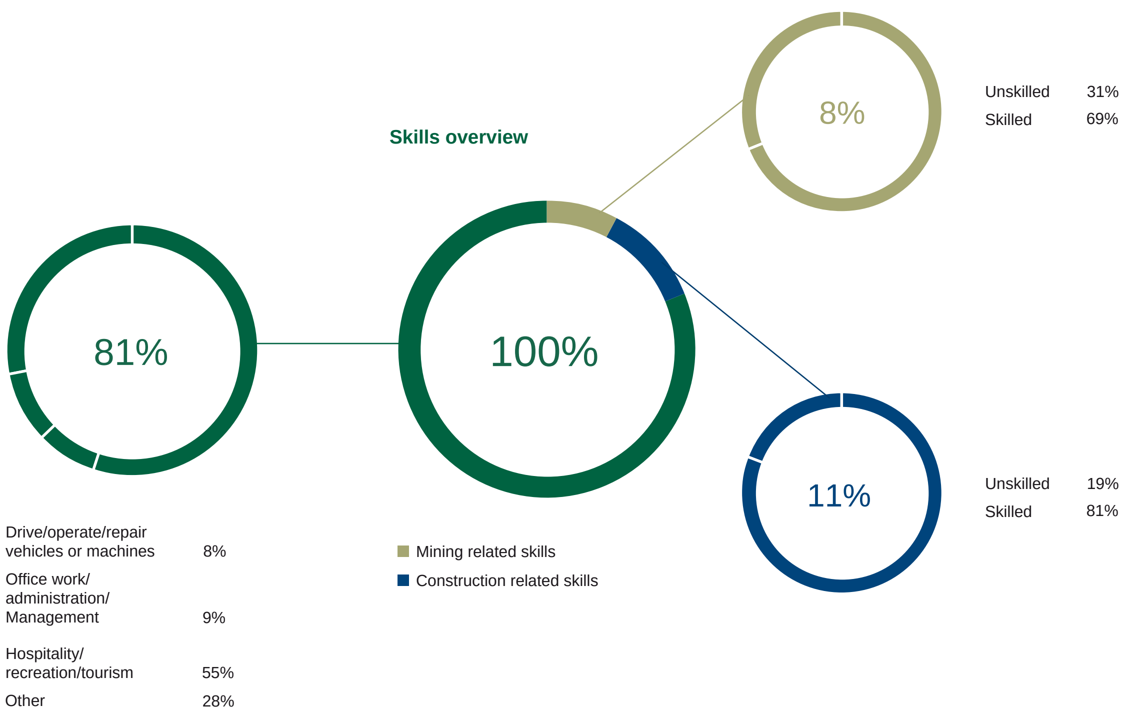
Purpose of the skills audit

- To establish quantitative descriptive statistics and analysis backed up by a database with personal (per individual) details;
- To render a snapshot of the level of skills, knowledge and competence of potential employees and suppliers in order to determine the gaps and to focus recruitment and development initiatives accordingly:
  - Assesses to what extent the Group can meet its employment goals with skills locally available;
  - Describes and quantifies the available current and future local labour base;
  - Defines recruitment needs to be dealt with outside the collective local skills base;
  - Provides for appropriate candidate selection in a cost effective way; and
  - Identifies the priority training and development needs to reach set targets for local employment.

Audit outcomes

A total number of 2 293 people were assessed in five weeks. The one-on-one skills assessment methodology was applied using mobile computing technology.

Figure 14: Results of the skills audit



Construction of pollution control dam

The results of the audit have already become invaluable as the mine project progresses. The recruitment of appropriate local skills, as well as implementing a skills development programme to address the scarcity of skills and the lack of capacity within the current potential labour force to meet the challenges posed by construction and production of the mine, is already underway.

The study is dynamic and will be updated monthly as and when new data is received.

Kgomotso Tshaka
Executive: Sustainability

Board of directors

1. Dawn Nonceba Merle Mokhobo (62)
BA (Social Science)
Independent non-executive director (chairman)

Dawn Mokhobo is the deputy executive chairman of Partnership Investments and is also a director of Engen Limited, Altron Limited and Sabvest Limited. She is a trustee of the Financial Services Board Foundation and chairman of African International Advisors. She is also deputy chairman of the Small Business Development Economic Agency and has vast private and public sector experience, both locally and internationally.

2. Arthur Buti Mashiatshidi (50)
MBA, BSc (Accounting and Finance)
Chief executive

Arthur Mashiatshidi is the former founder and chief executive of Decorum Capital Partners, a company that developed and successfully managed the New Africa Mining Fund. He holds an MBA from the University of Cape Town and graduated with a Bachelor of Science in Economics (majoring in Accounting and Finance) from the Wharton School of Business at the University of Pennsylvania, USA. Arthur holds a number of other business qualifications and has pursued the CFA (Chartered Financial Analyst) programme with the Association for Investment Management and Research up to level 2.

Arthur has an extensive mining background and was vice-president at Gold Fields Limited from where he developed the New Africa Mining Fund. He is a non-executive director at Total South Africa and Howden Africa Limited.

Arthur has also served on the United Nations Commission for Africa's Expert Panel on Mining.

3. Jacques Pierre de Wet (39)
BCom Hons (Accounting), CA(SA), MCom
Financial director

Jacques de Wet is a chartered accountant with more than 16 years' experience in the general finance, corporate finance and project finance areas in the mining industry. He started his mining career, at Gencor (later Billiton and BHP Billiton) in the mid 1990s as the manager responsible for internal audit and risk management, gaining extensive experience in the operational functioning of various mining and smelting activities, as well as marketing, trading and treasury activities.

As corporate finance manager at BHP Billiton, and later financial manager: Projects at Xstrata, he was specifically responsible for the development of projects from concept phase to bankable feasibility study and the funding of large international projects such as the Goedgevonden Coal Mine, the Mozal Aluminium Smelter and the Escondida Copper expansion project. He was also involved in the evaluation and implementation of M&A opportunities in a variety of mining projects.

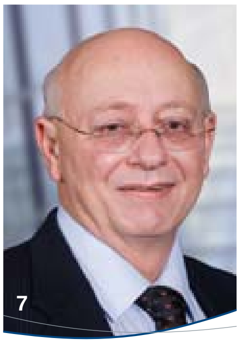
Jacques has experience in a range of commodity sectors including aluminium, coal, chrome, manganese, gold, uranium and platinum. He has served on a number of boards including Shaft Sinkers, Hernic Ferrochrome, Total Coal SA, Marula Platinum Mine and Eureka Gold Mine Zimbabwe.

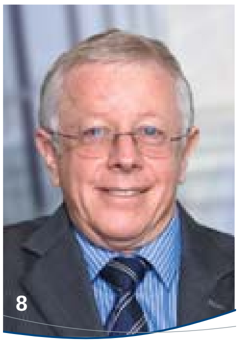
4. William Machiel Eksteen (62)
Registered Certificated Engineer, National Higher Diploma in Mining, Mine Manager's Certificate of Competency
Independent non-executive director

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

5. Peter Gordon Gaylard (68)
PrEng, BSc Eng (Chemical)
Independent non-executive director

Peter Gaylard has 34 years' experience in extractive metallurgy, mostly in the platinum industry. He has been senior consulting metallurgist for Impala Platinum, and also held other senior managerial and consultancy positions covering the full spectrum of the platinum extraction and refining process. He was an honorary research associate and adjunct professor in the Department of Chemical Engineering at the University of Cape Town for 12 years, until the end of 2010, and previously worked as a Research Director of AMIRA International.





6. Mlibo Gladly Mgudlwa (51)

BJuris, LLB, Postgraduate Diploma in Corporate Law
Executive director: corporate affairs

Mlibo Mgudlwa's experience includes corporate governance, contracting, litigation and general business management. He has practised as a senior state advocate for the High Court of Johannesburg and was admitted as an attorney in 2002. He holds an LLB degree from the University of Durban Westville and a Post-graduate Diploma in Corporate Law from Rand Afrikaans University (now University of Johannesburg). After 12 years in the legal field, Mlibo ventured into business, holding the position of CEO of Africa Wide Investment Holdings, and is a director of Sarong Investment Holdings, a company with interests in agriculture.

7. Robert Gordon Rainey (59)

BCom, CTA, CMA, CA(SA)
Independent non-executive director

Robert Rainey is the chief financial officer of a Canadian public company with energy related assets in a number of African countries. His experience in the mining and energy sectors spans over 20 years and covers a range of commodities including platinum, gold, chrome, diamonds, copper/cobalt, vanadium and tin mining. During his career, Robert has held the positions of chief financial officer and chief executive for several junior mining houses listed in Johannesburg, Canada, London and Australia, including Southern Era Resources Limited and listed companies within the JCI Group.

8. Michael Henry Solomon (58)

BSc Eng (Mining), Mine Managers' Certificate of Competency, Metalliferous, MDP Mining
Non-executive director

After graduating, Michael Solomon worked for Anglovaal Mining Limited. He subsequently joined Steffen Robertson & Kirsten as a senior mining engineer and then moved to the EL Bateman Group where he served as a senior mining engineer and later as principal mining engineer with Batepro/Van Eck & Lurie. He has served as principal mining engineer and mining director of The Minerals Corporation and in this capacity he served as an adviser to Royal Bafokeng Resources. He was also contracted to Anglo Platinum as programme director responsible for mineral and mining rights conversion. Michael is a fellow of both the South African Institute of Mining and Metallurgy and the Institute of Quarrying. Michael currently sits on the Global Agenda Group for Mining and Metallurgy of the World Economic Forum.

9. Barend Johannes van der Merwe (35)

CA(SA)
Non-executive director

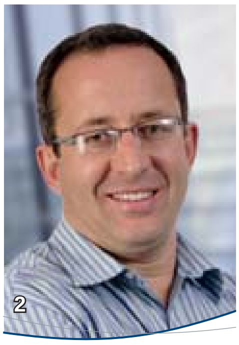
Barrie van der Merwe qualified as a Chartered Accountant in December 2000, having completed his articles with PricewaterhouseCoopers. He joined Anglo Platinum in April 2002 and occupied various senior financial management roles within the company and its majority shareholder, Anglo American. He is currently the head of finance and performance management at Anglo Platinum. Barrie is a director of various unlisted subsidiaries of the Anglo Platinum Group, including RPM.

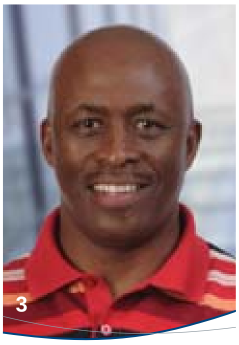
10. Julian Christopher Williams (36)

MCom, CA(SA)
Non-executive director

Julian Williams is the founder of Wesizwe. He is a partner in Basileus Capital, which is a private equity/development capital company, focused on finding, funding and developing business opportunities across various sectors. He also founded the Abante Group, which provides hedge fund management, private equity, corporate finance advisory, securities finance and treasury outsourcing services. Prior to forming the Abante Group, Julian ran a specialist securities lending business.

Executive committee





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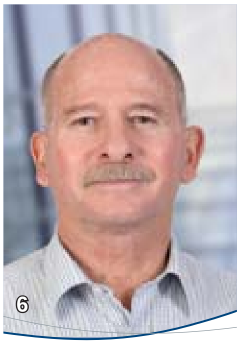
4. Kgomotso Tshaka (41)
BSocSci, MAP, GEDP
Executive: sustainability

Prior to joining Wesizwe, Kgomotso held the position of President of Lonmin Development Trust. She holds a Bachelor of Social Science degree from University of Cape Town and has completed various business qualifications such as Management Advancement Programme (Wits), Global Executive Development Programme (Gibs) and is currently studying for MBA (Gibs).

She has 16 years' work experience in management and executive roles, strategy development, communications and corporate social responsibility. Kgomotso has held management roles in various large organisations spanning from medical insurance to mining (diamonds and platinum). She has served on the boards of South African Women in Mining Association and Lonmin Development Trust.



5. Manie Blignaut (45)

BSc Hons (Geology), GDE (Mining Engineering), PrSciNat
General manager: operations

Manie has more than 20 years' experience in the resource industry. After graduating from the North West University, he spent 10 years with Gold Fields Limited attaining the position of chief geologist. Of these 10 years, he spent five years in the Gold Exploration division and five years working on the gold mines. During this period he investigated several existing gold occurrences and generated numerous new targets for prospecting. He was instrumental in the discovery of Wits-type gold outside the known Wits basin, after which he consulted for several years.

Manie was appointed as exploration manager at Wesizwe in November 2006. He successfully accelerated and concluded the exploration programme for Wesizwe on the Frischgewaagd-Ledig project to facilitate the early completion of the BFS. He was subsequently appointed as the general manager: operations at Wesizwe in April 2010. He has since been involved with the construction of the Frischgewaagd-Ledig Mine.

6. Eddy de Beer (64)

Pr Eng, PMP
Owner's team project manager

Eddy has over 30 years experience in projects in civil engineering and project management in the fields of mining, metallurgical, chemical, petrochemical, material handling, sewage treatment, water treatment, commercial, industrial, housing, township development, building construction and infrastructure development, and feasibility studies in South Africa, Southern Africa and abroad.

Most recent experience has been as project manager for the Wesizwe, the prefeasibility study for the Omitiomire Copper project in Namibia and as area manager infrastructure for the KOL Copper/Cobalt project in the DRC, the Moma Mineral Sands project in Mozambique and the Skorpion Zinc project in Namibia.

7. Sirkien van Schalkwyk (33)

BLC, LLB
Company secretary

Sirkien completed her BLC in 1998 and entered the company secretarial market whereafter she completed her LLB part time while doing assistant company secretarial work at a listed company. She worked briefly at Ernst & Young, mainly attending to statutory audits before she entered the financial markets in compliance. Sirkien started her own company secretarial business in 2005 and was the founder and director of iThemba Governance & Statutory Solutions (Pty) Limited in 2008 where she mainly attended to the day to day running of the company, including overseeing the statutory department and meeting management. With more than 50 clients, of which 10 are listed on the Johannesburg Stock Exchange, many structures, internal control and governance procedures were implemented. Due to personal reasons she exited from iThemba and focuses on a small, yet highly profiled client base.

Corporate governance report

Wesizwe strives to maintain and enhance governance standards through constant review of current and emerging trends. The release of King III Report reflects South Africa's commitment to world-class principles and guidelines on corporate governance. King III has therefore become the keystone of corporate governance principles and the company secretary's focus remains on ensuring that the board and Group adhere to the highest corporate governance procedures and that directors act in line with their governance and fiduciary responsibilities.

During the year, in light of the principle of "apply or explain" of King III, it has been necessary for the Group to reassess the status of its corporate governance framework and processes against King III to ensure compliance during 2011 when it is obligatory. To assist with this process, a corporate governance audit was conducted making use of the Institute of Directors' Governance Assessment Instrument (GAI) and the results were verified by the internal auditors. All material requirements are complied with.

Board of directors

The board is based on a unitary structure and exercises full and effective control over the Group. It comprises three executive directors and seven non-executive directors of which four non-executive directors are independent. The responsibility of all directors is clearly divided to ensure a balance of power and authority to prevent unfettered powers of decision-making.

The board is:

- Guided by the letter and spirit of the values expressed in King III and the JSE Listings Requirements;
- Responsible for actively reviewing and enhancing the Group's system of control and governance on a continuous basis to ensure that the Group is managed ethically and within prudently determined risk parameters;
- Committed to sustainable value creation for all identified stakeholders; and
- Responsible for the integrity of the integrated reporting and for overseeing all sustainability issues.

The composition of the board is reviewed on a regular basis and appointments to the board are considered by the board as a whole. This involves evaluating the existing balance of skills and experience and a continuous process of assessing the needs of the Group.

The board is subject to an annual evaluation with the aim of assessing its effectiveness in fulfilling its duties and responsibilities, continuously improving the manner in which the Group is governed. The board conducted a self-evaluation in the reporting period; however will conduct a formal independent evaluation during 2011.

The board is responsible for monitoring and reporting on the effectiveness of the company's system of internal control. It is assisted by five board committees in the discharge of this responsibility.

The non-executive directors derive no benefit from the Group other than their fees and their emoluments are proposed by the board through the remuneration and nomination committee and approved by shareholders at the company's AGM.

A profile of each director is included on pages 34 and 35 and the remuneration report affairs on pages 16 and 17.

The chairman

The chairman's role is to set the ethical tone for the board and to ensure that the board remains efficient, focused and operates as a unit. Dawn Mokhobo is an independent non-executive chairman and her role is separate from that of the CEO.

Dawn Mokhobo provides overall leadership to the board without limiting the principle of collective responsibility for board decisions. She is not chairman of any other board committees. The chairman is a member of the audit and risk committee as well as the remuneration and nomination committee. Although the board evaluates the chairman annually, election of the chairman does not take place annually, but only when required.

Dawn Mokhobo's abridged *curriculum vitae* can be found on page 34.

Non-executive directors

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

The non-executive directors are Dawn Mokhobo, Mike Eksteen, Peter Gaylard, Rob Rainey, Michael Solomon, Barrie van der Merwe and Julian Williams. During the period under review Humphrey Mathe, Clive Knobbs, Ezekiel Monnakgotla, Kgomotso Moroka, Mike Rogers and Goleele Mosinyi resigned as non-executive directors while Barrie van der Merwe was appointed as representative of the major shareholder, RPM, in place of Mike Rogers.

Chief executive

In defining its own levels of authority and reserving specific powers to itself, the board had delegated other matters to management via the executive committee. The board approved a charter for the executive committee defining its powers. The collective responsibility of management vests with the CEO, Arthur Mashiatshidi. He is responsible for formulating and recommending strategies and policies to the board and plays a critical role in the operations and success of the company's business. The CEO is accountable to the board and consistently strives to achieve the Group's goals within the authority framework. He provides regular reports during the board meetings and at other times when required.

During the period under review, Michael Solomon decided not to renew his contract for a further term and Arthur Mashiatshidi, the then current FD, was appointed as CEO. The CFO, Jacques de Wet, assumed the role of FD. Michael Solomon has committed to continue to serve the company in a non-executive director capacity.

Company secretary

The company secretary plays a vital role in the corporate governance of the Group and is responsible for ensuring board compliance with procedures and regulations of a statutory nature. The company secretary ensures compliance with the listing requirements and is responsible for the submission of the annual compliance certificate to the JSE Limited.

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

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

During the year under review Routledge Modise Inc, practising as Eversheds, gave notice that it will be closing its corporate governance department and as a result resigned as company secretary. Sirkien van Schalkwyk was appointed as company secretary effective 1 November 2010.

Filing system at the regional office

Board meeting attendance

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

Director	11 Jan 2010	12 Mar 2010	19 Mar 2010	14 May 2010	13 Jul 2010	6 Aug 2010	17 Sept 2010	12 Oct 2010	23 Nov 2010	10 Dec 2010
Jacques de Wet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
Mike Eksteen	✓	✓	X	✓	✓	✓	✓	✓	✓	✓
Peter Gaylard	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Arthur Mashiatshidi	n/a	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mlibo Mgudlwa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dawn Mokhobo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ezekiel Monnakgotla	X	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kgomotso Moroka	✓	X	X	X	n/a	n/a	n/a	n/a	n/a	n/a
Goleele Mosinyi	✓	✓	✓	✓	✓	X	✓	n/a	n/a	n/a
Rob Rainey	✓	✓	✓	✓	X	✓	X	✓	✓	✓
Mike Rogers	n/a	n/a	n/a	X	✓	✓	n/a	n/a	n/a	n/a
Michael Solomon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Barrie van der Merwe	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	✓	✓
Julian Williams	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ – *attended* X – *did not attend* n/a – *not yet appointed or has resigned*

Board committees

While the board remains accountable and responsible for the performance and affairs of the company, it delegate certain functions to management and board committees to assist it in properly discharging its duties. The chairman of each board committee reports at each scheduled meeting of the board and minutes of board committee meetings are provided to the board. Each board committee functions in accordance with the provisions of the committee mandate as approved by the board. The board has five standing committees with their chairmen at year end, being:

- Executive committee (Arthur Mashiatshidi);
- Audit and risk committee (Barrie van der Merwe);
- Remuneration and nomination committee (Peter Gaylard);
- Finance and investment committee (Julian Williams); and
- Technical committee (Peter Gaylard).

The oversight committee was established to support the chairman in the execution of her board oversight function. Due to the strengthening of the executive management and the implementation of an authority framework, this function is no longer necessary and therefore the committee will be discontinued.

Both the directors and the members of the board committees are supplied with full and timely information that enables them to properly discharge their responsibilities. All directors have unrestricted access to all group information.

The chairman of each board committee is expected to attend annual general meetings to answer questions raised by shareholders.

Executive committee

The committee is chaired by the CEO (Arthur Mashiatshidi) and comprises the FD (Jacques de Wet), Executive: corporate affairs (Mlibo Mgudlwa), Executive: sustainability (Kgomotso Tshaka), Executive: human resources (vacant), Projects director (vacant), General manager: operations (Manie Blignaut) and the company secretary (Sirkien van Schalkwyk).

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

The committee has the following responsibilities:

- Retain full and effective control of the company and provide effective leadership on an ethical foundation;
- Ensure that the company is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the company, but also the impact that business operations have on the environment and the society within which it operates;
- Ensure that the company's performance includes that of an economic, social and environmental perspective;
- Implement the strategy of the company, both short- and long-term, which is clear, measurable, profitable and sustainable;
- Create value through social, economic and environmental performance without compromising on the natural environment;

- Set the values to which the company will adhere as formulated in its code of conduct;
- Establish a framework for the delegation of authority;
- Ensure that the company's ethics are managed effectively and that the company's integrity is applied in the integrated report;
- Appreciate that strategy, risk, performance and sustainability are inseparable;
- Be responsible for the governance of risk;
- Be responsible for IT governance;
- Ensure that the company complies with relevant laws, regulations and codes of business practice;
- Ensure that the company communicates with shareholders and relevant stakeholders openly and promptly;
- Regularly review processes and procedures to ensure effectiveness of internal systems of control which is an effective risk-based audit procedure;
- Appreciate that stakeholder perceptions affect the company's reputation; and
- Advise the board to commence business rescue proceedings as soon as the company is financially distressed.

As a result of intensified intervention at a senior level with the DMR and the community, it was necessary to separate the roles of corporate affairs and sustainability.

Refer to the corporate affairs and sustainability report on pages 16 and 18 respectively.

Audit and risk committee

The audit and risk committee fulfils a vital integrated role in terms of ensuring the integrity of the Group's integrating reporting and ensures transparency and integrity of the Group's financial and risk reporting through, *inter alia*, reviewing the draft financial statements with management and external auditors prior to publication. Management of risk remains an integral component of the Group's strategic and business processes. Due to the size of the current businesses, it was a board decision to combine the audit committee and risk committee into one to ensure that all the regulatory requirements are being met. The agenda is divided into two sections to enable fulfilment of both audit and risk management responsibilities.

The members of the audit and risk committee at year-end are Barrie van der Merwe (chairman), Dawn Mokhobo, Rob Rainey and Julian Williams, all of whom are non-executive directors, acting independently. During the period under review, Goleele Mosinyi resigned as director and chairman of the committee and Barrie van der Merwe was appointed as interim chairman until such time as a new independent non-executive director could be appointed. The composition of both the committees meets the requirements of the Corporate Laws Amendment Act of 2006 and King III.

A report from the chairman of the audit and risk committee can be found on pages 48 and 49 of the annual report.

The committee has its own charter which was approved by the board and this guides the members of the committee to understand and discharge their duties and enables them to add value in discharging these duties. The committee has adopted combined assurance processes that aim to optimise and balance reports it receives from management, external and internal auditors as well as to maintain the risk register on a regular basis. The committee constantly considers legal, regulatory, risk, ethical, sustainability issues and information technology and has standard agenda items on each of these responsibility areas.

The committee's charter is reviewed annually and was amended to meet regulatory requirements. In order to meet the new areas of responsibilities in terms of King III, the charter now also includes responsibilities in areas such as integrated reporting and information technology. A committee work plan was adopted to ensure that the committee deals with all its duties on an annual basis and at appropriate times.

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

- Overseeing shareholder reporting – financial reporting, including considering, approving and recommending the annual financial statements for approval by the board;
- Monitoring the Group's systems of control;
- Recommending the external auditors' appointment and agreeing their audit fees;
- Reviewing the scope of work of external auditors and approving non-audit work to be carried out by the auditors;
- Holding meetings with the external auditors;
- Appointing the internal auditors;
- Reviewing the internal auditors (their capacities, resources, scope of work and findings);
- Reviewing the resources and adequacy of the finance function, including the appropriateness, expertise and experience of the finance director;
- Overseeing sustainability issues and/or reporting;
- Overseeing the integrity of the integrated report;
- Overseeing risk management processes, including IT, fraud and corruption and compliance;
- Reviewing any statements on ethical standards or requirements for the company and the procedures or review system implemented to promote and enforce compliance;
- Reviewing the Group's business risks and ensuring compliance with numerous statutory laws and regulations; and
- Evaluating whether management is setting appropriate controls by communicating the importance of risk management and ensuring that all employees have an understanding of their roles and responsibilities.

During the period under review, the committee established an IT steering committee which consists of the FD as CIO and chairman, representatives from head office and the site office as well as the company secretary and IT service provider. A charter for this sub-committee was recommended by the audit and risk committee and approved by the board to assist the committee in discharging its IT responsibilities. The CIO presents a comprehensive report on all information technology as well as related risks at each committee meeting.

The CEO, FD and senior audit partner of both the external and internal auditors attend meetings of the committee by invitation, but have no voting rights. BDO SA Advisory Services (Pty) Limited was appointed as internal auditors during the period under review. The auditors have unrestricted access to the chairman of the committee as well as the chairman of the board.

A quorum for a meeting is three members present for the duration of the meeting and the chairman of the committee reports to the board on the activities and recommendations made by the committee. The following meetings were held during the financial year:

Member	19 Mar 2010	13 May 2010	15 July 2010	16 Sept 2010	23 Nov 2010
Dawn Mokhobo	✓	X	✓	✓	✓
Goleele Mosinyi	✓	✓	✓	✓	n/a
Rob Rainey	✓	✓	✓	✓	✓
Barrie van der Merwe	n/a	n/a	n/a	✓	✓
Julian Williams	✓	X	✓	X	✓

✓ *– attended* X *– did not attend*
n/a *– not yet appointed or has resigned*

During the year, the committee also reviewed and assessed the external auditor's effectiveness and is satisfied with the objectivity and independence of services rendered. The committee also satisfied itself with Jacques de Wet's work experience, performance and technical skills within the mining industry in fulfilling his role as finance director.

During the reporting period, the committee adopted a formal risk management plan in compliance with the risk governance principles under King III. The first step to this plan was to conduct a facilitated strategic and operational risk assessment workshop. The main objective of this workshop was to identify, assess and mitigate the current strategic and operational risks that Wesizwe faces in the developmental portion of the mining lifecycle.

The main deliverable of the workshop was a strategic and operational risk register which, through the risk identification and assessment process, provided management with action plans to further mitigate risks outside of Wesizwe's risk appetite and tolerance. This risk register also acted as a basis on which independent assurance activities were developed.

The risk identification and assessment process included the following steps:
- Identifying the strategic and operational objectives of the company;
- Identifying the strategic and operational inherent risks;
- Rating the strategic and operational inherent risks based on likelihood and impact;
- Identifying the current mitigating control measures in place to manage the inherent risks;
- Assessing the effectiveness of the mitigating controls; and
- Agreeing further mitigation measures for residual risk outside of the organisation's appetite and tolerance.

The most notable inherent risks, intrinsic to the nature and environment of the company, identified by the risk workshop included the following:
- Capital raising risk: the inability of the company to raise all the capital required to construct the mine;
- Permits and licensing risk: the inability of the company to obtain or retain all the licences and permits required to mine and operate the mine successfully;
- Bulk infrastructure risk: the risk of interruptions and access to bulk infrastructure such as power and water during the construction and mining phase; and
- Product substitution risk: the risk that car manufacturers will substitute other metals for platinum in catalytic converters.

The most notable residual risks requiring special additional management attention included the following:
- Skills retention risk: the risk of a loss of key skills or an inability to develop the required skills, in respect of both operating the mine and head office management;
- Social and community risk: the risk that the mine development activities fail to positively impact the local community, potentially resulting in undesirable consequences that ultimately interfere with mining operations; the risk that an increased prevalence of HIV/AIDS among workers has an undesirable effect on productivity together with other intangible social costs;
- Health and safety risk: the risk of failing to comply with South African legislation governing safety in mining operations or the risk of stoppages of construction and mining operations due to unsafe work practices; and
- Commodity and foreign exchange risk: the risk that fluctuations in foreign exchange rates and commodity prices will result in reduced profit margins, thereby having a detrimental effect on the company's financial stability.

Remuneration and nomination committee

During the period under review, Mlibo Mgudlwa assumed an executive position and has subsequently relinquished his position on the committee and chairmanship. Peter Gaylard was appointed as chairman in his independent non-executive capacity.

The committee as at year-end comprises Peter Gaylard (chairman), Dawn Mokhobo and Rob Rainey. The CEO and the executive: human resources attend by invitation. The CEO is excused from all discussions relating to the CEO's remuneration package.

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

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

During the period under review, a new reward strategy was approved and is yet to be implemented as the human resources executive did not renew her contract and the company is currently in the process of appointing a new human resources executive.

A policy detailing the procedures for appointments to the board has been adopted by the committee and approved by the board. Criteria for nominee directors include *inter alia* a reputation for integrity, honesty and service of adherence to high ethical standards. Directors should further demonstrate business acumen, financial literacy, experience and the ability to exercise sound judgement in matters that relate to the current and long-term objectives of the company and industry.

The committee held the following meetings during the financial year under review:

Member	17 Feb 2010	3 Mar 2010	2 Jul 2010	18 Aug 2010	23 Nov 2010
Peter Gaylard	✓	✓	✓	✓	✓
Mlibo Mgudlwa	✓	✓	n/a	n/a	n/a
Dawn Mokhobo	✓	✓	✓	✓	✓
Kgomotso Moroka	✓	X	n/a	n/a	n/a
Rob Rainey	✓	✓	✓	✓	✓

✓ – *attended* X – *did not attend*
n/a – *not yet appointed or has resigned*

Finance and investment committee

The committee's primary objective is to review proposals to evaluate different methods of capital raising, joint ventures, mergers, corporate acquisitions/disinvestments, acquisitions and disposal of assets against certain criteria and make recommendations to the board. This is necessary for the creation of long-term value for stakeholders.

The committee as at year-end comprises Julian Williams (chairman), Mike Eksteen, Michael Solomon and Arthur Mashiatshidi. The FD attends by invitation. The committee meets at least once per annum and is primarily responsible for assisting the board in carrying out the following duties:

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

The committee meets at least once a year and the following meetings were held during the financial year:

Member	15 Feb 2010	13 May 2010	8 July 2010
Mike Eksteen	✓	✓	✓
Peter Gaylard	n/a	✓	✓
Arthur Mashiatshidi	n/a	✓	X
Kgomotso Moroka	✓	X	n/a
Goleele Mosinyi	✓	✓	✓
Michael Solomon	✓	✓	✓
Julian Williams	✓	X	✓

✓ – *attended* X – *did not attend*
n/a – *not yet appointed or has resigned*

Technical committee

The committee's primary objective is to create long-term value for stakeholders by assisting the board in the adoption of sound principles in the management of safety, health, environmental, community responsibilities and technical matters beyond the statutory requirements.

The committee as at year-end comprises Peter Gaylard (chairman), Mike Eksteen, Mlibo Mgudlwa, Michael Solomon and Arthur Mashiatshidi. The FD and general manager: operations attend by invitation.

Corporate governance report continued

The committee meets at least twice a year and is primarily responsible for the following duties:

- Evaluating technical and mining strategies for the effective development of the company's projects;
- Appointing, retaining or terminating the services of consultants to meet the charter's objectives;
- Pre-approving all services provided to the company in areas of its defined objectives, including the fees;
- Assisting the board on the technical aspects of the budget;
- Overseeing all statutory and regulatory matters in terms of the committee's obligations;
- Assisting the board in discharging its responsibilities in terms of the management of operational risk.
- Developing, approving and overseeing BEE based employment plans and similarly those for procurement of goods and services as provided for in the mining charter;
- Overseeing the appointments by the requisite company authority of suitably qualified persons to statutory positions falling within those areas prescribed by the committee charter; and
- Briefing the board on material local and international developments in engineering, environmental and health, geology, metallurgy, mining and related fields.

The following meetings were held during the financial year:

Member	11 Jan 2010	17 Feb 2010	7 Jul 2010
Mike Eksteen	✓	✓	✓
Peter Gaylard	✓	✓	✓
Mlibo Mgudlwa	✓	✓	✓
Michael Solomon	✓	✓	✓

✓ *– attended* X *– did not attend*

n/a *– not yet appointed or has resigned*

Board procedures

A board charter has been put in place and outlines the responsibilities of the board as a whole as follows:

- Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the company along sound corporate governance principles;
- Retain full and effective control of the company;
- Elect a chairman of the board that is an independent non-executive director;
- Give strategic direction to the company, both long- and short-term;
- Monitor management in implementing plans and strategies as approved by the board;
- Create value through social, economic and environmental performance;
- Appoint and evaluate the performance of the CEO;
- Ensure that succession is planned;
- Identify and regularly monitor key risk areas and key performance indicators of the business;
- Ensure that the company complies with relevant laws, regulations and codes of business practice;
- Ensure that the company communicates with shareowners and relevant stakeholders openly and promptly;
- Identify and monitor relevant non-financial matters;
- Establish a formal and transparent procedure for appointment to the board, as well as a formal orientation programme for incoming directors;
- Regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management;
- Assess the performance of the board, its committees and its individual members on a regular basis;
- Ensure that the company is and is seen to be a responsible corporate citizen by having regard not only to the financial aspects of the business of the company but also to the impact that business operations have on the environment and the society within which it operates;
- Ensure that the company's performance includes that of an economic, social and environmental perspective;
- Ensure that the company's ethics are managed effectively;
- Ensure that the company has an effective and independent audit committee;
- Be responsible for IT governance;
- Appreciate that stakeholder perceptions affect the company's reputation;
- Ensure the integrity of the company's integrated report;
- Monitor company's compliance with the above and ensure that this is a regular item on the board agenda; and
- Act in the best interest of the company by ensuring that individual directors:
  - adhere to legal standards of conduct;
  - exercise the degree of care, skill and diligence that would be exercised by a reasonable individual;
  - in terms of their fiduciary duty act in good faith and in the manner that the directors believe is in best interest of the company;
  - are permitted to take independent advice in connection with their duties following an agreed procedure;
  - disclose real or perceived conflicts of interests to the board and deal with them accordingly;
  - deal in securities only in accordance with the policy adopted by the board; and
  - commence business rescue proceedings as soon as the company is financially distressed.

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

Directors' dealings in shares

The board has an approved policy for trading in shares in terms of which dealing in the Group's shares by directors and employees is prohibited during closed periods.

Borehole core samples from the Frischgewaagd-Ledig site

Directors of the company and its subsidiaries may not deal in the company's shares without first advising and obtaining clearance from the chairman and the FD. The CEO and FD may not deal in the company's shares without first advising and obtaining clearance from the chairman. No director or executive may trade in Wesizwe shares during closed periods as defined in the JSE Listings Requirements. The directors of the company keep the company secretary advised of all their dealings in securities.

Code of conduct and ethics

The Group is committed to the highest ethical standards of business conduct and to complying fully with all applicable laws and regulations. The directors, employees, employees of outsourced functions as well as suppliers to Wesizwe are all expected to comply with the principles and act in terms of the code of conduct. The directors believe that the ethical standards of the Group, as stipulated in the code of conduct, are monitored and are being met. Where there is non-compliance with the code of conduct, the appropriate discipline is enforced with consistency as the Group responds to offences and prevents recurrences.

The board has developed a code of ethics that underlines the board's commitment to the highest level of ethical standards. This is an important principle of the business which requires a top-down approach and where examples set by the board and individual directors are crucial to the buy-in of everyone involved in the affairs of the company. It confirms the board's approach of intolerance, not only to fraud and dishonest behaviour, but also to criminal behaviour in general. Strong action is taken against any employee found guilty of offences of this nature.

The Group does not engage in or accept any illegal acts in the conduct of its business. The company's policy is to actively pursue and prosecute the perpetrators of fraudulent or other illegal activities, should they become aware of any such acts.

Looking forward

For the coming year, effort will be made to address areas of non-compliance identified in the King III gap analysis, with the primary aim of fully complying with King III in the obligatory time frame.

Sirkien van Schalkwyk
Company secretary

Remuneration report

The company recognises that the Wesizwe reward strategy will have a direct impact on operational expenditure, company culture, employee behaviour and ultimately, the correct alignment of the company's ongoing strategic sustainability. The objective of the strategy is to enable the business to:

- Recruit high performing skills from a shrinking pool of talent;
- Retain competent employees who enhance business performance;
- Provide a template for remunerating permanent employees annually and in the longer term as well as fixed term assignees, of both short- and longer-term duration and both full time and part time;
- Reinforce, encourage and promote superior performance;
- Direct employees' energies and activities towards key business goals;
- Achieve most effective returns (employee productivity) for total employee spend; and
- Address diverse employee needs across differing cultures.

To achieve this, the company will reward its employees and assignees in a way that reflects the dynamics of the market and the context in which it operates. All components of the reward strategy, including fixed pay, performance management and learning and development, should be aligned to the strategic direction and business specific value drivers of Wesizwe. The strategy will be implemented during 2011.

The principles that reflect and drive Wesizwe's reward strategy are as follows:

- Competitive pay levels: Wesizwe is committed to pay packages that are competitive in the mining and resources sector and, where appropriate, in the general market;
- Pay for performance: remuneration practices will reward high performing employees for the contribution they make to the organisation;
- Internal equity: remuneration differentiation between employees will be based on criteria that are fair and objective;
- Cost management: Wesizwe will manage the total cost of employment for all employees;
- Holistic approach: Wesizwe chooses to adopt an integrated approach to reward strategy, encompassing a balanced design and pay mix that includes all of the following components:
  - Guaranteed pay;
  - Performance management;
  - Annual incentive pay rewarding both business performance and individual/team performance;
  - Share based incentives for key executives, managers and talent; and
  - Non-financial reward and recognition;
- Regular revision: Wesizwe recognises that, in its current strategic environment, both this reward strategy and each of its components are dynamic and should be revisited regularly to ensure that the company keeps pace with market practices, and its own evolving organisational context objectives; and
- Communication: Wesizwe is committed to ensuring that all employees are aware of the organisation's reward strategy.

Due to the current and historical status of the company, most executive members are currently on a twelve month fixed term contract with a month's notice period. This is likely to change as the company normalises its operational practices.

The company did not amend its current share incentive schemes in line with Schedule 14 of the JSE Listings Requirements, due to the fact that a new scheme will be developed and tabled for approval by shareholders in due course. Under the current scheme, the last of the following awards will vest and be paid out during 2011:

	Maximum LTIP Awards
Michael Solomon	193 984
Manie Blignaut	114 098
Kgomotso Tshaka	69 805
Pieter du Plessis	6 841
Naseema Ebrahim	4 829

The non-executive directors' fees remained unchanged from 2010.

Category	Current remuneration
Chairman	R20 000 monthly retainer
	R20 000 per meeting attended
Board member	R7 000 monthly retainer
	R9 000 per meeting attended
Audit and risk committee	
Chairman	R10 000 per meeting attended
Member	R7 500 per meeting attended
Remuneration and nomination committee	
Chairman	R10 000 per meeting attended
Member	R7 500 per meeting attended
Finance and investment committee	
Chairman	R10 000 per meeting attended
Member	R7 500 per meeting attended
Technical committee	
Chairman	R10 000 per meeting attended
Member	R7 500 per meeting attended

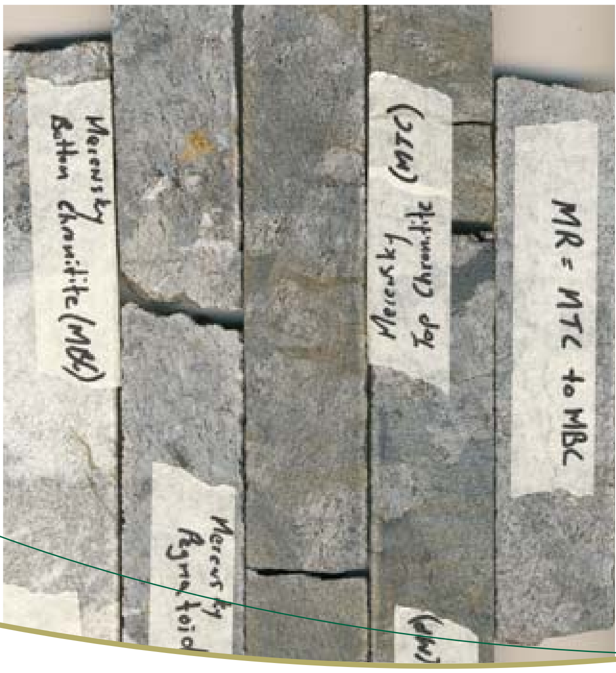
King III requires the disclosure (principle 2.26) of remuneration of each individual director and certain senior executives. The Group complies with this requirement and has included remuneration of the three most senior executive management.

	Directors' fees R'000	Atten-dance fees R'000	Consulting fees R'000	Salaries R'000	Benefits R'000	Bonuses R'000	Total 2010 R'000	Total 2009 R'000
Executive management								
Michael Solomon	–	–	–	3 311	324	–	**3 635**	14 668
Arthur Mashiatshidi	–	–	–	1 983	–	344	**2 327**	–
Jacques de Wet	–	–	–	1 533	–	274	**1 807**	–
Mlibo Mgudlwa	–	–	–	1 502	–	303	**1 805**	–
Nyasha Tengawarima	–	–	–	–	–	–	**–**	1 355
Sub-total	**–**	**–**	**–**	**8 329**	**324**	**921**	**9 574**	**16 043**
Non-executive directors								
Iraj Abedian	–	–	–	–	–	–	**–**	336
Mike Eksteen	87	109	–	–	–	500*	**696**	265
Peter Gaylard	87	150	164	–	–	–	**401**	280
Clive Knobbs	2	–	–	–	–	–	**2**	41
Humphrey Mathe	2	–	–	–	–	–	**2**	32
Mlibo Mgudlwa**	21	64	254	–	–	–	**339**	588
Dawn Mokhobo	250	157	577	–	–	–	**984**	84
Ezekiel Monnakgotla	12	–	–	–	–	–	**12**	120
Kgomotso Moroka	31	24	–	–	–	–	**55**	–
Goleele Mosinyi	63	109	–	–	–	–	**172**	41
Disele Phologane	–	–	–	–	–	–	**–**	465
Rob Rainey	87	127	–	–	–	–	**214**	367
Mike Rogers	–	–	–	–	–	–	**–**	–
Michael Solomon	21	–	648	–	–	–	**669**	–
Barrie van der Merwe	–	52	–	–	–	–	**52**	–
Julian Williams	84	124	39	–	–	–	**247**	244
Sub-total	**747**	**916**	**1 682**	**–**	**–**	**500**	**3 845**	**2 863**
Total	**747**	**916**	**1 682**	**8 329**	**324**	**1 421**	**13 419**	**18 906**

**During 2009 Mike Eksteen was awarded a bonus of R1 million for his input into the exploration of the company for the period 2004-2007. Half of this amount was paid during 2009 and the balance was paid in the reporting period.*

***Mlibo Mgudlwa's capacity changed from non-executive director to executive director in March 2010.*

Audit and risk committee report



The committee's operation is guided by a detailed charter that is informed by the Companies Act and King III and approved by the board.

This report is provided by the audit and risk committee appointed in respect of the 2010 financial year of Wesizwe Platinum Limited in compliance with section 270A of the Companies Act, 1973 as amended (the Act). The committee's operation is guided by a detailed charter that is informed by the Act and King III and approved by the board.

Membership

The committee was appointed by the board of directors in respect of the 2010 financial year. Shareholders will be requested to approve the appointment of the members of the audit and risk committee for the 2011 financial year at the annual general meeting scheduled for 5 May 2011. It comprises solely non-executive directors, the majority of whom are independent.

The members comprise at year-end Barrie van der Merwe (chairman), Dawn Mokhobo, Rob Rainey and Julian Williams. Goleele Mosinyi resigned as director and chairman of the committee during 2010 and Barrie van der Merwe was appointed as interim chairman until such time as a new independent non-executive director is appointed. The chairman is not independent as he has been nominated to the board by RPM, a shareholder. The board resolved that his appointment is appropriate as he is the non-executive director with the most appropriate skills and experience for this role. The chairmanship will be reviewed by the board once other independent directors with the appropriate skills and experience join the board.

The committee's responsibilities are outlined in the governance report on pages 38 to 45. The audit and risk committee has executed its duties and responsibilities during the financial year in accordance with its charter as they relate to the Group's accounting, internal auditing, internal control and financial reporting practices.

During the year under review in respect of the external auditor and the external audit, the committee amongst other matters:

- Nominated KPMG Inc and Kobus Volschenk as the external auditor and designated auditor respectively to the shareholders for appointment as auditor for the financial year ended 31 December 2011, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor. The committee confirms that the auditor and the designated auditor are accredited by the JSE;
- Approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor for 2010;
- Reviewed the audit, evaluated the effectiveness of the auditor and their independence and evaluated the external auditor's internal quality control procedures;
- Obtained an annual written statement from the auditors that their independence was not impaired;
- Determined the nature and extent of all non-audit services provided by the external auditor and pre-approved the applicable non-audit services undertaken in terms of the policy approved by the board;
- Obtained assurance that no member of the external audit team was hired by the company or its subsidiaries during the year;
- Obtained assurances from the external auditor that adequate accounting records were being maintained;

- Considered whether any Reportable Irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 2005, and determined that there were none; and
- Nominated the external auditor and the designated independent auditor for both the holding and subsidiary companies.

In respect of the financial statements, the committee amongst other matters:
- Confirmed the going concern as the basis of preparation of the interim and annual financial statements;
- Examined and reviewed the interim and annual financial statements, as well as all financial information disclosed to the public prior to submission and approval by the board;
- Ensured that the annual financial statements fairly present the financial position of the company and of the Group as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the Group was determined to be a going concern;
- Considered accounting treatments, significant unusual transactions and accounting judgement;
- Considered the appropriateness of the accounting policies adopted and changes thereto;
- Reviewed the external auditor's audit report;
- Reviewed the representation letter relating to the Group financial statements which was signed by management;
- Considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- Met separately with management, external audit and internal audit.

In respect of internal control and internal audit, the committee amongst other matters:
- Appointed Deloitte to perform a review of internal governance processes and report thereupon; and
- Appointed BDO SA Advisory Services (Proprietary) Limited as internal auditors with effect from 27 July 2010;

In respect of risk management and information technology, the committee, insofar as relevant to its functions:
- Reviewed the Group's policies on risk assessment and risk management, including an updated business, operations and information technology risk register; and
- Considered and reviewed the updated authority framework in line with the new management structure.

In respect of legal and regulatory requirements to the extent that it may have an impact on the financial statements, the committee:
- Reviewed with management legal matters that could have a material impact on the Group; and
- Considered reports provided by management, the internal auditor and the external auditor regarding compliance with legal and regulatory requirements.
- In respect of the coordination of assurance activities, the committee reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address all significant financial risks facing the business;
- Considered the expertise, resources and experience of the finance function and concluded that these were appropriate; and
- Considered the appropriateness of the experience and expertise of the finance director and concluded that these were appropriate.

Independence of the external auditor

The audit and risk committee is satisfied that KPMG Inc is independent of the Group after taking the following factors into account:
- Representations made by KPMG Inc to the audit and risk committee;
- The auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefit from the company;
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken by the auditor;
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor; and
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.

Annual financial statements

Following the review by the audit and risk committee of the annual financial statements of Wesizwe Platinum Limited for the year ended 31 December 2010, the committee is of the view that in all material respects they comply with the relevant provisions of the Act and IFRS and fairly present the consolidated and separate financial position at that date and the results of operations and cash flows for the year then ended. The committee is planning to, in future years, satisfy itself of the integrity of the remainder of the integrated report and to ensure that an independent assurance process for the remainder of the integrated report is put in place. Having achieved its objective, the committee has recommended the financial statements and integrated report for the year ended 31 December 2010 for approval to the board. The board has subsequently approved the financial statements, which will be open for discussion at the forthcoming AGM.

On behalf of the audit and risk committee

Barrie van der Merwe
Chairman of the audit and risk committee
Johannesburg
25 March 2011


140H

Wesizwe annual financial statements

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Finance director’s review

Purpose

The purpose of this review is to provide insight into the environment in which the Group operated the past financial year, as well as the financial performance. This review should be read together with the consolidated annual financial statements presented on page 57 to 93.

Economics

Exchange rate risks and commodity price risk

The Rand/USD exchange rate has a significant impact on the evaluation of the Group. During the financial year, the average Rand/USD exchange rate strengthened by 13% compared with a weakening of 2% in the previous financial year. This volatility complicates the quantification of the value proposition for shareholders and potential investors as all future revenues will be USD denominated. This effect is quite evident when the various long term views on exchange rates are applied to the traditional valuation methodologies such as the discounted cash flow and earnings multiples.

The high volatility of the Rand/USD exchange rate further impacts directly on the current capital raising exercise of the company as well as the ability to settle future debt obligations in the the following respects:

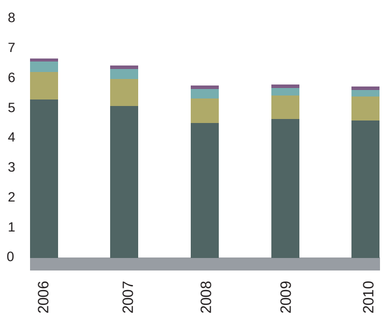
- A strengthening of the Rand against the USD reduces the Rand amount to be received from the equity subscription as well as the future debt funding contribution; and
- A weakening of the Rand against the USD increases the quantum of repayment obligation on all current and future USD denominated obligations. Current obligations include the RPM equalisation liability of USD18 million which is due for settlement before May 2011. Future obligations include a project finance facility of USD650 million which will be repaid once financial completion is reached.

Various hedging strategies were evaluated and considered to optimise the Rand receivable amount from the capitalisation exercise. Given the relative strength of the Rand (R6.68/USD) at the time of concluding the transaction with the Chinese consortium and the expensive nature of the hedging of such a sizeable amount (USD227 million), it was decided not to hedge this exposure.

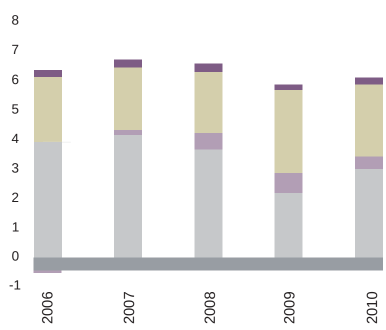
Consideration was also given to the hedging of the USD18 million equalisation liability due for repayment in May 2011. A decision was taken not to hedge this obligation as the USD227 million inflow expected around the same time would provide a natural hedge against the risk of a weaker Rand and would only reduce the net USD exposure of the company.

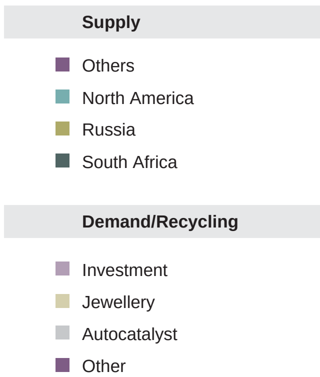
Commodity prices and especially the platinum price remain volatile given the concerns about the weak rate of economic recovery in developing economies. Given the improved demand in platinum in 2010, especially from the automotive industry, prices remained firm. The sovereign debt concerns in Europe as well as the fiscal and monetary tightening in China could further support the volatility in commodity prices.

Platinum supply (million oz)



Platinum demand (million oz)





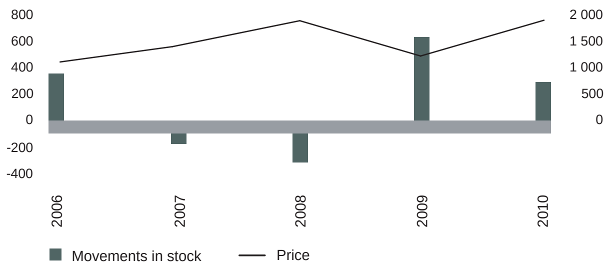
Source: Johnson Matthey – Platinum 2010 Interim review

The following commodity and exchange rate assumptions were used for forecasting and valuation purposes:

Pt price (USD/oz)	1 795	USD exchange rate (ZAR)	7.18
Pd price (USD/oz)	818	MR basket price (USD/oz)	1 554
Rh price (USD/oz)	2 500	Discount rate (%) (Real)	10,35%
Au price (USD/oz)	1 327		

The actual rates achieved over the forecasted and valuation periods could differ from the rates assumed and that this difference could be significant. The above economic assumptions are a snapshot at a specific period.

Price and movements in stocks (thousand oz) ($/0z)



Platinum supply and demand (thousand oz)

	2006	2007	2008	2009	2010
Total supply	6 830	6 600	5 940	6 025	6 010
Total demand	(7 890)	(8 270)	(7 990)	(6 795)	(7 560)
Total recycling	1 415	1 590	1 830	1 405	1 840
Movement in stock	**355**	**(80)**	**220**	**635**	**290**
Average Price USD/0z	1 143	1 304	1 576	1 205	1 581

World economic climate and the ability to raise capital

The global economic recovery remains delicate given the fact that most activities are centred on re-stocking of inventory levels and stimulus packages. In addition, several countries have announced a tightening in their fiscal policy with the Chinese government orchestrating a slowdown in their economy for fear of a potential overheating position.
This situation, coupled with an illiquid credit market, resulted in the borrowing capacity of financial institutions remaining tight throughout 2010 with evidence of a general increase in the cost of debt being evident.

The magnitude and the competitiveness of the funding extended by the Chinese consortium therefore provide for a very welcome relief to the company amid a tough world economic environment.

Capital project and inflation

Since the completion and updating of the project feasibility study and the CBE in September 2009, worldwide inflation has been relatively low. As of late, this situation is being threatened by rising food prices and stimulus activities. Which have the effect of stimulating inflation.

In South Africa, inflation rates have struggled to remain below governmental target levels with the highly unionised labour force demanding double-digit increases. As rising South African inflation rates could have a significant impact on the CBE of the mine development, management decided to update the CBE with the assistance of the EPCM contractor and a local quantity surveyor to obtain a more accurate assessment of the total capital cost before full implementation commences.

Impairments

With the strengthening of the Rand against the USD over the past year to levels below R/USD 7, the Group has decided to review the valuation methodologies applied in determining the carrying value of the Group's core asset (the Frischgewaagd-Ledig mine). In re-assessing the economic value of the assets, various valuation methodologies including discounted cash flows, resource multiples and market capitalisation comparisons were applied. These assessments were made based on the best information available at the time.

The outcomes of these assessments were also tested against an independent external valuator who conducted the review based on the SAMVAL valuation principles. None of the outcomes indicated a requirement to impair any assets.

Financial performance and cash flow management

During the year under review management's focus was to apply, as far as possible, available cash resources to construction and mine development activities as this was viewed as one of the most important drivers to sustain and increase shareholder value. This focus was supported by a reduction in head office count with exploration expenditure being curtailed, resulting in an overall reduction in monthly fixed overhead costs in the second half of the year.

Various non-recurring expenses pertaining to the corporate governance review, retrenchment of employees and legal expenses relating to the postponement of the AGM had to be absorbed to clear the way towards transformation of the company. The single largest expense incurred during the year related to contractual advisory and transaction fees payable on the successful conclusion of Project Delta in April 2010. If these and other non-recurring expenses were excluded from the working capital cost, the Group's running expenses would reduce to approximately R22 m for the year on an annual basis, which compares favourably with other junior mining companies in the same stage of development.

Various reporting strategies were implemented over the past six months to monitor and control the expenses incurred on the mine development project e.g. cost and schedule variance analysis, earned value analysis and project estimate and budget reporting. Management is confident that these reporting strategies will not only assist as early warning triggers but will support the Group's policy of pro-active monitoring of the mine development.

Finance director’s review continued

Cash flow management received special attention during the past year with regular forecasting; providing management with the necessary support to make informed decisions. Net interest received reduced substantially from previous years as a result of the reduction in free cash available and an increase in debt drawdowns from the Bank of China facility. This facility assisted the company in sustaining a suitable level of mine development activity on site that would add significant value to the project once full construction commences.

Given the above, management is confident that the financial performance and cash flow management of the past year supported the overall company strategy of transforming “From Explorer to Miner”.

Effect of significant changes in accounting policies

During the 2010 financial year the company adopted IFRS 3 *Business Combinations* (2008) and IAS 27 *Consolidated and Separate Financial Statements* (2008) for business combinations. The adoption of IFRS 3 and IAS 27 resulted in the Delta transaction being accounted for using the purchase method. Any difference between the acquisition-date fair value and the consideration paid is required to be recognised as goodwill or (negative goodwill) gain on bargain purchase. Gain on bargain purchase is the difference between the purchase consideration and the fair value of the investment acquired. A bargain purchase must be accounted for as profit through the statement of comprehensive income.

In the case of Project Delta, the gain on bargain purchase arose as a result of the purchase price being fixed in shares of 211 850 125 at the monthly average share price as determined in September 2008. With the decline in the share price from an average of R5,50 in 2008 to R2,20 at acquisition date, a gain on bargain purchase has arisen. The Delta transaction further resulted in the net asset value of the company exceeding the current market capitalisation. Management is of the opinion that the investment acquired is fairly valued and no impairment is required.

Debt and interest rate risks

Following the equity injection from the Chinese consortium and Micawber into the Group, the R91 million bridging facility with Bank of China as well as the USD18 million equalisation liability with RPM will be settled in full. This will leave the project finance drawdown facility of USD650 million as the only future long-term liability of the company. Once the facility is fully drawn, the equity ratio of the Group should equate to approximately 80%, which is unattainable of in project finance terms where the maximum debt usually does not exceed the NAV by 50%. A further uniqueness of this funding is the fact that the debt is guaranteed by Jinchuan and CADFund for a twelve year period (repayment period) – effectively de-risking the other shareholders from financial risk and increasing their return on ordinary equity. In summary, substantial value is transferred from the majority shareholder providing full guarantees to minority shareholders that are not called upon for further dilution.

The drawdown project finance facility will carry interest at Libor +350 basis points. If the interest exceeds 6% per annum at any stage over the life of the facility, the consortium will have the right to re-negotiate the interest rate to a lower level. Although not guaranteed, this option provides a powerful mechanism for re-negotiation of rates in a tough economic environment.

Risk management

Management acknowledges its responsibility to actively manage the strategic and operational risks faced by the Group on a daily basis. In this regard, management adopted a formal risk management methodology (refer to the corporate governance report on page 42) which is a pro-active approach in managing the Group’s net residual risks. The risk register developed as part of the implementation of this approach is being reviewed on a regular basis, with updates and changes being presented to the audit and risk committee and the board.

Financial strategy, challenges and opportunities for the next year

The Group’s financial strategy for the next year will be directed towards the following activities:

- Implementation of effective cash and treasury management systems;
- Recruitment of appropriate talent;
- Implementation of suitable business and project reporting systems; and
- Evaluation of growth, consolidation and synergy opportunities on the western bushveld complex

Jacques de Wet
Finance director

Directors' responsibility and approval of the annual financial statements

The directors are responsible for the preparation and fair presentation of the Group annual financial statements and annual financial statements of Wesizwe Platinum Limited, comprising the statements of financial position at 31 December 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards, the AC500 standards, in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

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

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

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

Approval of Group annual financial statements and annual financial statements

The Group annual financial statements and annual financial statements of Wesizwe Platinum Limited, as identified in the first paragraph, were approved by the board of directors on 25 March 2011 and signed on its behalf by:

Dawn Mokhobo
Chairman

Arthur Mashiatshidi
Chief executive

Company secretary's certificate

In terms of Section 268G of the South African Companies Act, 1973, as amended (the Act), I certify that, to the best of my knowledge and belief, the company has submitted to the Registrar of Companies all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Sirkien van Schalkwyk
Company secretary
25 March 2011

Independent auditors' report

To the members of Wesizwe Platinum Limited

We have audited the Group annual financial statements and the annual financial statements of Wesizwe Platinum Limited, which comprise the statements of financial position at 31 December 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 57 to 93.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated and separate financial position of Wesizwe Platinum Limited at 31 December 2010, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

KPMG Inc.
Registered Auditors

KPMG Inc.

Per **K Volschenk**
Chartered Accountant (SA)
Registered Auditor
Director
25 March 2011

85 Empire Road,
Parktown, Johannesburg

Report of the directors

for the year ended 31 December 2010

The directors have pleasure in presenting the Group and company annual financial statements for Wesizwe Platinum Limited for the year ended 31 December 2010.

Nature of business

Wesizwe Platinum Limited is a public company incorporated in the Republic of South Africa and its shares are listed on the JSE Limited. Wesizwe, through its wholly-owned subsidiaries Bakubung Minerals and Africa Wide, is engaged in the development of its mine, located in the western limb of the Bushveld complex, close to the town of Rustenburg in the North West Province, following successful exploration and capitalisation of the projects.

Wesizwe's strategic intent is to commission and operate the Frischgewaagd-Ledig mine, which has the potential of positioning the Group as a significant mid-tier precious metals producer.

Funding and going concern

The management of Wesizwe assesses the liquidity risk of the Group on a continuous basis and has adopted a cash preservation approach in dealing with operating costs of the Group. Where possible, capital commitments were deferred with the exception of items of strategic relevance to the implementation timeline of the Frischgewaagd-Ledig mine such as the terracing of the shafts and the electricity sub-station.

The WBJV agreements require an equalisation payment by Africa Wide to RPM of approximately R120 million to equalise the mineral resources and funding contribution of Africa Wide in relation to its historic 26% economic participation in the WBJV. RPM has the right to nominate settlement in Wesizwe shares. Although the liability is due by 31 March 2011, RPM has granted Wesizwe an extension until 31 May 2011 pending the imminent finalisation of the transaction with the Chinese consortium and Micawber, after which it will be settled in cash.

Following the approval by the shareholders of Wesizwe on 9 March 2011 for the recapitalisation of the company through the issuing of an additional 829 884 million shares and the approval for the waiver of the requirement under Rule 8 of the SRP Code for Jinchuan and CADFund to make a mandatory offer for all the company's ordinary shares, the remaining key conditions precedent to the financial closure of the transaction are:

- The registration of all resolutions and special resolutions required to enable the issuing of the shares to the subscribers;
- The receipt of approval from the Financial Surveillance Department for the parties to perform their respective obligations; and
- The receipt of all necessary Chinese regulatory approvals by Jinchuan and CADFund, namely the approval of the NDRC, the MOFCOM, the SASAC, and the SAFE.

Management is of the view that, since the shareholder approval has been secured, outstanding CPs, from a Wesizwe perspective, are of an administrative nature and therefore should not prevent the execution of the sale of shares agreement for cash within a reasonable timeframe. Management's understanding is that the Chinese regulatory approvals are at an advanced stage with little or no significant delays being anticipated.

At the date of this report, the Group had cash resources of R31 million available to cover operating expenditure. In addition the Group has access to R49 million available from the Bank of China drawdown facility which will enable the Group to continue progressive development of the Frischgewaagd-Ledig mine.

The directors are of the opinion that the cash resources at the date of this report, coupled with the cash to be received from the pending subscription transaction, would be sufficient to support the activities of the Group for the next twelve months.

Share capital

Authorised share capital

At 31 December 2010 the authorised share capital comprised:

	2010 **R**	2009 R
1 500 000 000 (2009: 1 500 000 000) ordinary shares of R0.00001	**15 000**	15 000

Report of the directors continued

for the year ended 31 December 2010

Issued share capital

A summary of the issues made during the year under review is reflected below:

Date	Price per share R	2010 shares issued	Total shares issued
Opening balance at 1 January 2010			586 092 473
22 April 2010*	2,20	211 850 125	211 850 125
Balance at 31 December 2010			797 942 598

**Shares issued in terms of the conclusion of the Delta transaction*

Unissued share capital

In terms of an ordinary resolution passed at the company's last annual general meeting held on 9 March 2011, all authorised but unissued share capital was placed under the control of the directors, with the aggregate number of ordinary shares which may be allotted and issued being limited to 15% of the ordinary shares in issue, until the next annual general meeting of shareholders. Shareholders' approval will be sought at the next annual general meeting for the continued placing of unissued share capital under the control of directors.

Financial results

Results for the year

The Wesizwe Group will not earn revenue from mining activities until such time as a mine is brought into production on the Frischgewaagd-Ledig complex.

The profit for the year under review was R298,9 million (compared to a loss of R38,9 million for 2009). The profit for the year comprises charges of R102,8 million, offset by a gain on bargain purchase of R378,1 million, profit on the re-measurement of a liability denominated in a foreign currency of R17,9 million, net finance income of R5,6 million, and other sundry income of R0,1 million.

Total charges of R102,8 million include the following:

- Depreciation – R1,9 million
- Share-based payment expense – R2,8 million
- Exploration and evaluation expense written off – R1,8 million
- Corporate social investment expenses – R5,0 million
- Professional fees
  - Legal fees – R3,2 million
  - Secretarial fees and sponsor cost – R0,9 million
  - Corporate finance and transaction fee – R27,8 million
  - Corporate governance review – R1,7 million
- Director expenses – R13,4 million
- Salaries and bonuses – R13,2 million
- Statutory publications, corporate identity and investor relations – R3,5 million
- Impairment of mineral rights – R7,7 million
- Share of loss in equity accounted investee – R2,6 million
- Drawdown facility charges (Bank of China and Yorkville) – R5,0 million
- Other administration overheads of R12,3 million

Capital expenditure

Subsequent to the successful raising of the capital which allows the project to be termed as fully funded, and in line with our accounting policy, a decision was taken to reclassify the tangible and intangible exploration and evaluation assets to tangible assets. This process included the reallocation of costs directly to long-lead items, tangible asset and mineral rights all reflected within property, plant and equipment .

Capital expenditure included the following:
Acquisition of mineral rights – R1 008 million
Increase in property, plant and equipment – R41 million

Dividends
No dividend was declared or proposed during the year ended 31 December 2010 (2009: Rnil).

Segmental analysis of annual results
No segmental report has been prepared as the Group is conducting mine development activities in one geological location, which represents only one business activity. The information reported in these results is the same as that reported to the chief operating decision maker.

Results of wholly-owned subsidiary companies
Bakubung Minerals incurred a loss of R26 million for the year under review (2009: R8,2 million). Africa Wide realised a profit of R12,5 million for the year under review (2009: Rnil). Refer to note 5 on subsidiary information.

Capital commitments
Following on from what was previously reported with respect to the Pilanesberg Water Scheme, Magalies Water is still waiting for the ministerial approval required to participate in the project. As a result Wesizwe's estimated contribution towards project expenses reported in the 2009 results, which could reach a maximum of R26,5 million over a twelve month period, remains deferred. In the interim, Wesizwe has secured a temporary water supply and is investigating alternative measures to secure a permanent water supply.

Project expenses, other than the potential contributions towards the water scheme project highlighted above, valued at R59,8 million have been deferred due to the fact that the core project remained on hold pending receipt of funding from the share transaction with the Chinese consortium and Micawber.

Capital commitments as at 31 December 2010 for the next 12 months, excluding the above, were slightly lower than last year at R35,4 million (2009: R35,7 million).

Litigation statement
Wesizwe was a respondent in case no. 27681/10 in the South Gauteng High Court where the court ordered the company to adjourn its annual general meeting due to disputes between certain shareholders. On 31 January 2011, the case was withdrawn by the applicants and the company re-convened its annual general meeting on 9 March 2011.

In terms of section 11.26 of the Listings Requirements of the JSE, the directors, whose names are given on pages 34 and 35 of the annual report of which this report forms part, are not aware of any other legal or arbitration proceedings that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

Loan to the Bakubung community
In addition to the normal liaison activities with the community, and in order to be more responsive to community issues, the company has been party to the formation of a steering committee comprising the DMR, the North West Government, the Royal Family and representatives of the concerned groups in the community. The company has committed to work through the steering committee structure to speedily resolve issues that affect the community. Through this structure, the company was requested to assist the community and the Royal Family in their efforts to obtain proper accounting for the community's assets in relation to Wesizwe. Consequently, funds were advanced by way of direct payment to service providers for the execution of legal proceedings. The courts made a ruling in favour of the community that the respondents should appropriately account and that the cost of the legal proceedings be paid by the respondents.

At present the affairs of the community are being managed by an administrator appointed by the local government. The company expects to be refunded as soon as control of the community's assets is vested appropriately. Management is therefore of the opinion that this loan should not be impaired

Subsequent events
a) Exercise of PTM option
In April 2010, Wesizwe received the necessary regulatory approvals required under Project Delta to assume 100% ownership of its core Frischgewaagd-Ledig project whilst retaining a 45,25% interest in Projects 1 and 3 of Maseve with PTM owning the balance of 54,75%. This transaction also granted PTM the option, within a stipulated time period, to increase its stake to 74%. On 14 January 2011 PTM exercised this option by depositing approximately R408 million into an escrow account on behalf of Wesizwe. The escrow account is held by Maseve but will be used solely for funding Wesizwe's now 26% contribution to project development.

Report of the directors continued

for the year ended 31 December 2010

b) Increase in share capital

In terms of an ordinary resolution passed at the company's last general meeting held on 9 March 2011, the authorised ordinary share capital of the company was increased from 1 500 000 000 to 2 000 000 000 by the creation of 500 000 000 new ordinary shares of R0.00001.

c) Jinchuan transaction

On 9 March 2011 the shareholders of Wesizwe approved the issuing of 732 522 177 and 97 362 283 new ordinary shares to a Chinese consortium consisting of Jinchuan and CADFund and Micawber respectively, representing 45% and 6% of the company's enlarged issued share capital. The consortium and Micawber will settle the aggregate subscription price of USD227 million as follows:

- In respect of the consortium subscription shares, by way of a cash payment of USD200 368 295; and
- In respect of the Micawber subscription shares, by way of a cash payment of USD26 631 705.

The combined subscription by the subscriber and Micawber equates to a subscription price of R1,86 per Wesizwe share, at an exchange rate of USD/R6,82 (closing exchange rate on 14 December 2010). The Group is not providing any funding or any guarantees to or on behalf of Micawber in respect of the specific issue of the Micawber subscription shares.

In addition, Jinchuan and CADFund will secure the provision of a USD650 million debt facility to the company on the following terms:

- Total commitment is USD650 000 000;
- Term of loan is 12 years (including a grace period of five years);
- The interest rate is six month LIBOR plus margin of 350 bps; and
- If the interest exceeds 6% per annum at any stage over the life of the facility, the consortium under the leadership of Jinchuan will have the right to re-negotiate the interest rate to a lower level.

Wesizwe believes that the proposed transaction represents both a compelling value and strategic proposition for shareholders as it provides for a total financing solution for the development of the core project, thereby ensuring that there will be no further dilution of equity throughout the construction phase. With the introduction of Jinchuan, Wesizwe has also secured an experienced mining, financial and technical partner.

Following the approval by the shareholders of Wesizwe on 9 March 2011 and the approval for the waiver of the requirement under Rule 8 of the SRP Code for Jinchuan, CADFund and Micawber to make a mandatory offer for all the company's ordinary shares, the key conditions precedent to the financial closure of the transaction are:

- The registration of all remaining resolutions and special resolutions required to enable the issuing of the shares to the subscribers;
- The receipt of approval from the Financial Surveillance Department for the parties to perform their respective obligations; and
- The receipt of all necessary Chinese regulatory approvals by Jinchuan and CADFund, namely the approval of the NDRC, the MOFCOM, the SASAC, and the SAFE.

Directorate

Directors and changes in directors

The details of the directors are provided on pages 34 and 35.

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

Humphrey Mathe	Resigned 11 January 2010
Clive Knobbs	Resigned 11 January 2010
Ezekiel Monnakgotla	Resigned 11 January 2010
Arthur Mashiatshidi	Appointed as finance director on 1 March 2010
Mlibo Mgudlwa	Appointment changed from non-executive to executive director 15 March 2010
Mike Rogers	Appointed 23 April 2010 and resigned 25 August 2010 due to a conflict of interest
Kgomotso Moroka	Resigned 14 May 2010
Barrie van der Merwe	Appointed as non-executive director representing RPM on 7 September 2010
Goleele Mosinyi	Resigned 17 September 2010
Michael Solomon	Resigned as chief executive and remains as non-executive director effective 1 October 2010
Arthur Mashiatshidi	Assumed the role as chief executive effective 1 October 2010
Jacques de Wet	Appointed as finance director on 1 October 2010

In accordance with article 29 of the company's articles of association, one-third of the directors shall retire at each annual general meeting on a rotational basis as determined in this article. Retiring directors are eligible for re-election. Julian Williams was not re-elected at the 2009 annual general meeting held on 9 March 2011.

In terms of the company's articles of association, new directors may hold office until the next annual general meeting at which they are required to retire and offer themselves up for re-election. Arthur Mashiatshidi and Mlibo Mgudlwa's appointments were confirmed at the 2009 annual general meeting held on 9 March 2011.

The directors retiring and seeking re-election at the annual general meeting are Mike Eksteen, Dawn Mokhobo, Rob Rainey and Michael Solomon. Confirmation of the appointments of Jacques de Wet and Barrie van der Merwe will be sought at the 2010 annual general meeting to be held on 5 May 2011.

Directors' remuneration

Refer to the remuneration report on pages 46 and 47 of the annual report.

Interest of directors in shares of the company

The direct, indirect and deemed interest of the directors of the company in the issued share capital of the company as at the date of this report is as follows:

2010	**Direct**		**Indirect**	
Ordinary share	**Beneficial**	**Non-beneficial**	**Beneficial**	**Non-beneficial**
Michael Solomon	**–**	**–**	**5 250 000**	**–**
Mike Eksteen	**1 750 000**	**–**	**–**	**–**
Mlibo Mgudlwa	**–**	**–**	**9 761 679**	**–**
	1 750 000	**–**	**15 011 679**	**–**

2009	Direct		Indirect	
Ordinary share	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Michael Solomon	–	–	5 250 000	–
Mike Eksteen	1 750 000	–	–	–
Mlibo Mgudlwa	–	–	9 761 679	–
Julian Williams	–	–	6 508 171	–
	1 750 000	–	21 519 850	–

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

No special resolutions were passed during the financial year.

Annual general meeting

The notice convening the annual general meeting to be held on 5 May 2011 together with a shareholder proxy form, and the notes explaining the various resolutions to be considered at that meeting, is enclosed with this annual report.

Dawn Mokhobo
(Chairman)
on behalf of the board of directors
25 March 2011

Statements of financial position

at 31 December 2010

		Group		Company	
	Note	**2010 R'000**	2009 R'000	**2010 R'000**	2009 R'000
Assets					–
Non-current assets		**2 516 054**	1 218 727	**808 716**	631 583
Property, plant and equipment	2	**1 583 551**	130 993	**8 459**	9 785
Tangible exploration and evaluation assets	3	**–**	143 473	**–**	–
Intangible exploration and evaluation assets	3	**–**	268 367	**–**	–
Available-for-sale financial asset	23	**10 283**	7 162	**–**	–
Investment in equity accounted investee	24	**922 220**	668 732	**–**	–
Investment in subsidiaries	5	**–**	–	**800 257**	621 798
Current assets		**56 237**	143 756	**1 035 678**	717 931
Loans receivable from subsidiaries	5	**–**	–	**988 768**	577 499
Loan to the Bakubung community	4	**8 257**		**8 257**	–
Other receivables	6	**9 271**	4 870	**291**	1 711
Restricted cash	18.2	**27 852**	27 802	**27 852**	27 802
Cash and cash equivalents	18.2	**10 857**	111 084	**10 510**	110 919
Total assets		**2 572 291**	1 362 483	**1 844 394**	1 394 514
Equity and liabilities					
Capital and reserves		**2 105 860**	1 337 828	**1 716 902**	1 337 102
Share capital	7	**8**	6	**8**	6
Share premium	8	**1 955 159**	1 489 091	**1 955 159**	1 489 091
Share-based payment reserve	10	**65 384**	62 582	**65 384**	62 582
Available-for-sale financial asset reserve	23	**1 012**	726	**–**	–
Retained earnings/(accumulated loss)		**84 297**	(214 577)	**(303 649)**	(214 577)
Non-current liabilities		**290 113**	–	**–**	–
Deferred tax liability	16	**290 113**	–	**–**	–
Other non-current liabilities	11	**–**	–	**–**	–
Current liabilities		**176 318**	24 655	**127 492**	12 412
Trade and other payables	12	**22 214**	24 655	**6 658**	12 412
Bridging loan	13	**33 270**	–	**–**	–
Equalisation liability	5.2	**120 834**	–	**120 834**	–
Total equity and liabilities		**2 572 291**	1 362 483	**1 844 394**	1 349 514

Statements of comprehensive income

for the year ended 31 December 2010

		Group		Company	
	Note	**2010 R'000**	2009 R'000	**2010 R'000**	2009 R'000
Revenue		**–**	–	**14 186**	12 824
Other income		**144**	176	**144**	176
Gain on bargain purchase	5.1	**378 083**	–	**–**	–
Profit on re-measurement of liability denominated in a foreign currency	5.2	**17 878**	–	**–**	–
Administration expenditure		**(85 821)**	(56 910)	**(83 424)**	(61 948)
Profit on sale of property, plant and equipment		**–**	49	**–**	59
Impairment of mineral rights		**(7 721)**	–	**–**	–
Impairment of environmental deposit		**–**	(436)	**–**	–
Exploration and evaluation expenses		**(1 787)**	(363)	**(11)**	(363)
Impairment of loan to subsidiary		**–**	–	**(26 079)**	(8 232)
Profit/(loss) from operations	14	**300 776**	(57 484)	**(95 184)**	(57 484)
Net finance income		**5 600**	18 553	**6 112**	18 553
Finance income	15	**6 122**	18 553	**6 121**	18 553
Finance costs	15	**(522)**	–	**(9)**	–
Share of loss of equity accounted Investee (net of tax)		**(2 640)**	–	**–**	–
Profit/(loss) before income tax		**303 736**	(38 931)	**(89 072)**	(38 931)
Income tax expense	17	**(4 862)**	–	**–**	–
Profit/(loss) for the year		**298 874**	(38 931)	**(89 072)**	(38 931)
Net change in fair value of the available-for-sale financial asset		**286**	726	**–**	–
Other comprehensive income net of tax		**286**	726	**–**	–
Total comprehensive income/(loss) for the year		**299 160**	(38 205)	**(89 072)**	(38 931)
Earnings/(loss) per share					
Basic earnings/(loss) per share (cents)	20	**40,87**	(6,65)		
Diluted earnings/(loss) per share (cents)	20	**40,85**	(6,65)		

Statements of changes in equity

for the year ended 31 December 2010

	Share capital R'000	Share premium R'000	Available-for-sale reserves R'000	Share-based payment reserve R'000	Retained earnings/ (accumulated loss) R'000	Total R'000
Group						
Balance at 1 January 2009	6	1 487 934	–	57 269	(175 646)	1 369 563
Loss for the year	–	–	–	–	(38 931)	(38 931)
Other comprehensive income	–	–	726	–	–	726
Total comprehensive loss for the year	**–**	**–**	**726**	**–**	**(38 931)**	**(38 205)**
Transactions with owners recorded directly in equity						
LTIP shares issued	*	1 157	–	(1 157)	–	–
Share-based payment expenditure	–	–	–	6 470	–	6 470
Balance at 31 December 2009	**6**	**1 489 091**	**726**	**62 582**	**(214 577)**	**1 337 828**
Profit for the year	–	–	–	–	298 874	298 874
Other comprehensive income	–	–	286	–	–	286
Total comprehensive income for the year	**–**	**–**	**286**	**–**	**298 874**	**299 160**
Transactions with owners recorded directly in equity						
Issue of shares	2	466 068	–	–	–	466 070
Share-based payment expenditure	–	–	–	2 802	–	2 802
Balance at 31 December 2010	**8**	**1 955 159**	**1 012**	**65 384**	**84 297**	**2 105 860**

**Nominal amount*

	Share capital R'000	Share premium R'000	Available-for-sale reserves R'000	Share-based payment reserve R'000	Retained earnings/ (accumulated loss) R'000	Total R'000
Company						
Balance at 1 January 2009	6	1 487 934	–	57 269	(175 646)	1 369 563
Loss for the year	–	–	–	–	(38 931)	(38 931)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(38 931)**	**(38 931)**
Transactions with owners recorded directly in equity						
LTIP shares issued	*	1 157	–	(1 157)	–	–
Share-based payment expenditure	–	–	–	6 470	–	6 470
Balance at 31 December 2009	**6**	**1 489 091**	**–**	**62 582**	**(214 577)**	**1 337 102**
Loss for the year	–	–	–	–	(89 072)	(89 072)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(89 072)**	**(89 072)**
Transactions with owners recorded directly in equity						
Issue of shares	2	466 068	–	–	–	466 070
Share-based payment expenditure	–	–	–	2 802	–	2 802
Balance at 31 December 2010	**8**	**1 955 159**	**–**	**65 384**	**(303 649)**	**1 716 902**

Statements of cash flows

for the year ended 31 December 2010

		Group		Company	
	Note	**2010 R'000**	2009 R'000	**2010 R'000**	2009 R'000
Cash flows from operating activities	18.1	**(89 637)**	(118 690)	**(69 124)**	(55 414)
Finance income	15	**6 122**	18 553	**6 121**	18 553
Finance cost paid	15	**(9)**	–	**(9)**	–
Cash utilised in operations		**(83 524)**	(100 137)	**(63 012)**	(36 861)
Cash flows utilised by investing activities					
Acquisition of property, plant and equipment as a result of increasing operations		**(41 945)**	(36 766)	**(234)**	(44)
Acquisition of tangible exploration and evaluation assets as a result of increasing operations		**–**	(21 030)	**–**	–
Expenditure on intangible exploration and evaluation assets as a result of increasing operations		**–**	(16 808)	**–**	–
Loan to associate		**(7 279)**	–	**–**	–
Recovery of intangible exploration and evaluation expenditure		**10 346**	–	**–**	–
Capital invested in the available-for-sale financial asset		**(2 835)**	(2 636)	**–**	–
Loan advanced		**(8 257)**	–	**(8 257)**	–
Increase in amounts owed by Group companies		**–**	–	**(28 903)**	(115 607)
Proceeds on disposal of property, plant and equipment		**47**	80	**47**	78
Net cash outflow from investing activities		**(49 923)**	(77 160)	**(37 347)**	(115 573)
Cash flows from financing activities					
Bridging loan raised		**33 270**	–	**–**	–
Net cash inflow from financing activities		**33 270**	–	**–**	–
Net decrease in cash and cash equivalents		**(100 177)**	(177 297)	**(100 359)**	(152 434)
Cash and cash equivalents at the beginning of the year		**138 886**	316 183	**138 721**	291 155
Cash and cash equivalents at the end of the year	18.2	**38 709**	138 886	**38 362**	138 721

Notes to the annual financial statements
for the year ended 31 December 2010

1. Accounting policies

Reporting entity

Wesizwe Platinum Limited is a company domiciled in the Republic of South Africa. The consolidated financial statements of the company as at 31 December 2010 comprise the company, its subsidiaries and associate (together referred to as the Group).

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

Basis of preparation of financial results

Statement of compliance

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

Basis of measurement

The consolidated financial statements for the year ended 31 December 2010 have been prepared on the historical cost basis except for available-for-sale financial asset measured at fair value.

Functional and presentation currency

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

Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 10: Share-based payment reserve
- Note 5: Business combination
- Note 25.1: Consideration of impairment of assets

Change in accounting policies

Accounting for business combinations

From 1 January 2010 the Group has applied IFRS 3 *Business Combinations (2008)* in accounting for business combinations. The change in accounting policy has been applied prospectively and has had no material impact on earnings per share.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Acquisitions on or after 1 January 2010

For acquisitions after 1 January 2010, the Group measures goodwill at the acquisition date as:

– The fair value of the consideration transferred; plus
– The recognised amount of any non-controlling interests in the acquiree plus if the business combination is achieved in stages, the fair value of the existing interest in the acquiree; less
– The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

1. Accounting policies (continued)

Acquisitions on or after 1 January 2010 (continued)

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

Costs relating to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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

Acquisitions between 1 January 2004 and 1 January 2010

For acquisitions between 1 January 2004 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Significant accounting policies

The following principal accounting policies were applied by the Group for the financial year ended 31 December 2010. Except if otherwise disclosed, these policies are consistent in all material respects with those applied in previous years.

a. Basis of preparation of consolidated financial results

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

i) Subsidiaries

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

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

ii) Transactions eliminated on consolidation

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

iii) Equity accounted investee

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

b. 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 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 terms directly attributable to a segment as well as those that can be allocated on a reasonable basis.

1. Accounting policies (continued)

c. Share capital and share premium

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

d. Property, plant and equipment

Property, plant and equipment is initially measured at 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.

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

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

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

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

e. Tangible and intangible exploration and evaluation assets

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

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and probable reserves are determined to exist. Upon determination of proven and probable reserves, E&E assets are first tested for impairment and then reclassified from E&E assets to a separate category within tangible assets. Expenditure incurred related to unsuccessful studies is recognised in profit or loss as incurred.

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

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

f. Financial instruments – non-derivatives

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

i) Financial assets

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

1. Accounting policies (continued)

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, are recognised in other comprehensive income and presented in the available-for-sale reserve in equity.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. 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, other receivables and loan to Bakubung community.

Financial assets, excluding available-for-sale financial assets, held by the Group are initially recognised at fair value including transaction costs which equates market value and subsequently measured at amortised cost using the effective interest rate method less accumulated impairment losses.

ii) Financial liabilities

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

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

Trade and other payables

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

Equalisation liability

The equalisation liability is denominated in USD and is measured at amortised cost using the effective interest method. At year-end this liability is translated at the spot USD rate to the company's functional currency.

iii) Cash and cash equivalents

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

g. Impairment

i) Property, plant and equipment, and tangible exploration and evaluation of assets

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 recognised in profit and loss. Impairment losses in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

Notes to the annual financial statements continued

for the year ended 31 December 2010

1. Accounting policies (continued)

g. Impairment (continued)

ii) Intangible exploration and evaluation assets

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

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

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

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

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

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

iii) Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset is impaired.

Loans and receivables

An allowance for impairment of other receivables, investments and loans is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the asset. Significant financial difficulties on the part of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Available-for-sale financial asset

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

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.

1. Accounting policies (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) Environmental rehabilitation provisions

Estimated long term environmental obligations, comprising pollution control, rehabilitation and mine closure, are based on Group Environmental Management Plans (EMP), in compliance with current environmental and regulatory requirements.

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 and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

ii) Deferred taxation

Deferred taxation is provided at enacted or substantively enacted rates on all temporary differences between carrying amounts for financial reporting purposes and the carrying amounts for taxation purposes. Full provision is made for all temporary differences between the tax base of an asset or liability and its carrying amount. This excludes those amounts relating to goodwill which is not deductible for taxation purposes, and to the extent that it relates to 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.

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.

l. Finance income

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

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. Finance costs are recognised using the effective interest rate method.

n. Operating leases

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

1. Accounting policies (continued)

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. 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

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

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

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.

New standards and amendments and interpretations under IFRS

At the date of authorisation of the financial statements of Wesizwe Platinum Limited for the year ended 31 December 2010, the following Standards and Interpretations that are relevant for the Group were in issue but not yet effective:

Standard/interpretation		Effective date
IAS 24 (revised)	*Related party disclosures*	Annual periods beginning on or after 1 January 2011*
IFRS 9	*Financial instruments*	Annual periods beginning on or after 1 January 2013*
IFRS 9	*Additions to IFRS 9 Financial Instruments*	Annual periods beginning on or after 1 January 2013*

**All Standards and interpretations will be adopted at their effective dates (except for those Standards and interpretations that are not applicable to the entity)*

1. Accounting policies (continued)

New standards and amendments and interpretations under IFRS (continued)

IAS 32 *Financial Instruments: Presentation: Classification of Rights Issues*, IFRS 7 amendment *Disclosures – Transfers of Financial Assets*, IFRIC 14 amendment *Prepayments of a Minimum Funding Requirement* and IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* are not applicable to the business of the entity and will therefore have no impact on future financial statements. The directors are of the opinion that the impact of the application of the remaining Standards and Interpretations will be as follows:

IAS 24 (revised)

IAS 24 (revised) will be adopted for the first time for its financial reporting period ending 31 December 2011. The standard will be applied retrospectively.

IAS 24 (revised) addresses the disclosure requirements in respect of related parties, with the main changes relating to the definition of a related party and disclosure requirements by government-related entities.

The change in the definition of a related party has however not resulted in a significant number of new related party relationships being identified.

IFRS 9 and additions to IFRS 9

IFRS 9 and the additions to IFRS 9 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard will be applied retrospectively, subject to transitional provisions.

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

Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value.

Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

IFRS 9 (2010) incorporates, the guidance in IAS 39 dealing with fair value measurement, derivatives embedded in host contracts that are not financial assets, and the requirements of IFRIC 9 *Reassessment of Embedded Derivatives.*

The impact on the financial statements of Wesizwe has not yet been estimated.

Notes to the annual financial statements continued

for the year ended 31 December 2010

2. Property, plant and equipment

Group – 2010

Cost

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

Refer to note on capital expenditure in the directors' report

Accumulated depreciation and impairment losses

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

Carrying value

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

No property, plant and equipment are encumbered.

Wesizwe holds full title to the building, which is available for inspection at the registered office.

2. Property, plant and equipment (continued)

Group – 2009

Cost

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Owned:				
Land and buildings	6 868	2 812	–	9 680
Vehicles	389	140	–	529
Computer equipment	1 837	6	(40)	1 803
Furniture and fittings	1 678	10	–	1 688
Office equipment	694	3	(10)	687
Other office fittings	589	37	(12)	614
Leasehold improvements	2 808	–	–	2 808
Plant and equipment	83 292	33 758		117 050
Tangible and intangible exploration asset	–	–	–	–
Mineral rights	–	–	–	–
Total	98 155	36 766	(62)	134 859

Accumulated depreciation and impairment losses

	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
Owned:				
Land	–	–	–	–
Vehicles	151	89	–	240
Computer equipment	1 005	523	(22)	1 506
Furniture and fittings	468	337	–	805
Office equipment	137	137	(6)	268
Other office fittings	81	132	(3)	210
Leasehold improvements	456	381	–	837
Plant and equipment	–	–	–	–
Tangible and intangible exploration asset	–	–	–	–
Mineral rights	–	–	–	–
Total	2 298	1 599	(31)	3 866

Carrying value

	Opening balance R'000	Additions and transfers R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
Owned:					
Land and buildings	6 868	2 812	–	–	9 680
Vehicles	238	140	(89)	–	289
Computer equipment	832	6	(501)	(40)	297
Furniture and fittings	1 210	10	(337)	–	883
Office equipment	557	3	(131)	(10)	419
Other office fittings	508	37	(129)	(12)	404
Leasehold improvements	2 352	–	(381)	–	1 971
Plant and equipment	83 292	33 758	–	–	117 050
Tangible and intangible exploration asset	–	–	–	–	–
Mineral rights	–	–	–	–	–
Total	95 857	36 766	(1 568)	(62)	130 993

No property, plant and equipment are encumbered.

Wesizwe holds full title to the building, which is available at our office for inspection.

2. Property, plant and equipment (continued)

Company – 2010

Cost

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

Accumulated depreciation and impairment losses

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

Carrying value

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

No property, plant and equipment are encumbered.

2. Property, plant and equipment (continued)

Company – 2009

Cost

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Owned:				
Land and buildings	6 868	–	–	6 868
Computer equipment	1 201	6	(34)	1 173
Furniture and fittings	1 446	–	–	1 446
Office equipment	684	1	(9)	676
Other office fittings	331	37	–	368
Leasehold improvements	2 017	–	–	2 017
Total	12 547	44	(43)	12 548

Accumulated depreciation and impairment losses

	Opening balance R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
Owned:				
Land and buildings		–	–	–
Computer equipment	727	285	(17)	995
Furniture and fittings	401	290	–	691
Office equipment	136	135	(7)	264
Other office fittings	5	71	–	76
Leasehold improvements	403	334	–	737
Total	1 672	1 115	(24)	2 763

Carrying value

	Opening balance R'000	Additions and transfers R'000	Depreciation R'000	Disposals R'000	Closing balance R'000
Owned:					
Land and buildings	6 868	–	–	–	6 868
Computer equipment	474	6	(285)	(17)	178
Furniture and fittings	1 045	–	(290)	–	755
Office equipment	548	1	(135)	(2)	412
Other office fittings	326	37	(71)	–	292
Leasehold improvements	1 614	–	(334)	–	1 280
Total	10 875	44	(1 115)	(19)	9 785

No property, plant and equipment are encumbered.

3. Tangible and intangible exploration and evaluation assets

Group – 2010

Cost

	Opening balance R'000	Transfers* R'000	Additions R'000	Impairment R'000	Closing balance R'000
Tangible exploration and evaluation asset	143 473	(143 473)	–	–	–
Intangible exploration and evaluation asset	268 367	(1 269 054)	1 008 408	(7 721)	–
Total	411 840	(1 412 527)	1 008 408	(7 721)	–

*refer to note on capital expenditure in the directors' report

**the amount reflected is net of the recovery of R10,3 million on exploration and evaluation expenses previously capitalised. This cost recovery was made on winding up of the WBJV on conclusion of the Project Delta agreement

The following table highlights the movement in intangible exploration and evaluation assets:

	R'000
Transfer of Project 2 prospecting rights to Bakubung (refer note 5)	1 018 754
Recovery of intangible exploration and evaluation asset	(10 346)
Net movement for the year	1 008 408

Carrying value

	Opening balance R'000	Additions and transfers R'000	Impairment R'000	Amortisation R'000	Closing balance R'000
Tangible exploration and evaluation asset	143 473	(143 473)	–	–	–
Intangible exploration and evaluation asset	268 367	(260 646)	(7 721)	–	–
Total	411 840	(404 119)	(7 721)	–	–

Group – 2009

Cost

	Opening balance R'000	Additions R'000	Impairment R'000	Closing balance R'000
Tangible exploration and evaluation asset	122 443	21 030	–	143 473
Intangible exploration and evaluation asset	251 559	16 808	–	268 367
Total	374 002	37 838	–	411 840

Carrying value

	Opening balance R'000	Additions and transfers R'000	Impairment R'000	Amortisation R'000	Closing balance R'000
Tangible exploration and evaluation asset	122 443	21 030	–	–	143 473
Intangible exploration and evaluation asset	251 559	16 808	–	–	268 367
Total	374 002	37 838	–	–	411 840

4. Loan to the Bakubung community

Refer to comment in the directors' report on page 59. This loan is interest free and directors believe that the balance will be collected in the short term.

5. Investment in subsidiaries

	Percentage Shareholders %	Issued capital 2010	Company 2010 R'000	Company 2009 R'000
Investment in:				
Bakubung Minerals (Pty) Limited (wholly-owned)	100	**1 000**	**9 802**	9 802
Africa Wide Mineral Prospecting and Exploration (Pty) Limited			**790 455**	611 996
(wholly-owned) – Share investment			**669 621**	611 996
– Equalisation liability guarantee			**120 834**	–
Sub-total			**800 257**	621 798
Shareholder loan*				
Bakubung Minerals (Pty) Limited			**985 959**	555 890
Less: Impairment of shareholder loan			**(61 186)**	(35 107)
Opening balance			**(35 107)**	(26 875)
Impairment for the current year			**(26 079)**	(8 232)
Africa Wide Mineral Prospecting and Exploration (Pty) Limited			**63 995**	56 716
Sub-total			**988 768**	577 499
Total			**1 789 025**	1 199 297

– *Shareholder loans are payable on demand and bear no interest*
– *Impaired to the extent that losses have been incurred in subsidiary companies*
– *These loans have been subordinated in favour of the external creditors*

Bakubung Minerals has incurred a loss of R26,1 million for the year under review (2009: R8,2 million). As a result of the loss, the loan from the holding company to the subsidiary has been impaired by R61,2 million (2009: R35,1 million) with losses incurred since inception. The current year loss is greater due to the fact that the Group has commenced mine development. As a result costs are no longer capitalised in terms of IFRS 6 but are evaluated in terms of IAS 16.

Africa Wide realised a profit of R12,5 million for the year under review (2009: RNil).

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

5.1 Acquisition of joint venture

Business combination

On 22 April 2010 the Group acquired an additional 37% ownership interest in the WBJV from RPM, together with certain prospecting rights held by RPM. Prior to this acquisition, the Group held a 26% interest in the WBJV. The carrying amount of the Group's investment in the WBJV's net assets in the consolidated financial statements on the date of the acquisition was R668 731 946.

Following the acquisition of RPM's 37% in the WBJV and the transfer of RPM's prospecting rights to the Group, the WBJV structure unwound and all participation interest in the WBJV terminated.

The acquisition from RPM provided for the transfer of prospecting rights in Project 2 to Bakubung Minerals with the prospecting rights in Project 1 and 3 being transferred to Africa Wide. Africa Wide in turn transferred the acquired rights, together with its existing rights, to a new company, Maseve, in exchange for a 45,25% shareholding.

The other 54,75% shareholding in Maseve was acquired by PTM who will control the new entity. PTM has the right, within a stipulated time period, to subscribe for additional shares to increase its percentage shareholding to 74% by contributing R408 606 555 into an interest bearing escrow account in favour of the Group which will count as part of the Group's contribution towards the development of Projects 1 and 3.

5. Investment in subsidiaries (continued)

5.1 Acquisition of joint venture (continued)

The following summarises the consideration transferred, and the recognised amounts of the investment acquired at the acquisition date:

	R'000
Consideration transferred	
Equity instruments (211 850 125 ordinary shares)	**466 070**
The value of the ordinary shares issued was based on the listed share price of the company on 22 April 2010 at R2,20 per share.	
The following fair values at acquisition date have been determined for the investments acquired:	
Fair value of intangible assets (prospecting rights in project 2) (refer note 3)	**1 018 754**
Fair value of intangible assets (prospecting rights in project 1 and 3) (refer note 24)	**143 730**
Total fair value acquired	**1 162 484**
Gain on bargain purchase	
a) Gain on bargain purchase on the 37% acquisition from RPM was recognised as follows:	
Fair value of 37% interest in the WBJV at acquisition	**1 162 484**
Less: Total consideration transferred (211 850 125 ordinary shares at R2,20 each)	**466 070**
Gain on bargain purchase before deferred taxation	**696 414**
Less: Deferred taxation (28% of fair value)	**325 495**
Gain on bargain purchase in acquiring 37% of the WBJV	**370 919**
b) Gain on bargain purchase on the initial 26% was recognised as follows:	
At acquisition date fair value of previously held 26% interest in the WBJV	**816 881**
Less: Current net asset value of 26% interest in the WBJV	**806 931**
Gain on bargain purchase of previously held 26% interest before deferred taxation	**9 950**
Less: Deferred taxation (28%)	**2 786**
Gain on bargain purchase on previously held 26% interest in the WBJV	**7 164**
Total gain on bargain purchase as a result of the acquisition a)+b)	**378 083**

The re-measurement of the fair value of the Group's existing 26% interest in the WBJV resulted in a gain of R7,1 million after deducting deferred taxation of R2,7 million.

Gain on bargain purchase is the difference between the purchase consideration and the fair value of the investment acquired. The gain on bargain purchase arose as a result of the purchase price being fixed in shares of 211 850 125 at the monthly average share price as determined in September 2008. With the decline in the share price from an average of R5,50 in 2008 to R2,20 at acquisition date, a gain on bargain purchase has arisen. Management is confident that the fair value of the assets remained unchanged since the acquisition date.

5.2 Equalisation liability

The WBJV agreements required the payment/receipt of an equalisation payment by the partners of the WBJV to equalise the mineral resources and funding contribution of each party in relation to its economic participation in the WBJV. An estimated equalisation liability of R140 million payable to RPM by Africa Wide was recognised as part of investment in equity accounted investee in the consolidated financial statements of the Group. Subsequent to the unwinding of the WBJV structure this liability is still due by Africa Wide to RPM.

On 25 February 2010 an agreement was reached with RPM to fix the equalisation liability in USD terms at USD18 million. This resulted in a revision of the equalisation liability to R138,2 million. The equalisation liability, which remains in USD, carries interest at the monthly US Treasury Bill rate. This liability exposes the Group to exchange rate risk. Management has taken a decision not to hedge this exposure.

5. Investment in subsidiaries (continued)

5.2 Equalisation liability (continued)

The following table highlights the movement in the equalisation liability:

	R'000
Equalisation liability transferred from Investment in equity accounted investee	**(140 236)**
Adjustment of liability following agreement to fix the liability in USD terms	**2 037**
Equalisation liability transferred to current liabilities	**(138 199)**
Interest	**(513)**
Exchange rate fluctuation	**17 878**
	(120 834)

The agreement with RPM requires the equalisation liability to be settled by Africa Wide by 31 March 2011, failing which Wesizwe will assume the liability. Although RPM has the right to nominate settlement in Wesizwe shares, of which the quantity is not fixed, RPM has granted Wesizwe an extension pending the imminent financial closure of the transaction with the Chinese consortium and Micawber, after which it will be settled in cash.

As Wesizwe Company has provided a financial guarantee to RPM, the need to raise the liability at company level in terms of IAS 39 was assessed by the directors. Based on this assessment management has raised the full guarantee as a financial liability.

6. Other receivables

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
Value added tax refunds receivable	**3 081**	2 237	**–**	–
Other	**6 190**	2 633	**291**	1 711
Total	**9 271**	4 870	**291**	1 711

7. Share capital

	Group/Company	
	2010 R'000	2009 R'000
Authorised		
1 500 000 000 (2009: 1 500 000 000) ordinary shares of R0.00001 each	**15**	15
Issued		
797 942 598 ordinary shares of R0.00001 each (2009: 586 092 473 ordinary shares of R0.00001 each)	**8**	6

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

The company issued 211 850 125 ordinary shares during the year under review at the following strike prices:

Date issued	Number of shares issued	Price per share (cents)
22 April 2010	**211 850 125**	**220**
Total	**211 850 125**	

There are 119 691 390 unissued ordinary shares under the control of the directors until the next AGM.

Notes to the annual financial statements continued

for the year ended 31 December 2010

8. Share premium

	Group/Company	
	2010 R'000	2009 R'000
Opening balance	**1 489 091**	1 487 934
Reallocation from share-based payment reserve	**–**	1 157
Premium on issue of 211 850 125 shares	**466 068**	–
Total	**1 955 159**	1 489 091

9. Available-for-sale reserve

The fair value reserve comprises the cumulative net change in the fair value of the available-for-sale financial assets until the investments are derecognised or impaired.

10. Share-based payment reserve

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

	Group/Company	
	2010 R'000	2009 R'000
Opening balance	**62 582**	57 269
Movement during the year	**2 802**	5 313
– Issued share value reallocated to share premium	**–**	(1 157)
– LTIP share expenses	**2 802**	6 470
Closing balance	**65 384**	62 582

10.1 Share-based payment transactions

The following share-based payment transactions occurred during the 2010 financial year.

	Group/Company	
	2010 R'000	2009 R'000
Share issued based on LTIP	**2 802**	5 313
– Reallocated to share premium	**–**	(1 157)
– LTIP share expense*	**2 802**	6 470
Movement for the year	**(2 802)**	5 313

**Refer to note 21.2*

11. Other non-current liabilities

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
Opening balance – bonus accrual*	**–**	6 962	**–**	6 962
Bonus paid out*	**–**	(6 962)	**–**	(6 962)
Total	**–**	–	**–**	–

**The outstanding bonus due to Michael Solomon was paid in full in August 2009*

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000

12. Trade and other payables

	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
Trade payables	**20 435**	21 421	**4 879**	9 178
Leave pay accrual	**698**	1 336	**698**	1 336
Value added tax payable	**1 081**	1 521	**1 081**	1 521
Salary accrual	**–**	377	**–**	377
Total	**22 214**	24 655	**6 658**	12 412

13. Bridging loan

	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
Bank of China drawdown facility	**33 270**	–	**–**	–
Total	**33 270**	–	**–**	–

The facility is used for the ongoing capital development of the Frischgewaagd-Ledig mine. Interest is payable monthly at Jibar +250 basis points. The capital amount is repayable at the end of April 2011. The facility is secured by cross suretyships by Wesizwe and Africa Wide and pledge and cession of issued share capital in Africa Wide in favour of the bank and thus the Maseve investment.

14. Profit/(loss) from operations

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
The following items have been charged in arriving at the profit/(loss) from operations:				
Expenses				
Auditors' remuneration	**3 108**	2 141	**3 108**	2 141
– audit fees (current year)	**1 677**	952	**1 677**	952
– audit fees (under provision prior year)	**45**	119	**45**	119
– other services	**1 386**	1 070	**1 386**	1 070
Corporate social investment expenditure	**5 029**	7 295	**–**	–
Professional fees				
– Legal fees	**3 236**	4 463	**3 236**	4 463
– Secretarial fees and sponsor cost	**903**	1 555	**903**	1 555
– Corporate finance and transaction fee	**27 816**	8 751	**27 816**	8 751
– Corporate governance review	**1 683**	–	**1 683**	–
Drawdown facility charges	**5 035**	–	**5 035**	–
Depreciation of property, plant and equipment	**1 867**	1 599	**1 513**	1 115
Employee costs (excluding directors)	**13 152**	9 159	**16 325**	18 196
Operating lease: buildings	**2 379**	2 014	**2 470**	2 400
Travel and accommodation	**1 397**	564	**1 368**	1 224
Share-based payment expense	**2 802**	6 470	**2 802**	6 470
Statutory publications, corporate identity and investor relations	**3 535**	3 451	**3 603**	3 594
Profit on disposal of property, plant and equipment	**–**	49	**–**	59

14.1 Directors' remuneration

Directors' remuneration has been disclosed in the Remuneration report.

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
15. Net finance income				
Interest earned on cash balances	**6 122**	18 553	**6 121**	18 553
Finance charges for the year	**(522)**	–	**(9)**	–
Net finance income	**5 600**	18 553	**6 112**	18 553
16. Deferred tax liability				
Balance at beginning of year				
Deferred tax charge – current year	**4 862**	–	**–**	–
Net deferred tax on acquisition of joint venture	**285 251**	–	**–**	–
Balance at end of year	**290 113**	–	**–**	–
Comprising:				
Unrealised foreign exchange gains	**4 862**	–	**–**	–
Net deferred tax on acquisition of joint venture	**285 251**			
	290 113	–	**–**	–

No deferred tax assets have been recognised, in the current year and prior years. Deferred tax assets may be recognised once a mine has been brought into operation.

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
17. Income tax expenses				
Deferred tax charge				
– current year	**4 826**	–	**–**	–

No provision for South African normal taxation has been made. The Group and company have an estimated tax loss of R68,0 million (2009: Group and company R47,5 million) for the year ended 31 December 2010, which may be deductible from future taxable income. The 2004 tax loss is under dispute and management has responded to SARS and is awaiting their response.

Unredeemed capital expenditure

The Group has unredeemed capital expenditure of R563,1 million (2009: R510,5 million) for the year ended 31 December 2010. The unredeemed capital expenditure may be set off against future taxable income.

Reconciliation of effective tax rate

	Group		Company	
	2010 %	2009 %	**2010 %**	2009 %
Standard tax rate	**28,0**	28,0	**28,0**	28,0
Tax exempt income	**(34,9)**	–	**–**	–
Non-deductible expenses	**6,8**	(17,8)	**(20,9)**	(17,3)
Deferred tax asset not raised	**1,4**	(10,2)	**(7,1)**	(10,7)
Difference in effective tax rate of equity accounted investee	**0,3**	–	**–**	–
	1,6	–	**–**	–

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000

18. Notes to the cash flow statements

18.1 Cash flows from operating activities

Reconciliation of profit/(loss) for the year to cash flows from operating activities:

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Profit/(loss) from operations	**300 776**	(57 484)	**(95 184)**	(57 484)
Adjustments for:				
– Depreciation	**1 867**	1 599	**1 513**	1 115
– Gain on bargain purchase	**(378 083)**	–	**–**	–
– Profit on re-measurement of liability denominated in a foreign currency	**(17 878)**	–	**–**	–
– Impairment of mineral rights	**7 721**	–	**–**	–
– Impairment of loan to subsidiary	**–**	–	**26 079**	8 232
– Share-based payment expenditure	**2 802**	6 470	**2 802**	6 470
– Impairment of environmental deposit	**–**	436	**–**	–
– Profit on sale of property, plant and equipment	**–**	(49)	**–**	(59)
Operating loss before working capital changes	**(82 795)**	(49 028)	**(64 790)**	(41 726)
Changes in working capital	**(6 842)**	(69 662)	**(4 334)**	(13 688)
(Increase)/decrease in other receivables	**(4 401)**	7 128	**1 420**	(1 478)
Decrease in trade and other payables	**(2 441)**	(69 828)	**(5 754)**	(5 248)
Decrease in other non-current liabilities	**–**	(6 962)	**–**	(6 962)
Cash flow from operating activities	**(89 637)**	(118 690)	**(69 124)**	(55 414)

18.2 Cash and cash equivalents

	Group 2010 R'000	Group 2009 R'000	Company 2010 R'000	Company 2009 R'000
Bank balances	**7 167**	724	**6 820**	559
Restricted cash*	**27 852**	27 802	**27 852**	27 802
Call and short-term deposits	**3 690**	110 360	**3 690**	110 360
Total	**38 709**	138 886	**38 362**	138 721

**Restricted cash constitutes security for a guarantee of R27 million in favour of the DMR. This guarantee is required in terms of the current rehabilitation provision. A further R0,8 million guarantee exists in favour of the landlord for the operating lease agreement.*

19. Financial instruments

19.1 Financial risk management

The Group has limited exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

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

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

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

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

Credit risk

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

Receivables

The Group's exposure to receivables of R14,5 million represents the maximum exposure to credit risk. This relates to recovery of a loan to the Bakubung community of R8,3 million, a cost recovery of R5,5 million from PTM and prepaid expenses of R0,7 million.

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

Investments

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating of at least "A". Cash and cash equivalents and available-for-sale financial assets for the Group are invested with the following institutions at 31 December 2010:

- Standard Bank R8,0 million
- Investec R30,7 million
- Sanlam R10,3 million

Liquidity risk

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

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

19. Financial instruments (continued)

19.1 Financial risk management (continued)

Market risk

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

The Group is currently exposed to foreign exchange rates to the extent of the equalisation liability which is denominated in a foreign currency. Consideration was also given to the hedging of this liability, but a decision was taken not to hedge this obligation as the expected inflow of funds from the transaction with the Chinese consortium will take place around the same time and would provide a natural hedge against the risk of a weaker Rand.

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

Interest rate risk

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

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

Interest rate sensitivity analysis

A decrease of 100 basis points on interest on the cash balance at year-end will decrease annual interest income by R0,4 million. An increase of 100 basis points would have the equal but opposite effect.

A decrease of 100 basis points on interest on the bridging loan at year-end will decrease annual interest payable by R0,3 million. An increase of 100 basis points would have the equal but opposite effect.

A decrease of 100 basis points on interest on the equalisation liability at year-end will decrease annual interest payable by R1,2 million. An increase of 100 basis points would have the equal but opposite effect.

19.2 Financial instruments

Effective interest rates and price analysis are as follows:

Group 2010

Accounting classification	Note	Effective interest rate %	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
Current financial assets								
Cash and cash equivalents	18.2	**5**	**10 857**	**10 857**	**–**	**–**	**–**	**–**
Restricted cash	18.2	**7,35**	**27 852**	**27 852**	**–**	**–**	**–**	**–**
Loan to Bakubung community	4		**8 257**	**–**	**8 257**	**–**	**–**	**–**
Other receivables	6	**–**	**6 190**	**6 190**	**–**	**–**	**–**	**–**
			53 156	**44 899**	**8 257**	**–**	**–**	**–**
Non-current financial assets								
Available-for-sale financial asset	23		**10 283**	**–**	**–**	**–**	**–**	**10 283**
			10 283	**–**	**–**	**–**	**–**	**10 283**
Current financial liabilities								
Trade and other payables	12	**–**	**(20 435)**	**(20 435)**	**–**	**–**	**–**	**–**
Bridging loan*	13	**–**	**(33 270)**	**(33 270)**	**–**	**–**	**–**	**–**
Equalisation liability*	5.2	**–**	**(120 834)**	**(120 834)**	**–**	**–**	**–**	**–**
		–	**(174 539)**	**(174 539)**	**–**	**–**	**–**	**–**

**This accounting classification represents the contractual maturities of these financial liabilities*

19. Financial instruments (continued)

19.2 Financial instruments (continued)

Accounting classification	Note	Effective interest rate %	Total R'000	6 months or less R'000	6 – 12 months R'000	1 – 2 years R'000	2 – 5 years R'000	More than 5 years R'000
Group 2009								
Current financial assets								
Cash and cash equivalents	18.2	7,41	111 084	68 124	42 960	–	–	–
Restricted cash	18.2	8,20	27 802	27 802	–	–	–	–
Other receivables	6	–	2 633	1 258	1 375	–	–	–
			141 519	97 184	44 335	–	–	–
Non-current financial assets								
Available-for-sale financial asset	23	–	7 162	–	–	–	–	7 162
			7 162	–	–	–	–	7 162
Current financial liabilities								
Trade and other payables	12	–	(21 421)	(21 421)	–	–	–	–
			(21 421)	(21 421)	–	–	–	–

19.3 Fair values

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

		Group 2010		Group 2009	
	Note	**Carrying amount R'000**	**Fair value R'000**	Carrying amount R'000	Fair value R'000
Cash and cash equivalents	18.2	**10 857**	**10 857**	111 084	111 084
Restricted cash	18.2	**27 852**	**27 852**	27 802	27 802
Loan to Bakubung community*	4	**8 257**	**8 257**	–	–
Other receivables*	6	**6 190**	**6 190**	2 633	2 633
Available-for-sale financial asset**	23	**10 283**	**10 283**	7 162	7 162
Trade and other payables*	12	**(20 435)**	**(20 435)**	(21 421)	(21 421)
Bridging loan*	13	**(33 270)**	**(33 270)**	–	–
Equalisation liability*	5.2	**(120 834)**	**(120 834)**	–	–
		(111 100)	**(111 100)**	127 250	127 250

**Fair value of loan to Bakubung community, other receivables, trade and other payables, bridging loan and equalisation liability is equal to carrying amounts as the amounts will be settled in the short term and the effect of discounting is immaterial*

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

19.4 Classifications

Other receivables and trade and other payables are carried at amortised cost.

19.5 Capital management

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

20. Loss per share

	Group 2010 R	Group 2009 R
The basis of calculation of basic earnings/(loss) per share is:		
Attributable profit/(loss) to ordinary shareholders (Rand)	**298 873 679**	(38 930 756)
Weighted average number of ordinary shares in issue (shares)	**731 195 298**	585 595 512
Basic earnings/(loss) per share (cents)	**40,87**	(6,65)
The basis of calculation of diluted earnings/(loss) per share is:		
Attributable profit/(loss) to ordinary shareholders (Rand)	**298 873 679**	(38 930 756)
Adjusted weighted average number of ordinary shares in issue (shares)	**731 611 765**	585 595 512
Weighted average number of ordinary shares in issue (shares)	**731 195 298**	585 595 512
LTIP and SARS outstanding	**416 467**	–*
Diluted earnings/(loss) per share (cents)	40,85	(6,65)
**Anti-dilutive impact, thus not taken into account*		
The basis of calculation of headline loss and diluted headline loss per share is:		
Attributable profit/(loss) to ordinary shareholders (Rand)	**298 873 679**	(38 930 756)
	(370 362 219)	401 195
Profit on disposal of asset	**–**	(48 871)
Tax on above	**–**	13 684
Impairment of environmental deposit	**–**	436 382
Impairment of mineral rights	**7 720 825**	–
Gain on bargain purchase	**(378 083 044)**	–
Headline loss	**(71 488 540)**	(38 529 561)
Weighted average number of ordinary shares in issue (shares)**	**731 195 298**	585 595 512
Headline loss and diluted headline loss per share (cents)	**(9,78)**	(6,58)

Calculation of weighted average number of shares:

Dates of share issues	Description	Number of shares issued	Number of days in issue	Weighted average number of shares
1 January 2010	Opening balance	586 092 473	365	586 092 473
22 April 2010	Shares issued	211 850 125	250	145 102 825
Total				**731 195 298**

*** The outstanding shares of 416 467 under the Group's LTIP and SARS schemes were not taken into account as they have an anti-dilutive effect*

21. Related parties

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

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

21.1 Transactions with entities

The following transactions were entered into:

		Company 2010		Company 2009	
Related party	Transaction type	Transaction amount R'000	Outstanding amount R'000	Transaction amount R'000	Outstanding amount R'000
Bakubung Minerals	Loan advanced	**415 882**	**985 959**	115 607	555 891
	Management fees	**14 186**	**–**	12 824	–
Africa Wide	Loan advanced*	**7 279**	**63 995**	–	56 716

The above transactions were all at arm's length.

**Loans advanced were used to pay for exploration for the WBJV project*

21.2 Transactions with key management*

	Group		Company	
	2010 R'000	2009 R'000	2010 R'000	2009 R'000
Salaries and bonuses	**9 574**	5 225	**9 574**	5 225
LTIP share expense	**2 802**	6 470	**2 802**	6 470
Total	**12 376**	11 695	**12 376**	11 695

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

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

	Number of Options	Exercise price of outstanding options (cents)	Remaining contracted life (years)
LTIP awards			
Outstanding at 1 January 2010	1 112 899	1	1,5
Granted during the year	–	–	–
Cancelled during the year	(458 577)	1	–
Exercised during the year	(36 984)	1	–
Outstanding at 31 December 2010	**617 338**	**1**	**0,5**
Exercisable at 31 December 2010	**–**	**–**	**–**
SARS awards			
Outstanding at 1 January 2010	738 407	876	1,5
Granted during the year	–	–	–
Cancelled during the year	(254 976)	876	–
Exercised during the year	–	–	–
Outstanding at 31 December 2010	**483 431**	**876**	**0,5**
Exercisable at 31 December 2010	**75 089**	**876**	**–**

The 30-day VWAP at grant date was R8,76.
For transactions with directors refer to the directors' report.
Both the SARS and LTIP scheme require settlement in equity.
The fair value of LTIP and SARS is determined using the Black Scholes Option Pricing Model.
The vesting conditions of both schemes are linked to pre-determined performance targets and are measured by the remuneration committee on an annual basis.

22. Commitments

Commitments at reporting date but not recognised in the financial statements are as follows:
These commitments will be funded by the imminent share issue to the Chinese consortium.

	Group		Company	
	2010 R'000	2009 R'000	**2010 R'000**	2009 R'000
The following commitments are due within the next 12 months:				
Rental of premises*	**1 959**	1 798	**1 959**	1 798
	35 408	35 757	**35 408**	27 950
Qinisele Resources**	**18 000**	25 200	**18 000**	25 200
Property, plant and equipment***	**–**	7 807	**–**	–
Yorkville Global Investments, LP****	**–**	2 750	**–**	2 750
Frontier Economies Advisory*****	**8 704**	–	**8 704**	–
First Media Distribution*****	**8 704**	–	**8 704**	–
Commitments due within months 13 to 24				
Rental of premises*	**1 567**	1 959	**1 567**	1 959
Commitments due within months 25 to 36				
Rental of premises*	**–**	1 567	**–**	1 567

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

** *Commission to Qinisele on succession of obtaining section 11 approval of MRPDA transferring of title and/or ministerial consent from DMR to extent necessary for the execution and implementation of the RPM transaction (2009). Commission due on finalising Jinchuan transaction (2010)*

*** *Property, plant and equipment relates to the refurbishment of the winders*

**** *Implementation fee payable on first trading day of thirteenth month following signature date*

***** *Commission due on finalising Jinchuan transaction (2010)*

23. Available-for-sale financial asset

The available-for-sale financial asset is pledged as security for a R22 million guarantee in favour of Eskom

	2010 R'000	2009 R'000
Capital invested*	**9 271**	6 436
Return on investments (Fair value investments)	**1 012**	726
Total	**10 283**	7 162

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

24. Investment in equity accounted investee

On 22 April 2010 the last suspensive condition to the restructuring of the WBJV assets and the acquisition of RPM's 37% interest in the WBJV, which required final approval by the Minister of the DMR, was met.

Following the unwinding of the WBJV structure and the acquisition of prospecting rights from RPM, the Group contributed certain of these prospecting rights (Project 1 and 3 prospecting rights) to a new company Maseve, in exchange for a 45,25% shareholding, whilst the remaining prospecting rights in Project 2 were transferred to Bakubung.

a) Original consideration paid for 26% interest in the WBJV

Investment in equity accounted investee:	**R'000**
Recorded value of 26% investment in the WBJV as at 31 December 2009	**668 732**
Plus: Equalisation liability transferred to current liabilities (refer note 5)	**140 236**
Less: Adjustment to equalisation liability and assets (refer note 5)	**(2 037)**
Current value of 26% interest in the WBJV	**806 931**
b) Additional acquisition of prospecting rights at fair value	
Acquisition of prospecting rights in Project 1 and 3 at fair value	**143 730**
Less: Deferred taxation on Project 1 and 3	**(40 244)**
Acquisition of Project 1 and 3 prospecting rights after providing for deferred taxation	**103 486**
c) Gain on bargain purchase of previously held 26% interest in the WBJV	
Gain on bargain purchase of previously held 26% interest before deferred taxation	**9 950**
Less: Deferred taxation (28%)	**2 786**
Gain on bargain purchase on previously held 26% interest in the WBJV	**7 164**
d) Additional net cash call	**7 279**
e) Share of loss in associate	**(2 640)**
Total investment in equity accounted investee a)+b)+c)+d)	**922 220**

25. Judgments by directors and management

25.1 Consideration of impairment of assets

Following the conclusion of Project Delta which led to the re-organisation of assets between PTM, RPM and Wesizwe in the WBJV, a decision was taken to commission an independent SAMVAL Code valuation on the mineral assets of Wesizwe Platinum. The results of the independent valuation are summarised in the table below:

Company	Upper value Rm	Fair value Rm	Lower value Rm
Africa Wide (Maseve Project, War Springs and Tweespalk)	1,478	1,187	516
Bakubung Minerals (Frischgewaagd-Ledig Mine)	1,862	1,330	214
Total	3,341	2,517	730

The independent valuator used the discounted cash flow methodology as well as the market comparable approach and cost approach in deriving the values as depicted above.

25. Judgments by directors and management (continued)

25.1 Consideration of impairment of assets (continued)

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.

Market approach

The market valuation approach requires comparison with relatively recent transactions of assets that have similar characteristics to those of the asset being valued. It is generally based upon a monetary value per unit of resource (where available) or per unit of defined mineralisation.

Cost approach

The SAMVAL Code definition states that the cost approach relies on historical and/or future expenditure on the mineral asset. In the case where insufficient confidence exists in the technical parameters of the mineral asset, valuation methods rely almost entirely on the principle of historical cost, implying that an asset's value is correlated to the money spent on its acquisition, plus a multiple of expenditures.

Preferred and alternative valuation methods for the Wesizwe mineral assets

	Valuation method	
Project	**Preferred**	**Alternative**
Project 1	Cash flow	Market
Project 2	Cash flow	Market
Project 3	Market	Cost
War Springs	Market	Cost
Tweespalk	Cost	Cost

The preferred method has been used in all instances.

The following economic parameters were assumed by the independent valuator:

USD exchange rate (ZAR)	7.18
Pt price (USD/oz)	1 795
Pd price (USD/oz)	818
Rh price (USD/oz)	2 500
Au price (USD/oz)	1 327
MR basket price (USD/oz)	1 554
Discount rate (%) (Real)	10,35%

Management acknowledges that the ZAR/USD exchange rate and commodity prices have been volatile over the past 24 months and that any change in exchange rate or commodity prices would have an impact on the values as determined by the valuator. Management is of the opinion that, given the fact that the NAV of both Africa Wide and Bakubung Minerals at year-end were below the determined fair values in the SAMVAL Valuation results, the assets of the Group are not impaired.

Analysis of shareholders

The shareholder analysis as at 31 December 2010

Shareholder spread	Number of shareholders	%	Number of shares	%
1 - 1 000 shares	1 040	19,65	603 717	0,08
1 001 - 10 000 shares	2 195	41,47	9 708 654	1,22
10 001 - 100 000 shares	1 631	30,81	58 912 329	7,38
100 001 - 1 000 000 shares	378	7,14	97 896 074	12,27
1 000 001 shares and over	49	0,93	630 821 824	79,06
Total	**5 293**	**100,00**	**797 942 598**	**100,00**

Distribution of shareholders	Number of shareholders	%	Number of shares	%
Banks	42	0,79	93 003 481	11,66
Brokers	21	0,40	18 467 432	2,31
Close corporations	70	1,31	2 566 558	0,31
Empowerment	10	0,20	168 458 441	21,12
Endowment funds	5	0,09	46 087	0,01
Individuals	4 572	86,38	123 764 399	15,51
Insurance companies	6	0,11	41 743 012	5,23
Investment companies	9	0,17	15 995 974	2,00
Mutual funds	29	0,55	32 972 202	4,13
Nominees and trusts	391	7,39	53 720 494	6,73
Other corporations	42	0,79	1 837 583	0,23
Pension funds	11	0,21	6 287 868	0,79
Private companies	80	1,51	27 167 845	3,40
Public companies	5	0,09	211 911 222	26,56
Total	**5 293**	**100,00**	**797 942 598**	**100,00**

Public/non-public shareholders	Number of shareholders	%	Number of shares	%
Non-public shareholders	11	0,22	170 208 441	21,34
Directors' holdings	1	0,02	1 750 000	0,22
Empowerment	10	0,20	168 458 441	21,12
Public shareholders	5 282	99,78	627 734 157	78,66
Total	**5 293**	**100,00**	**797 942 598**	**100,00**

Beneficial shareholders holding of 3% or more	Number of shares	% of shares
Rustenburg Platinum Mines Limited	211 850 125	26,55
African Continental Resources Venture	73 630 000	9,23
Deutsche Bank AG London	70 000 000	8,77
Africa Wide Investment Holdings (Pty) Limited	45 937 315	5,76
Liberty Life Association Of Africa Limited	35 479 476	4,45
Vunani Capital (Pty) Limited	29 761 905	3,73

Top 4 empowerment shareholding	Number of shares	% of shares
African Continental Resources Venture	73 630 000	9,23
Africa Wide Investment Holdings (Pty) Limited	45 937 315	5,76
Vunani Capital (Pty) Limited	29 761 905	3,73
Green Tree Investments (Pty) Limited	13 333 333	1,67
	162 662 553	20,39
Other empowerment shareholders	5 795 888	0,73
Total	168 458 441	21,12

Abbreviations

ABET	Adult basic education and training
Africa Wide	Africa Wide Mineral Prospecting and Exploration (Proprietary) Limited (Registration No. 2002/011815/07)
AGM	Annual general meeting
Anglo Platinum	Anglo Platinum Limited (Registration No. 1946/022542/06)
Bakubung Minerals	Bakubung Minerals (Proprietary) Limited (Registration No. 2002/017306/07)
BEE	Black economic empowerment
BFS	Bankable feasibility study
Bushveld complex	A major intrusive igneous body in the northern part of South Africa that has undergone magmatic differentiation. The Bushveld complex is a leading source of chromium and PGMs
CADFund	China-Africa Development Fund, with its registered office in China
CBE	Capital budget estimate
CEMP	Construction environmental management plan
CEO	Chief executive
CFO	Chief financial officer
Chinese consortium	Include Jinchuan and the CADFund
CIO	Chief information officer
Community	The Bakubung-Ba-Ratheo Tribe, a community in the North West Province
Company, the	Wesizwe Platinum Limited (Registration No. 2003/020161/06)
CP	Condition precedent
DMR	Department of mineral resources
DOL	Department of labour
EIA	Environmental impact assessment
EMP	Environmental management plan
EPCM	Engineering, procurement and construction management
EPS	Earnings per share
FD	Finance director
Frischgewaagd-Ledig mine	The company’s platinum mine situated in the Frischgewaagd-Ledig complex
Group	Wesizwe, Africa Wide and Bakubung Minerals
HDSA	Historically disadvantaged South Africans
IDP	Integrated development programme
IT	Information technology
Jinchuan	Jinchuan Group Limited, a Chinese state-owned company under the jurisdiction of the People’s Government of the Gansu Province, with its registered office in China
LTI	Lost time injury
LTIFR	Lost time injury frequency rate
LTIP	Long term incentive plan
Maseve	Maseve Investments 11 (Proprietary) Limited (Registration No. 2008/018995/07)
MEC	Member of executive council

Abbreviations (continued)

Micawber	Micawber 809 (Proprietary) Limited (Registration No. 2010/004314/07)
MOFCOM	Ministry of commerce (China)
MPRDA	Mineral and petroleum resources development act, 2002 (Act No. 28 of 2002)
MR	Merensky reef
NAV	Net asset value
NDRC	National development and reform commission
NPV	Net present value
NWPG	North West Provincial Government
PGE	Platinum group elements
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold, as well as other metals associated therewith
Platinum Group Metals	Platinum Group Metals Limited, a Canadian company (Registration No. 642278)
Project 1	The exploration and mining project for PGMs to be operated in Maseve
Project 3	The exploration and mining project for PGMs to be operated in Maseve
Project Delta	The transaction with RPM and PTM which results in the re-organising of the Core Project and Projects 1 & 3
PTM	Platinum Group Metals (RSA) (Proprietary) Limited (Registration No. 2000/025984/07)
RPM	Rustenburg Platinum Mines Limited (Registration No. 1931/993380/05)
SAFE	State administration of foreign exchange
SAMREC	South African code for reporting of exploration results, mineral resources and mineral reserves
SARS	Share appreciation rights scheme
SASAC	State-owned assets supervision and administration commission
SLP	Social and labour plan
SMME	Small, medium and micro enterprise
SRP	Securities regulation panel
Subscribers	Jinchuan, CADFund and Micawber
UG 2 ore	The ore to be mined from the economically extractable layer within the UG 2 cycle unit being a band in the bushveld complex often containing economic grades of PGM
USD	US dollar currency
VWAP	Variable weighted average price
WBJV	Western bushveld joint venture
Wesizwe	The company or Group depending on context
ZAR	South African Rand

Notice of annual general meeting

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

Notice is hereby given that the annual general meeting of shareholders will be held at the Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate, Houghton, Johannesburg at 10h00 on Thursday, 5 May 2011 to consider and, if deemed fit, to pass, with or without modification, the following resolutions:

1. Ordinary resolution number 1

The adoption of the annual financial statements

To receive and adopt the annual financial statements of the company for the financial year ended 31 December 2010, including the directors' and independent auditors' reports.

2. Ordinary resolution number 2

The re-election of retiring directors

To re-elect, by separate resolutions, Mike Eksteen, Dawn Mokhobo, Rob Rainey and Michael Solomon as directors of the company, who retire by rotation in terms of the articles of association and who offer themselves for re-election.

A brief *curriculum vitae* of each of these directors standing for re-election appears on pages 34 and 35 of this annual report.

3. Ordinary resolution number 3

Confirmation of directors' appointments

To ratify, by way of separate resolutions, the appointment of Barrie van der Merwe and Jacques de Wet as directors of the company with effect from 1 September 2010 and 1 October 2010, respectively.

A brief *curriculum vitae* of each director standing for re-election appears on pages 34 and 35 of this annual report.

4. Ordinary resolution number 4

The re-appointment of the auditors

To re-appoint KPMG Inc as independent auditors of the company for the ensuing period (the designated auditor being Kobus Volschenk) and to authorise the directors to fix the auditors' remuneration for the past year's audit.

5. Ordinary resolution number 5

Placing unissued shares under directors' control

To approve that, subject to the provisions of Sections 221 and 222 of the Companies Act, 61 of 1973, as amended (the Act) and the Listings Requirements of the JSE Limited (the JSE) (the Listings Requirements), the directors of the company be authorised to allot and issue at their discretion up to a maximum of 15% of the total number of authorised but unissued ordinary shares in the share capital of the company for such purposes and on such terms and conditions as they may determine, until the next annual general meeting of the company.

Notice of annual general meeting continued

6. Ordinary resolution number 6

Approval of reward strategy

To approve, through a non-binding advisory note, the company's reward strategy and its implementation, as set out in the remuneration report contained on pages 46 and 47 of the annual report.

7. Ordinary resolution number 7

General authority to issue shares for cash

To approve that, subject to the Listings Requirements, the directors be authorised to issue up to a maximum of 15% of the total number of issued ordinary shares in the share capital of the company for cash, without restrictions as to any public shareholder, as defined by the Listings Requirements, as and when suitable opportunities arise, subject to the following conditions:

- that this authority shall only be valid until the next annual general meeting of the company or for 15 months from the date of this meeting, whichever period is shorter;
- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- the shares so issued shall be issued only to public shareholders (as defined in paragraphs 4.25 to 4.27 of the Listings Requirements) and not to related parties;
- that an announcement giving full details of the issue, including the impact on net asset value and earnings per share, be published after any issue representing, on a cumulative basis within one financial year, 5% or more of the number of shares in issue prior to the issue concerned;
- that the issues in aggregate in any one financial year shall not exceed 15% of the number of shares of the company's issued ordinary share capital at the time the issue is made; and
- that in determining the price at which an issue of shares for cash will be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of the company's ordinary shares on the JSE (adjusted for any dividend declared but not yet paid or for any capitalisation award made to shareholders) over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the company.

This resolution requires the approval of not less than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at the meeting.

8. Ordinary resolution number 8

Authority to action all ordinary resolutions

To approve that any one director of the company or the company secretary be authorised to do all such things as are necessary and to sign all such documents issued by the company so as to give effect to the ordinary resolutions.

Voting

Certificated shareholders/dematerialised shareholders with "own name" registrations /representatives.

On a show of hands, every shareholder of the company who (being an individual) is present in person or by proxy at the annual general meeting or which (being a company or body corporate) is represented thereat by a representative appointed pursuant to Section 188 of the Companies Act, shall have one vote. On a poll, every shareholder of the company who (being an individual) is present in person or by proxy at the annual general meeting or which (being a company or body corporate) is represented thereat by a representative appointed pursuant to Section 188 of the Companies Act, shall have one vote for every Wesizwe share of which it is the holder.

Dematerialised Wesizwe shareholders (who are not "own-name" dematerialised Wesizwe shareholders) who wish to attend the annual general meeting or to vote by way of proxy must contact their Central Securities Depository Participants ("CSDP") or broker who will furnish them with the necessary letter of representation to attend the annual general meeting or be represented thereat by proxy. This must be done in terms of the agreement entered into between the dematerialised Wesizwe shareholder and the CSDP or broker.

Proxies

A Wesizwe shareholder entitled to attend and vote at the annual general meeting may appoint one person as its proxy to attend, speak and vote in such shareholder's stead. A proxy need not be a shareholder of the company.

A form of proxy is attached for the convenience of certificated Wesizwe shareholders and "own-name" dematerialised Wesizwe shareholders who are unable to attend the annual general meeting, but who wish to be represented thereat. In order to be valid, duly completed forms of proxy must be received by the Transfer Secretaries of the company, namely Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), so as to be received by no later than 10h00 on Tuesday, 3 May 2011.

By order of the board

Sirkien van Schalkwyk
Company secretary
25 March 2011

Notes

Form of proxy

WESIZWE PLATINUM LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2003/020161/06)
JSE code: WEZ ISIN: ZAE000075859

For use by shareholders who have not dematerialised their shares and "own name" dematerialised shareholders who are unable to attend the annual general meeting of Wesizwe to be held on Thursday, 5 May 2011 at 10h00 or any adjournment thereof but who wish to be represented thereat.

Shareholders who have dematerialised their shares, other than "own name" dematerialised shareholders, with a CSDP or broker should advise their CSDP or broker as to what action they wish to take and should they wish to attend the annual general meeting they should request their CSDP or broker to issue them with the necessary letter of representation to attend. This must be done in terms of the agreement entered into between them and the CSDP or broker. Shareholders who have dematerialised their shares must not return this form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.

I/We (please print)

of (please print address)

being the shareholder of Wesizwe, holding shares in Wesizwe, hereby appoint

1. or failing him/her,

2. or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to attend, speak and vote on my/our behalf at the annual general meeting of shareholders of Wesizwe to be held at the Glenhove Conference Centre, 52 Glenhove Road, Melrose Estate, Houghton, Johannesburg at 10h00 on Thursday, 5 May 2011 and at any adjournment thereof, and to vote or to abstain from voting on the ordinary resolutions to be proposed at the annual general meeting, as follows:

Indicate with an X in the spaces below how votes are to be cast:

	Number of shares		
	In favour of	Against	Abstain
Ordinary resolution number 1 To receive, consider and adopt the annual financial statements for the year ended 31 December 2010			
Ordinary resolution number 2 To re-elect, by separate resolutions, the following directors:			
2.1 Mike Eksteen			
2.2 Dawn Mokhobo			
2.3 Rob Rainey			
2.4 Michael Solomon			
Ordinary resolution number 3 To confirm the appointment of the following directors:			
3.1 Barrie van der Merwe			
3.2 Jacques de Wet			
Ordinary resolution number 4 To re-appoint KPMG Inc. as auditors			
Ordinary resolution number 5 Placing unissued shares under directors' control			
Ordinary resolution number 6 To approve the company's reward strategy			
Ordinary resolution number 7 General authority to issue shares for cash			
Ordinary resolution number 8 To authorise any one director or the company secretary to sign all documents to give effect to the resolutions			

Signed this day of 2011

Signature of member(s)

Assisted by me (where applicable)

Please read the notes and instructions on the reverse hereof.

Notes to form of proxy

For use by shareholders who have not dematerialised their shares and "own name" dematerialised shareholders

A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, speak and vote in such shareholder's stead. A proxy need not be a member of Wesizwe.

Every person present and entitled to vote at the annual general meeting as a member or as a proxy or as a representative of a body corporate shall, on a show of hands, have one vote only, irrespective of the number of Wesizwe shares such person holds or represents, but in the event of a poll, a member holding shares will be entitled to only one vote per share held.

Instructions on signing and lodging the form of proxy:

Please read the notes below:

1. The completion and lodging of this form of proxy will not preclude the shareholder who grants this proxy from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should he or she wish to do so.

2. Every member present in person or represented by proxy and entitled to vote shall, on a show of hands, have only one vote and upon a poll every member shall have a vote for every ordinary share held.

3. You may insert the name of any person(s) whom you wish to appoint as your proxy in the blank space(s) provided for that purpose. The person whose name appears first on this form of proxy and who is present at the annual general meeting will be entitled to act as a proxy to the exclusion of those whose names follow.

4. When there are joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders for which purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding. Only that holder whose name appears first in the register need sign this form of proxy.

5. If this form of proxy is signed under the authority of a power of attorney or on behalf of a company or any other juristic person, then it must be accompanied by such power of attorney or a certified copy of the relevant enabling resolution or other authority of such company or other juristic person, unless proof of such authority has been recorded by the company.

6. If the shareholder does not indicate in the appropriate place on the face hereof how he or she wishes to vote in respect of an ordinary resolution, his or her proxy shall be entitled to vote as he or she deems fit in respect of that resolution.

7. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.

8. The chairman of the annual general meeting may, in the chairman's absolute discretion, reject any form of proxy which is completed other than in accordance with these instructions and notes.

9. Forms of proxy, powers of attorney or any other authority appointing a proxy shall be deposited at the Transfer Secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001 (or posted to PO Box 61051, Marshalltown 2107) so as to be received by no later than 10h00, South African time, on Tuesday, 3 May 2011 (in respect of the annual general meeting) or 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time appointed for holding of any adjourned meeting.

10. No form of proxy shall be valid after the expiration of six months from the date when it was signed, except at an adjourned meeting in cases where the annual general meeting was originally held within six months from the aforesaid date.

Administration

Wesizwe Platinum Limited
Incorporated in the Republic of South Africa
Registration number: 2003/020161/06
Share code: WTL
ISIN: ZAE000075859

Company Secretary and Registered Office
Sirkien van Schalkwyk
Unit 13, 2nd Floor
3 Melrose Boulevard
Melrose Arch
Johannesburg
2076
(Private Bag X16, Northlands 2116)

Transfer Secretaries
Computershare Investor Services
(Proprietary) Limited
(Reg. No. 2004/003647/07)
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown 2107)

Auditors
KPMG Inc.
(Reg. No. 1999/021543/21)
Registered Accountants and Auditors
Chartered Accountants (SA)
KPMG Crescent
85 Empire Road
Parktown
2193
(Private Bag X9, Parkview 2122)

Sponsor
Investec Bank Limited
(Reg. No. 1969/004763/06)
100 Grayston Drive
Cnr Rivonia Road
Sandown
Sandton
2196
(PO Box 785700, Sandton 2146)

Legal Advisor
Deneys Reitz Inc.
(Reg. No. 1984/003385/21)
15 Alice Lane
Sandton
2196
(PO Box 784903, Sandton 2146)

Internal Auditors
BDO SA Advisory Services (Proprietary) Limited
(Reg No.2006/006127/07)
13 Wellington Road
Parktown
2193
(Private Bag X6500, Houghton 2041)