

REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

for the six months ended 30 June 2012

HIGHLIGHTS

- > At 30 June 2012 a total of 68 894 shifts, equalling 655 927 man hours, were recorded free of any fatality or lost time injury. Since the beginning of the project up to 30 June 2012 the project is fatality and injury free.
- > The priority attention to safety has again yielded very good results and we also acknowledge the major role that our various contractors play in this result.
- The Bakubung Platinum Mine has over the last six months employed an average of 30% of total workforce from the ocal community.
- Wesizwe announced a revised capital budget estimate for the Bakubung Platinum Mine of R7.9 billion (real terms in 2011) compared to R6.5 billion previously estimated.
- > Appointment of Aveng Grinaker-LTA Mining as the shaft sinking contractor for the Bakubung Platinum Mine.

the Group")

4 013 571

3 918 004

3 941 163

Wesizwe Registration number 2003/020161/06 Share code: WEZ SIN: ZAE000075859 ("We

www.wesizwe.com

Condensed consolidated statement of financial position

	Note	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
ASSETS Non-current assets		2 886 939	2 584 184	2 664 691
Property, plant and equipment Available-for-sale financial asset Investment in equity accounted investee	6 7	1 951 091 15 719 920 129	1 657 227 11 749 915 208	1 734 383 13 760 916 548
Current assets		1 126 632	1 333 820	1 276 472
Loan to the Bakubung community Other receivables Taxation Restricted cash Cash and cash equivalents	8	31 859 4 724 61 494 1 028 555	4 464 15 212 - 28 244 1 285 900	30 128 9 544 69 307 1 167 493
Total assets		4 013 571	3 918 004	3 941 163
EQUITY AND LIABILITIES Capital and reserves		3 629 641	3 589 720	3 625 222
Share capital Share premium Share-based payment reserve Available-for-sale financial asset reserve Accumulated loss	10 10	16 3 425 528 472 179 1 948 (270 030)	16 3 425 528 472 179 1 012 (309 015)	16 3 425 528 472 179 1 529 (274 030)
Non-current liabilities		281 977	285 251	281 362
Deferred tax liability Environmental rehabilitation obligation		268 846 13 131	285 251 -	268 775 12 587
Current liabilities		101 953	43 033	34 579
Trade and other payables Taxation		100 673 1 280	23 800 19 233	33 299 1 280

Total equity and liabilities

Condensed consolidated statement of comprehensive income						
	Note	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000		
Operations						
Other income Administration expenditure	_	83 (27 256)	96 (17 491)	(51 895)		
Share of profit/(loss) of equity accounted invester (net of tax)	e 7	3 581	(7 012)	3 515		
Impairment of loan to the Bakubung community	8	(2 741)	(3 793)	(8 257)		
Loss on dilution of interest in equity accounted investee		_	_	(9 187)		
Net operating costs		(26 333)	(28 200)	(65 824)		
Financial		· · · · · ·	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · ·		
Interest income		35 225	3 403	46 255		
Foreign exchange loss		-	(4 666)	(4 666)		
Interest expense		(1)	(2 061)	(486)		
Net financial income/(expense)		35 224	(3 324)	41 103		
Profit/(loss) from operations		8 891	(31 524)	(24 721)		
Equity financing			(400,000)	(400,000)		
Share based payment expense Foreign exchange gain on proceeds		_	(408 002) 60 585	(408 002) 60 585		
Net equity financing costs		_	(347 417)	(347 417)		
Profit/(loss) before tax		8 891	(378 941)	(372 138)		
Income tax	11	(4 891)	(14 371)	13 811		
Profit/(loss) for the period		4 000	(393 312)	(358 327)		
Other comprehensive income Increase in fair value of the available-for-sale						
financial asset		419	_	517		
Total other comprehensive income		419	_	517		
Total comprehensive income/(loss)						
for the period		4 419	(393 312)	(357 810)		
Earnings/(loss) per share			•			
Basic earnings/(loss) per share (cents)	20	0.25	(36.97)	(26.58)		
Diluted earnings/(loss) per share (cents) Headline earnings/(loss) per share (cents)	20 20	0.25 0.25	(36.97) (36.61)	(26.58) (25.90)		

Condensed consolidated statement of changes in equity

24.4			2 177	1 7-10	(=: 0 000)	0 027 041
Balance at 30 June 2012	16	3 425 528	472 179	1 948	(270 030)	3 629 641
	-	-	-	419	4 000	4 419
Profit for the period	-	-	-	-	4 000	4 000
Other comprehensive income	-	-	_	419		419
Balance at 31 December 2011	16	3 425 528	472 179	1 529	(274 030)	3 625 222
	-	-	-	517	34 985	35 502
Profit for the period	-	-	-	-	34 985	34 985
Other comprehensive income	_	_	_	517		517
Balance at 30 June 2011	16	3 425 528	472 179	1 012	(309 015)	3 589 720
	8	1 470 369	406 795	-	(393 312)	1 483 860
Loss for the period	-	-	-	-	(393 312)	(393 312)
Share-based payment expenditure	_	-	406 795	-	_	406 795
Share Issue expenses	_	(34 633)	_	_	_	(34 633)
Shares issued – Chinese consortium	8	1 505 002	-		-	1 505 010
Balance at 1 January 2011	8	1 955 159	65 384	1 012	84 297	2 105 860
`	R'000	R'000	R'000	R'000	R'000	R'000
	capital	premium	reserve	reserves	earnings	Total
	Share	Share	based payment	Available- for-sale	lated loss)/ retained	
			Share-		(Accumu-	

Cash at end of year

Interest accrued

	_	_	_	419	4 000	4 4 1 9
Balance at 30 June 2012	16	3 425 528	472 179	1 948	(270 030)	3 629 641
Condensed consolidated statement	of cash f	lows				
		Note	Six months ended June 2012 Reviewed R'000	June Revi	nonths ended e 2011 ewed R'000	Year ended December 2011 Audited R'000
Cash flows from operating activitie Finance income Finance expense Taxation paid	es	19	36 423 37 008 (1)	,	27 015) 3 403 (2 061) –	(61 548) 26 068 (156) (15 791)
Cash generated by/(utilised in) op	erations		73 430	(2	25 673)	(51 427)
Cash flows utilised by investing ac Acquisition of property, plant and Purchase of available-for-sale final	equipme		(216 858) (1 540)	,	74 284) (1 466)	(139 571) (2 960)
Net cash utilised in investing activi	ties		(218 398)	(7	75 750)	(142 531)
Cash flows from financing activitie Capital raised from issue of shares Share issue expenses Bridging loan raised Bridging loan Equalisation liability repaid	s		11	(3 1 (5	55 595 84 633) 17 800 51 070) 20 834)	1 565 595 (34 633) 17 800 (51 070) (125 830)
Net cash from financing activities			-	1 37	76 858	1 371 862
Net (decrease)/increase in cash a equivalents Cash and cash equivalents at the		a	(144 968)	1 27	75 435	1 177 904
of the period	Deg	9	1 216 613	3	38 709	38 709
Cash and cash equivalents at the the period	end of		1 071 645	1 31	14 144	1 216 613
Cash and cash equivalents at the period comprises:	end of th	е				
Cash and cash equivalents Restricted cash			1 010 151 61 494		35 900 28 244	1 147 306 69 307

Notes to the condensed consolidated interim financial information

For the six months ended 30 June 2012

Reporting entity

esizwe Platinum Limited ("Wesizwe" or "the Company") is a Company domiciled in the Republic of South Africa. The condensed consolidated interim financial information of the Company as at 30 June 2012 comprise the Company, its subsidiaries and the Group's interest in its equity accounted investee (together referred to as the "Group"). The consolidated financial statements of the Group for the year ended 31 December 2011 are available upon request from the Company's registered office at Unit 13, 2nd Floor 3 Melrose Boulevard, Melrose Arch, Johannesburg, 2076 or at www.wesizwe.com.

2. Statement of compliance

he condensed consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board and AC 500 standards issued by the Accounting Practice Committee and the requirements of the Companies Act of South Africa, No 71 of 2008, It does not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011. The condensed consolidated interim financial information was approved by the board of directors on 20 September 2012.

Significant accounting policies

The accounting policies applied by the Group in the condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2011.

Estimates The preparation of the interim financial information requires management to make judgements, estimates

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were, except as described below, the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

During the six months ended 30 June 2012 management reassessed its estimates in respect of:

The investment in Maseve Investments 11 (Pty) Ltd. (refer note 7)
Rehabilitation liability (refer to the 2011 integrated report page 97)

Going concern

ne current cash resources are adequate to fund the project development and administrative costs up to the end of the first quarter 2013. At that stage the Company will become dependent on the availability of the loan funding in the amount of US\$650 million that China-Africa Jinchuan Investments Ltd. is committed to provide in terms of the subscription agreement signed in May 2011 and is in process, together with the executive directors of Wesizwe, of securing a loan facility with China Development Bank.

In view of the prevailing market conditions, and recent events in the local platinum sector, management regarded it prudent to make contingency plans in the event that delays are experienced in finalising the US\$650 million debt facility. To this end a local bridging facility is being pursued for an amount sufficient to fund the project until December 2013. In addition, the Company is in the process of implementing an aggressive cash preservation plan to postpone, or eliminate if possible, all expenditure not directly associated with the project's critical path. The Company will maintain a minimum cash reserve to ensure cash commitments can be met at all times

Every endeavour is being made to ensure the most favourable result for the Group, but should none of the above come to fruition, a material uncertainty exists whether the Group would be able to realise its assets and discharge its liabilities in the ordinary course of business.

6. Property, Plant and Equipment

During the period under review an amount of R217.4 million was capitalised to property, plant and equipment as part of the activities to develop the mine At the reporting date property, plant and equipment consisted of the following categories of assets:

	Property, plant and equipment R'000	Construction work-in progress R'000	Mineral rights R'000	Total R'000
Opening balance Acquisitions during the period Disposals Depreciation	13 139 11 201 (6) (694)	663 515 206 207 –	1 057 729 - - -	1 734 383 217 408 (6) (694)
Closing balance	23 640	869 722	1 057 729	1 951 091

No additions have been made in respect of mineral rights during the period under review 7. Investment in equity accounted investee

	Six months	Six months	Year ended		
	ended	ended	December		
	June 2012	June 2011	2011		
	Reviewed	Reviewed	Audited		
	R'000	R'000	R'000		
Opening balance	916 548	922 220	922 220		
Share of profit/(loss) of equity accounted investee	3 581	(7 012)	3 515		
Loss on dilution of interest	-	–	(9 187)		
Closing balance	920 129	915 208	916 548		

8. Impairment of loan to the Bakubung community

As previously reported, the Company was requested by the DMR to assist the Bakubung-Ba-Ratheo Royal Family and the community in their efforts to obtain proper accounting for the community's assets in relation to Wesizwe. Consequently, funds were advanced by Wesizwe by way of direct payment to service providers In 2010 the courts made a ruling in favour of the community that the cost of legal proceedings be paid by the respondents.

In evaluating the recoverability of the loan, management is of the opinion that the recoverability of the non-legal fees within the next 6 to 12 months is doubtful and, in adopting a conservative approach, has accordingly impaired the loan for accounting purposes.

At the reporting date, Wesizwe had accrued for further legal expenses incurred in 2010 with reference to the matter explained above. An amount of R2.7 million was paid to service providers subsequent to the reporting date on behalf of the community.

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Opening balance Loan advanced to the community Loan impaired	2 741 (2 741)	8 257 - (3 793)	8 257 - (8 257)
Closing balance	-	4 464	_

9. Restricted cash

Share capital

Restricted cash covers the following guarantees:
Restricted cash covers the following guarantees:
Rest. 7 million (June 2011: R27.4 million) in favour of the DMR on issue of the mining licence;

R0.9 million (June 2011: R0.8 million) guaranteed to the landlord for the operating lease agreement; and
 R31.8 million (June 2011: Rnil) in favour of Eskom for phase 1 bulk power supply to the Bakubung Platinum Mine.

10. Share capital and share premium

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Authorised 2 000 000 000 (2011: 2 000 000 000) ordinary shares of R0.00001 each Issued	20	20	20
1 627 827 058 (2011: 1 627 827 058) ordinary shares of R0.00001 each	16	16	16
Share premium			
	Six months ended June 2012 Reviewed	Six months ended June 2011 Reviewed	Year ended December 2011 Audited

A special resolution in respect of the Share Capital Conversion and the Memorandum of Incorporation adoption was registered with CIPC on Monday, 3 September 2012. Shareholders were accordingly advised that the Company's shares commenced trading as shares of no par value on 6 September 2012.

3 425 528

3 425 528

1 955 159

(34 633)

1 955 159

1 505 002

(34 633)

11. Taxation

Opening balance

Closing balance

Share issue expenses

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
Current year – normal taxation Current year – deferred taxation	(4 820) (71)	(19 233) 4 862	(7 527 21 338
Total	(4 891)	(14 371)	13 811
Reconciliation of effective tax rate	%	%	%
Standard tax rate Assessed loss utilised/not utilised Non-deductible expenses Share of loss on dilution of equity accounted investee	28.0 - 27.0 -	28.0 7.9 (32.1)	28.0 7.9 (32.5 0.3
	55.0	3.8	3.7

12. Financial results

As the Group is developing a mine, it will not earn revenue from mining activities until such time as the mine is brought into production. The profit after tax for the six months under review was R4.0 million (2011: total loss of R393.3 million). The total

profit for the period comprises administration expenses of R27.3 million, share of income of equity accounted investee of R3.6 million, and net finance income of R35.2 million.

Administration expenses of R27.3 million comprise the following:
• Depreciation - R0.7 million (June 2011: R0.6 million)

- Professional fees R2.9 million (June 2011: R0.5 million)
 Directors' expenses R3.5 million (June 2011: R1.5 million)
- Salaries and payroll related expenses R11.2 million (June 2011: R6.7 million)
 Marketing expenses and investor relations R2.7 million (June 2011: R1.9 million)
- Community sustainability projects R1.8 million (June 2011: R1.1 million)

 Other administrative overheads – R4.5 million (June 2011: R5.2 million) The basic earnings per share for the period was 0.25 cents per share (June 2011: basic loss of 36.97 cents

per share) 13. Independent review

The condensed consolidated statement of financial position at 30 June 2012 and related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the period have been reviewed by KPMG Inc. Their modified report emphasises the matters described in note 5 and is available for inspection at the Company's registered office.

per share). The headline earnings per share was 0.25 cents per share (June 2011: headline loss of 36.61 cents

14. Segment reportingNo segmental report has been produced as the Group is conducting activities in one geological location

which represents its only business activity. 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. The operating results for the Group as a whole are reviewed regularly by the Group's CEO to make decisions about resources to be allocated and to assess its performance. 15. Mineral resources There were no changes to the mineral resources for the six months ended 30 June 2012.

16. Judgements by Directors and Management Other than the impairment reported earlier, the management of Wesizwe is confident that the assets of the

1 216 613

20 187

1 236 800

1 314 144

1 314 144

18 404

1 090 049

Group are not impaired. 17. Subsequent events There were no events that occurred after the reporting date that required further disclosure in these financial results. Refer note 8 and 10.

18. Commitments

At 30 June 2012 the Group had commitments to the value of R1.7 billion. This amount includes the commitment in respect of the shaft sinking agreement, which amounts to R1.4 billion (more than 90% of the total commitments). This amount will be incurred over the next 6 years until June 2018, and payments are to be made on physical progress

necesses and the promy (1935) for the period to cash news from operating delivines					
Note	Six months	Six months	Year ended		
	ended	ended	December		
	June 2012	June 2011	2011		
	Reviewed	Reviewed	Audited		
	R'000	R'000	R'000		
Profit/(loss) from operations Interest income Interest expense Foreign exchange loss Share of profit/(loss) of equity accounted	8 891 (35 225) 1 -	(31 524) (3 403) 2 061	(24 721) (46 255) 486 4 666		
investee (net of tax) Depreciation Loss on dilution of interest in equity	(3 581)	7 012	(3 515)		
	694	609	1 326		
accounted investee Impairment of loan to Bakubung community 8 Share-based payment expenditure	2 741 -	3 793 (1 207)	9 187 8 257 (1 207)		
Operating loss before working capital changes Changes in working capital	(26 479)	(22 659)	(51 776)		
	62 902	(4 356)	(9 772)		
Increase in other receivables Increase in trade and other payables	(1 731)	(5 941)	(20 857)		
	64 633	1 585	11 085		
Cash flows from operating activities	36 423	(27 015)	(61 548)		

20. Earnings/(loss) per share

	Six months ended June 2012 Reviewed R'000	Six months ended June 2011 Reviewed R'000	Year ended December 2011 Audited R'000
The basis of calculation of basic earnings/(loss) per share is: Attributable profit/(loss) to ordinary shareholders (Rand) Weighted average number of ordinary shares in issue (shares)	4 000 355 1 627 827 058	(393 310 141) 1 063 872 425	(358 326 233) 1 348 167 363
Basic earnings/(loss) per share (cents)	0.25	(36.97)	(26.58)
The basis of calculation of diluted earnings/(loss) per share is: Attributable profit/(loss) to ordinary shareholders (Rand) Weighted average number of ordinary shares in issue (shares)	4 000 355 1 627 827 058	(393 310 141) 1 063 872 425	(358 326 233) 1 348 167 363
Diluted earnings/(loss) per share (cents)	0.25	(36.97)	(26.58)
The basis of calculation of headline earnings/(loss) per share is: Attributable profit/(loss) to ordinary shareholders (Rand) Adjustments:	4 000 355	(393 310 141) 3 793 036	(358 326 233) 9 186 957
Impairment of loan to the Bakubung community Loss on dilution of interest in equity accounted investee	-	3 793 036 -	9 186 957
Headline earnings/(loss) (Rand)	4 000 355	(389 517 105)	(349 139 276)
Weighted average number of ordinary shares in issue (shares)	1 627 827 058	1 063 872 425	1 348 167 363
Headline and diluted headline earnings/(loss) per share (cents)	0.25	(36.61)	(25.90)

Financial overview

The profit for the six months under review was R4.0 million (June 2011: loss of R393.3 million). The profit for the six month period comprises administration expenditure of R27.3 million (June 2011: R17.5 million), net interest income of R35.2 million (June 2011: R34 million) and an equity accounted share of profit of Maseve Investments 11 (Pty) Ltd of R3.6 million (June 2011: loss of

The basic earnings per share for the period was 0.25 cents per share (June 2011: basic loss of 36.97 cents per share). The headline earnings per share was 0.25 cents per share (June 2011: headline loss of 36.61 cents per share).

The change from a basic loss per share in June 2011 to basic earnings per share in June 2012 is as a result of interest income recognised in the Statement of Comprehensive Income for the period under review as well as a once-off share based payment expense of R408.0 million that was recognised in the Statement of Comprehensive Income according to IFRS 2 in June 2011. The share-based payment expense arose as a result of the subscription for 829 884 460 new shares by Jinchuan, CADFund and Micawber 809 (Pty) Ltd. in Wesizwe on 4 May 2011 at an effective subscription price of R1.81 per share, compared to a market price of R2.30 per share on the date of closure.

During the six months under review the administration expenses increased with 55.8% compared to the corresponding period in 2011. This was as a result of the ramp up of the Bakubung Platinum Mine project. R217.4 million was capitalised to the cost of the mine, represented by work on the common surface infrastructure, bulk services and preparatory work for the shaft sinking activities. Wesizwe aims to contain administrative cost and control the capital expenditure on the Bakubung Platinum Mine to deliver the project on time and within budget.

The Company's current cash resources, remaining from the equity contribution by China-Africa Jinchuan Investments Ltd, will cover the planned project and administrative expenses up to the end of the first quarter 2013. At that stage the Company will become dependent on the funding to be secured in terms of the joint and several undertaking by Jinchuan and CADFund in terms of the subscription agreement that was concluded on 4 May 2011. A facility 1854550 million with China Development Bank is in the process of application and negotiation. The finalisation of an off take agreement, which has been agreed in varieties the interpretation of the properties o principle, is an important condition to be complied with.

In view of the prevoiling market conditions, and recent events in the local platinum sector, management regarded it prudent to make contingency plans in the event that delays are experienced in finalising the debt facility. To this end a local bridging facility is being pursued for an amount sufficient to fund the project until December 2013. In addition, the Company is in the process of implementing an aggressive cash preservation plan to postpone, or eliminate if possible, all expenditure not directly associated with the project's critical path. The Company will maintain a minimum cash reserve to ensure cash commitments can be met at all tim

Bakubung Platinum Mine
In April 2012, Wesizwe announced a revised capital budget estimate figure for the development of its Bakubung Platinum
Mine amounting to R7,9 billion in real terms. The shaft sinking contract was awarded in March 2012 while the supply of bulk
services and supporting infrastructure progressed in line with the project plan.

The expenditure on property, plant and equipment for the six months under review amounted to R217,4 million, and is mostly related to the preparatory work for shaft sinking and bulk services which are on the project's critical path

Maseve Investments 11 (Pty) Ltd.

This project, in which the Group holds a 26% equity share, is on schedule and has been put through vigorous internal review and various due diligence studies as required by the funding consortium constitum containing of local and international banks. Based on this updated bankable feasibility review the funding consortium submitted the funding for final approval to their various credit committees. We reported previously that it was foreseen that the balance of funding, required to bring this project into production, will be secured in full from the loan by the above mentioned consortium. However as a result of the current international economic climate and the specific impact on the plotinum industry the funding consortium requires a proportional contribution and overrun reserve from the shareholders. This investment is currently under consideration. Should Wesizwe elect not to participate in this contribution, due to the importance of its own core project and funding constraints, it will result in a dilution of its shareholding in Maseve.

Markets and project attractiveness

An interim review of supply, demand and prices was conducted in collaboration with the advisers that Wesizwe make use of and although current forecasts predict a deeper and even longer lasting downturn than previous projections we are still confident that the market conditions will be favourable by the time Wesizwe's projects go into production.

The terms quoted in the various proposals received from smelters are more favourable than the conservative terms used in the feasibility study and will have a positive impact on the project value in terms of a discounted cash flow. Based on the aforegoing, Wesizwe is still confident about its project discounted cash flow results as published in the 2011

Bakubung Platinum Mine development project provides local employment opportunities

In line with the Group's commitment to supporting sustainable local economic development, job creation and skills development, Wesizwe has provided on average 30% of the total workforce to local people recruited from the nearby Bakubung-Ba-Ratheo ommunity with employment opportunities at its Bakubung Platinum Mine project. This follows on-going community skills audit and recruitment efforts to determine the collective base of local skills, competence and knowledge. Over 2 500 people are captured in a skills database for current and future use. In addition to the recruitment of local skilled labour at the Bakubung

Platinum Mine, the skills audit has helped to guide the development of a focused skills development programme to address the scarcity of skills in the local community and the lack of capacity in the current potential labour force. Appointment of Aveng Grinaker-LTA Mining as the shaft sinking contractor for the

Bakubuna Platinum Mine In March 2012, Wesizwe announced another significant step towards the development of the Bakubung Platinum Mine. The shaft sinking contract amounting to R1.4 billion was awarded to Aveng Grinaker-LTA Mining and makes up the bulk of the total

a world-class underground PGM mine. Following the commencement of the pre-sink on the ventilation shaft on 27 July 2012, all the necessary preparatory work for the start of the main shaft pre-sinking had been completed by the end of August 2012. The pre-sink on the main shaft commenced on 11 September 2012. Both the ventilation and main shafts are scheduled for commissioning in 2017 and 2018 respectively

shaft sinking budget of R1.6 billion. The sinking of the shafts represents one of the most significant milestones in the delivery of

Community engagement

Wesizwe remains highly committed to sustainable community development and empowerment. As a result of findings from the previously conducted community stakeholder perception survey in 2011, the Company has now developed and launched a new corporate affairs and stakeholder engagement strategy, including the roll-out of a series of proactive communication interventions in the local community. These will include a series of regular stakeholder forums, open days and dialogues involving government (National, Provincial, District & Local Spheres), Traditional Leadership, Community Leadership Groups, local SMMEs, farmer associations and local residents, to address community concerns about the impact of the Bakubung Platinum Mine project, and to establish meaningful two-way engagement and communications with the local community.

Wesizwe is continuing to build sustainable communication initiatives within the community to encourage participation and proactive communications flow, and provides sponsorship and management support to the Ledig Sun community newspaper project which is published monthly and distributed free of charge to all local resident

We confinue to ensure accelerated implementation of the social and labour plan. We have acquired a high-value farm intended to ensure local economic development through agriculture projects and are currently in the process of finalising a sustainable project in partnership with the local stakeholders. We are still committed to ensuring that the highly needed water resource is delivered to our host community through daily filling of tanks at a cost of R 140 000 per month. Discussions around the development of a water pipeline to ensure a permanent solution to the water shortage is currently at an advanced stage with other relevant parties.

The North West Department of Local Government and Traditional Affairs announced during September that "a lasting solution" has been found to the issue relating to the dispute around the Bakubung-Ba-Ratheo chieftainship and other related matters. The Department announced to the community the much accepted news that Solomon Mphuphuthe Monnakgotla is the recognised legitimate Kgosi of Bakubung-Ba-Ratheo. It was further announced that the Royal Family also reached an agreement to elect Princess Margaret Monnakgotla to assist Kgosi Solomon Monnakgotla due to his ill health. This announcement came at a time where stability within the community is of great priority for the benefit of both Wesizwe and all

Wesizwe recognises that progress on the project, within budget and schedule, would be one pivotal aspect towards gaining the market's trust. The focus is on instilling confidence and improving its communication and engagement with shareholders. To this end, a new investor relations strategy and broader stakeholder engagement strategy has been finalised. It is aimed at raising the profile of the company, building greater awareness around its core Bakubung Platinum Mine project, and providing its management with effective strategic relationships and reputational management building platforms.

Board and management changesThe board of directors would like to thank the following people, who resigned during the period under review, for the contributions they have made to the Company during their tenure:

Prof Robert Garnett resigned as an independent non-executive director and member of the audit and risk committee with

 Mr Glyin (James) Zhang resigned as a non-executive director with effect from 19 July 2012,
 Mr Milbo Mgudlwa was not re-elected as a non-executive director at the Annual General Meeting held on 19 July 2012, Prof Wiseman Nkuhlu resigned as independent non-executive director and chairman of the audit and risk committee

- effect from 27 August 2012,
- Mrs Sirkien van Schalkwyk resigned as company secretary with effect from 25 July 2012.

Corporate governance

As a result of the abovementioned resignations, the audit and risk committee is currently not properly constituted in terms of the Companies Act of South Africa, No 71 of 2008. Until such time as two independent non-executive directors are appointed, Mr Barrie Van Der Merwe will be acting chairman of the committee. Mr Van Der Merwe has previously chaired this committee

and has the relevant experience in this regard.

The board, per the remuneration and nomination committee, is in the process of reviewing the composition of the board and board sub-committees to ensure compliance with the Companies Act, King III and the JSE Listing Requirements. Shareholders will be advised on any changes in this regard.

Dawn Mokhobo Chairman Sponsors: PSG Capital (Pty) Limited

Directors: DNM Mokhobo (Chairman)*, D Chen (Deputy Chairman)**, J Gao (Chief Executive Officer)*, W Ma (Financial Director)*, WM Eksteen*, J Li*, LV Ngculu*, L Teng**, BJ van der Merwe*

*Non Executive *Chinese Registered address: Unit 13, 2nd Floor, 3 Melrose Boulevard, Melrose Arch, 2076

19. Reconciliation of profit/(loss) for the period to cash flows from operating activities