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# Integrated Annual Report

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# Report Preparation and Presentation



## 1. INTRODUCTION

Wesizwe Platinum Limited (the company) proudly presents its 2015 integrated annual report, being the fourth edition since we commenced our integrated reporting format. Before preparing this integrated report and its accompanying Sustainable Development (SD) report, we considered the external and internal feedback received on our 2014 reports. Progress has been made in rectifying any identified shortcomings in this report.

During this period, there were no material shifts in the company direction, or events that would require the restatement of any information or financial statements published in our 2014 reports.

Although this report is the primary document produced specifically for shareholders and stakeholders, it links to and is supported by the SD report and ancillary communications made available through our website and other media.

## 2. FRAMEWORKS APPLIED

This integrated annual report accords with the parameters of the Act, No 71 of 2008 (Act), the Listings Requirements of the JSE Limited and, where possible, the recommendations of the King Report on Governance for South Africa 2009 (King III report). The group annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS).

As recommended by King III, this report was prepared in accordance with the International Integrated Reporting Council's (IIRC) International Integrated Reporting <IR> framework (the framework). Wesizwe's board of directors (the board) and management have considered and accepted the <IR> framework's concepts, guiding principles and content elements.

## 3. PURPOSE

This report endeavours to portray a holistic and integrated presentation of our performance and to concisely and accurately inform our stakeholder groups of our strategy, governance and prospects in terms of value creation over the short, medium and long term.



## 4. THE BUSINESS MODEL, THE SIX CAPITALS AND VALUE CREATION

In the 2015 financial year we continued developing our new platinum mine with actual mining of Platinum Group Metals (PGMs) due to commence in the second quarter of 2017. Our staff headcount is relatively small, with the bulk of the mine's construction being undertaken by specialist mining contractors. As a result, our activities (business model) are directed at safely bringing the mine into production within project deadlines and financial budgets.

While the mine is being developed, we are actively pursuing our Social and Labour Plan (SLP) targets as the basis for involving the local communities and key stakeholders in our business model and value creation strategy.

The IIRC's six capitals model has been adopted as a basis for describing our allocation of resources, achievement of project goals, risks and opportunities and our ability to create value, both now and in the future.

## 5. PREPARATION AND PRESENTATION

Our 2015 integrated annual report was prepared for the period 1 January to 31 December 2015 and covers our activities and those of our subsidiaries operating in the North West province of South Africa.

The board and executive management have selected the material matters published in this report by, offering a balanced mix of information for report readers to assess our performance and prospects. These material matters were identified through our risk management process, management workshops and our stakeholder engagement process, before being assessed by the board.

Certain of these material matters are discussed in the accompanying SD report rather than this integrated annual report, as they are linked to the human capital, social and environmental aspects of our activities. The executive directors and senior management were instrumental in preparing this report and the board has fulfilled its responsibilities in terms of the King III recommendations.

As in prior periods, we obtained independent limited assurance on selected sustainability information from PwC, in terms of the International Standards on Assurance Engagements 3000: Assurance Engagements other than Audits and Reviews of historical financial information. PwC's report appears in the Wesizwe Platinum Limited SD Report. The group financial statements were audited by KPMG Inc.

## 6. NAVIGATING THROUGH OUR REPORT

**Website:** Additional information is available on our website [www.wesizwe.com](http://www.wesizwe.com).

**Downloads:** Copies of this report, the sustainable development report and the group annual financials can be downloaded from [www.wesizwe.com](http://www.wesizwe.com) in PDF format.

**Feedback:** As a key stakeholder, your feedback on any aspect of this report is valued as it may help us improve our reporting on matters important to you. Please email Wesizwe Platinum at [IRManager@wesizwe.com](mailto:IRManager@wesizwe.com) or contact Hamlet Morule on 011 994 4600.

## 7. DIRECTORS' STATEMENT OF RESPONSIBILITY

The board of directors acknowledges its responsibility to ensure the integrity of the integrated report for the 2015 financial year. The board has accordingly applied its collective mind and, in its opinion, this integrated report addresses all material matters, and offers a balanced view of the performance of the organisation and its impact on the environment and society. On the recommendation of the audit and risk committee, the board of directors approved the 2015 integrated annual report on 18 March 2016.

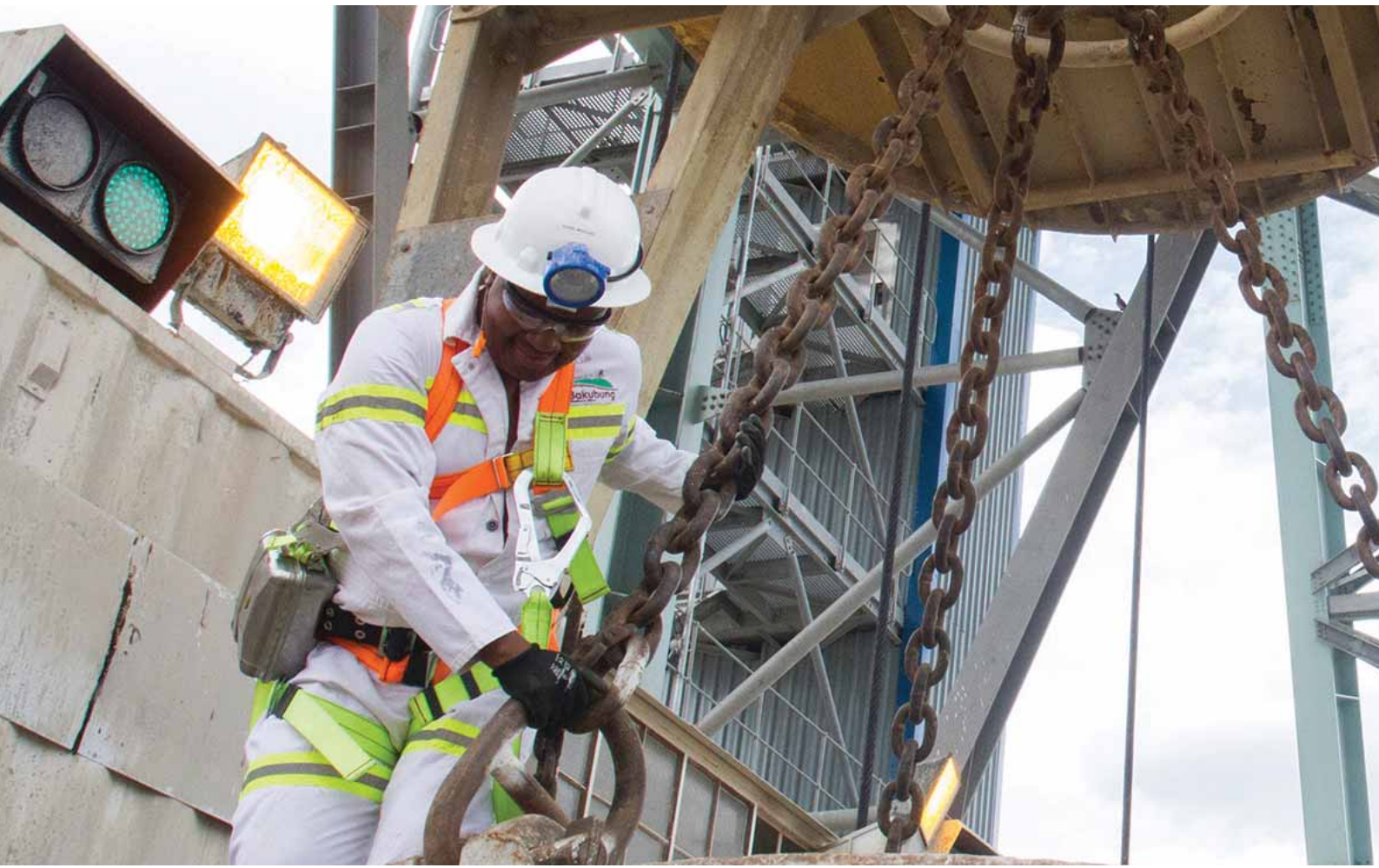


**Dawn Mokhobo**  
Chairperson



**Jianke Gao**  
Chief executive officer





# Corporate Profile





## CORPORATE PROFILE

Wesizwe Platinum is a public company incorporated in the Republic of South Africa with its shares listed on the JSE Securities Exchange (JSE).

Our intention is to enter into PGM mining in South Africa as the launch pad for growing into a significant multi-commodity mining company that sets new benchmarks for sustainable mining practices. The development of a new underground mine to access one of the last remaining sizeable and viable Merensky and Upper Group 2 (UG2) Chromitite layer PGM ore bodies is our flagship project.

Located on the Western Limb of the Bushveld Complex, near the town of Rustenburg in the North West province, is the Bakubung Platinum Mine (BPM) site, home of our flagship project.

We also hold a 17.1% interest in neighbouring Projects 1 and 3 of Maseve Investments 11 (Pty) Limited (Maseve), held through a subsidiary company, Africa Wide Mineral Prospecting and Exploration (Pty) Limited. Maseve is operated by Platinum Group Metals Limited (PTM) Canada.

## 8. OUR BUSINESS

Our business is mainly focused on the successful development of the BPM and its surrounding community of Ledig. With 17 000 residents, Ledig lies directly north of the mine.

The mine access will be through twin vertical shafts system and 6m raise bore ventilation holes to 72 level (72L). The main shaft will be for miners and materials. The second shaft will be for added ventilation, men and material access. The 6M raise bore holes will be for up-cast ventilation purposes. The third shaft is intended for support functions, added ventilation and as an escape route. The main shaft is intended to have a hoisting capacity of 255, 000 tpm of ore and 15, 000 tpm of waste per month.

An initial 230,000 tpm will be mined from the Merensky Reef, with 20 000 tpm coming from the secondary UG2 Reef. After the Merensky Reef is depleted (between 10 to 15 years from the start of production), the full 255 000 tpm will comprise UG2 ore only.

The Merensky Reef and the UG2 ore will be mined through semi-mechanised or hybrid methods using conventional methods on the face and mechanised ore-handling and development.

## 9. FORWARD LOOKING STATEMENTS

Certain statements in this document are forward looking. These relate to, among other things, the plans, objectives, goals, strategies, future operations and performance of Wesizwe Platinum Limited and its subsidiaries (the company, or group). Words such as "anticipates", "estimates", "expects", "projects", "believes", "intends", "plans", "may", "will" and "should" and similar expressions are typically indicative of a forward looking statement. These statements are not guarantees of Wesizwe's future operating, financial or other results and involve certain risks, uncertainties and assumptions. Accordingly, actual results and outcomes may differ materially from those expressed or implied by such statements. Wesizwe makes no representations or warranty, express or implied, that the operating, financial or other results anticipated by such forward looking statements will be achieved and such forward looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Due to the point-in-time nature of this integrated annual report, Wesizwe cannot undertake to continuously update the historical information or forward looking statements in this document.

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# Platinum Group Metals

## WHAT ARE PGMs AND WHERE ARE THEY FOUND?

Exceptionally rare and therefore highly sought-after, the platinum group metals (PGM) are the densest known metal elements. PGMs comprise six silver-white metals, occurring naturally in the same ore bodies and found mainly in South Africa, Russia and North America. Globally renowned for their intrinsic durability and extraordinary value, PGMs are often recycled. Platinum is commercially the most important of all the PGMs.

Chemically, physically and anatomically similar, the six PGMs are:

- Ruthenium (Ru)
- Rhodium (Rh)
- Palladium (Pd)
- Osmium (Os)
- Iridium (Ir)
- Platinum (Pt)

### What makes PGMs so valuable?

While they are far more rare than both silver and gold, PGMs are different to these metals, in that they are highly prized for their industrial uses. PGMs are both heavier and denser than other metals, making them indispensable in many industrial applications. Because of their chemical stability, PGMs are highly useful catalysts. An estimated 25% of all goods manufactured internationally either contain a PGM, or a PGM played a key role in its production.

### What are PGMs used for?

PGMs are at the heart of everyday life and essential in the production of small and large items such as: fountain pens, aircraft turbines, anti-cancer drugs, mobile phones, catalytic converters and ceramic glazes, to name a few. PGMs are also vital to the future of power generation, transportation, healthcare and a variety of other fields. The recyclable nature of PGMs means they have a uniquely long life cycle, helping to protect the environment by rarely being disposed of as waste.



Glass



Autocatalyst



Vehicle spark plugs



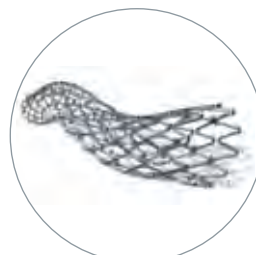
Mobile phones



Aircraft turbines



Electronic components



Medical stents



Chemotherapy medication



Watch parts



Computer hard drives



Silicone



Dental appliances



# **Our Vision, Values and Group Structure**



At Wesizwe, our vision is to grow into a significant multi-commodity mining company, focusing on strategic metals with sound fundamentals for sustainable demand.

### Our Values

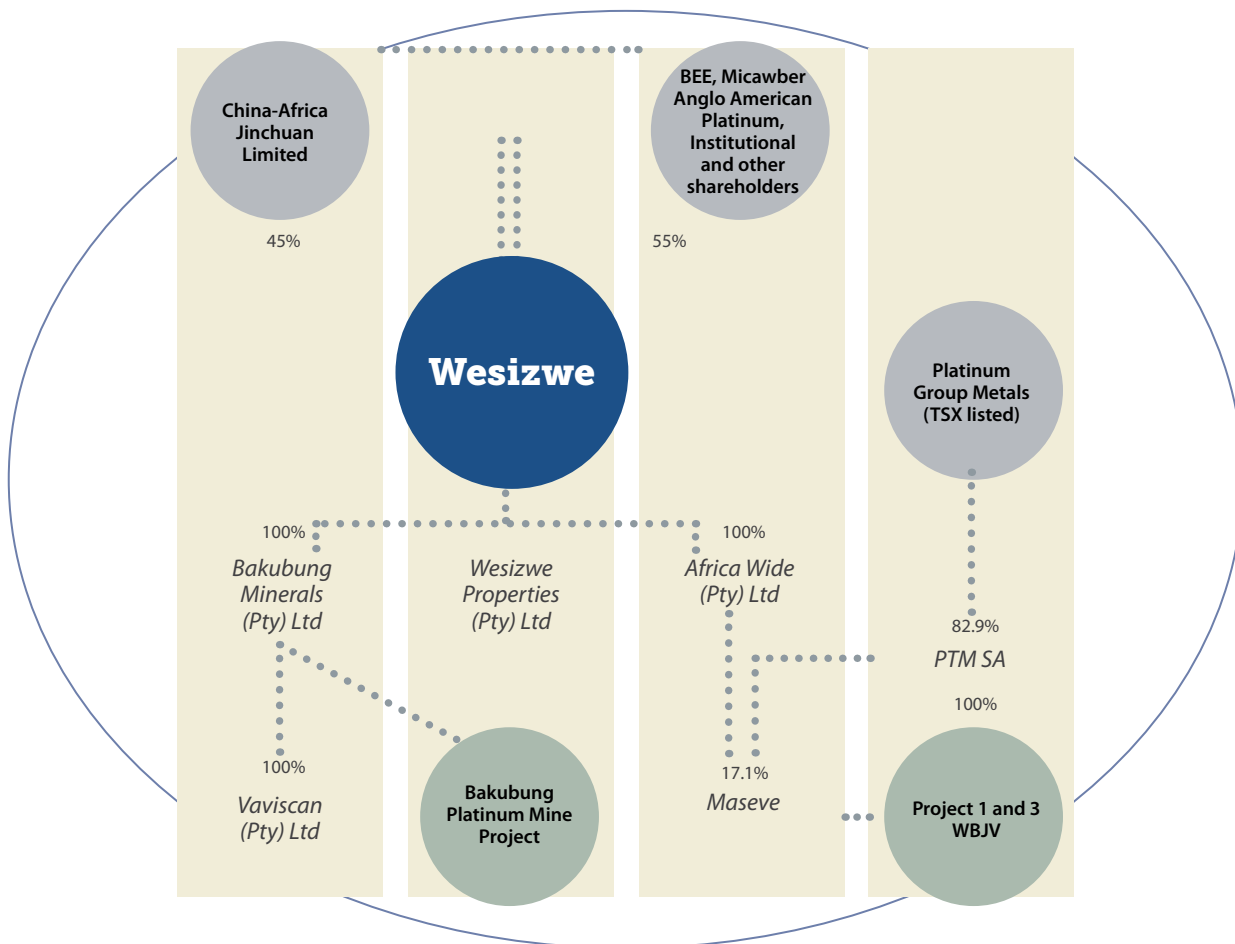
Through our employee engagement and associated communications campaigns, we seek to engage every individual, with the purpose of living our values, which include:

- Zero harm to people and the environment
- Ethical behaviour based on integrity and honesty
- Trust, openness and transparency
- Respecting diversity and inclusion
- Ownership, accountability and responsibility
- Perseverance and tenacity
- Dignity, respect and fairness
- Caring

### Group Structure

Besides its BPM development, Wesizwe also holds a 17.1% interest in neighbouring Projects 1 and 3 of Maseve Investments 11 (Pty) Limited (Maseve) through the subsidiary company Africa Wide Mineral Prospecting and Exploration (Pty) Limited. Maseve is operated by Platinum Group Metals Limited (PTM) Canada.

### Group Structure





# Wesizwe at a Glance

## THE BAKUBUNG ORE BODY AND HOW TO MINE IT

The targeted ore body is a high-quality resource base made up of both Merensky Reef (MR) and UG2 Reef. This mining opportunity is flat-lying, the reef width for a larger part of the ore body is favorable to do normal conventional mining whilst mechanization will be used for development and some part of ore body with higher mining widths.

The ore body enables four production levels and relatively minor off-reef infrastructure, which will significantly reduce capital costs. A combination of conventional and mechanised mining is planned to achieve a relatively high extraction ratio of 74%.

The prill split is highly favourable at 62.4%Pt, a good ratio for a PGM mine. In summary, the two reefs will be mined in split ratio of 9:1 for Merensky to UG2 in the early years and will swing over to 100% UG2 when Merensky is depleted.

To be more specific, production development will commence in the second quarter of 2017 and will reach steady state during the second quarter of 2021 when the tonnage profile reaches an ore-clearing profile of 255 000 tpm. For the next 12 years commencing in 2017, the Merensky Reef will be mined at a production rate of 230, 000 tpm and the UG2 at a rate of 20, 000 tpm. After this phase the Merensky production is likely to decline and will be replaced by UG2 production mined at 255, 000 tpm for the remaining duration of life of mine.

Wesizwe has implemented a comprehensive and progressive sustainable development strategy in parallel with developing the mine and its supporting infrastructure. This far-reaching strategy seeks to align the legitimate concerns and needs of all key stakeholders with the social, environmental and financial outcomes resulting from the mine's activities.

Being highly sensitised to Wesizwe's proximity to North West province eco-tourism icons, we have designed our operations to have minimal impact on these attractions and the broader regional environment. We regularly interact with these stakeholders to minimise any negative impacts on our neighbours, while actively working to provide real business and job opportunities.

More information regarding our sustainability initiatives is provided in the accompanying SD report.

## BAKUBUNG PLATINUM MINE

*Wesizwe's Bakubung Platinum Mine (BPM) project is developed through the group's wholly owned subsidiary, Bakubung Minerals (Pty) Limited.*

### Location

On the Western Limb of the Bushveld Igneous Complex, north of the city of Rustenburg in the North West province. The mine is adjacent to the western boundary of Royal Bafokeng Platinum's Styldrift project and immediately north of Maseve's Project 1.

### Progress

The sinking and development project reached a significant milestone in October 2015 and November 2015 when both the main and services shafts reached the bottom at 825m and 810m respectively in line with the optimisation study milestones published in 2014. The critical path for 2016 focuses on equipping the production shaft, which will be done in different sequences. On the main shaft, the major scope for 2016 is shaft equipping and continued flat development through the new services shaft (Ventilation Shaft).

# Bakubung Platinum

## BPM key milestones

2015

- 69 Level and 72 Level stations' development in the main shaft
- 69 Level and 72 Level stations' development in the ventilation shaft
- Intersected Merensky Reef
- Commenced the bulk sampling programme by collecting 300 tonnes of reef samples from both shafts
- Commenced the permanent water supply phase 1c infrastructure development
- Commenced the phase 2 power supply programme with Eskom and signed agreements with guarantees paid
- Process plant feasibility study review concluded

2013

- Shaft sinking contract awarded
- First blast of the ventilation shaft
- Main shaft pre-sink starts

2014

### Key milestone journey

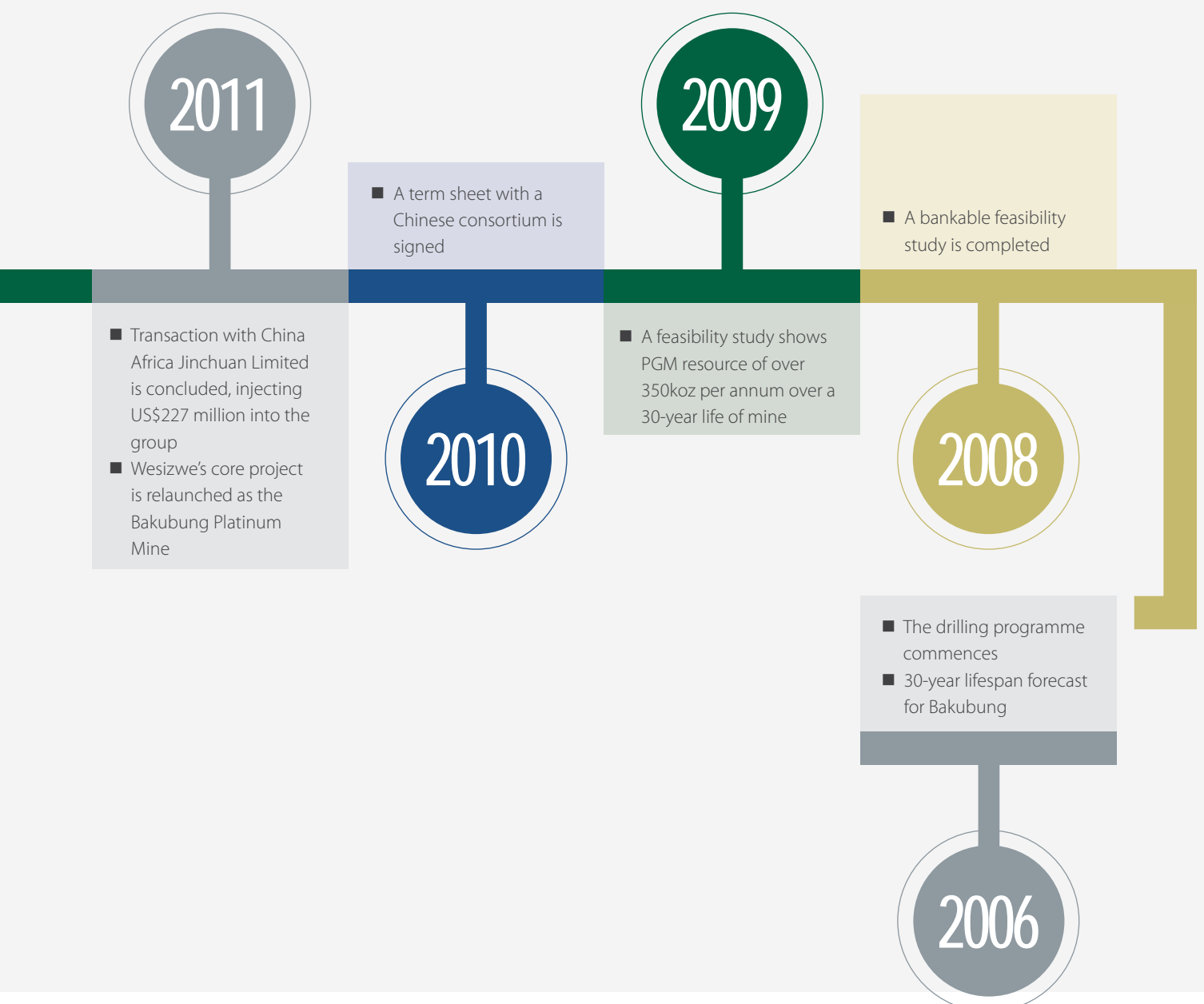
- Both shafts reached bottom; commencing with main shaft equipping
- Commissioned 1,5 million litres per day capacity as part of permanent water supply to BPM
- Commenced waste development on multi-level through the ventilation shaft
- Implemented the mine operational readiness plan
- Commenced with the process plant enquiry for the EPCM and front-end engineering (FEE)
- The two shafts were connected on 72 Level with ore loading box excavation completed

- Main shaft slow sink starts – 345 metres achieved by end December 2013
- Ventilation shaft headgear commissioned
- Ventilation shaft slow sink starts – 506 metres achieved by end December 2013
- US\$650 million facility entered into with the China Development Bank (CDB)
- Project optimisation plan finalised for approval by the board

2012

# m Mine key facts

255 000 tons monthly ore hoisting capacity and  
30 - 35-year life of mine lifespan forecast for BPM





# 2015 in Brief

Performance indicators and  
scheduled milestones

## PERFORMANCE INDICATORS AND SCHEDULED MILESTONES

2015 scheduled milestones	2015 milestones achieved	2016 schedule milestones
<b>Project Development</b>		
Direct Capital Expenditure Planned for Shafts & Infrastructure R783m	Expenditure incurred R334m	Direct Capital Expenditure on Shafts & Infrastructure R735m
Nil Fatalities and LTIFR of 1.3	1 Fatality and LTIFR of 0.42	Nil Fatalities and LTIFR of 1.3
<b>Shaft Sinking:</b>  Completing sinking on the Main & Services shaft	<b>Shaft Sinking:</b>  Service Shaft Sinking Complete 81L. November 2015  Main Shaft Sinking Complete 82L. October 2015	<b>Shaft Equipping:</b>  Production Shaft Equipping - Bunton (Sets) 141  Production Shaft Equipping - All pipes 9916 m Production Shaft Equipping - All cable length 8650 m  Production Shaft Equipping - Station Steelwork 53 t Production Shaft Equipping - Loading box 114t
Complete holing between the two shafts on 77 Level	The 77L mining has holed between the Production and Service Shaft	Holing between shaft on 3 levels( 81L,72L, 69L)
<b>Flat Development:</b>  Planned 691m development for main services shafts	<b>Flat Development:</b>  Achieved 472m for Main & Services Shafts development	<b>Flat development:</b>  Service Shaft Flat Development 1403 m
Access routes, Security house, Sewage reticulation, car park, 2x3ml water dams	Construction well underway on the packages.	<b>Construction of surface package:</b>  Surface Settling Ponds Civils Surface Proto, Control and Medical Room Civils Surface Banksman's Cabin Civils Surface Effluent Civils Surface Lamp room and Crush (Phase 1) Civils Surface Fiber Optics Back Bone
<b>CI:</b>  Continuous Improvement on shaft infrastructure layouts	<b>CI:</b>  Shafts shortened from 960m to 820m and moved services up and levels closer to reef.	<b>CI:</b>  Continue to do a project optimisation and review to create resilience in the current market conditions
<b>Bulk Services Water:</b>  Complete phase 1 water project	<b>Bulk Services Water:</b>  Phase 1 commissioned in October 2015	<b>Bulk Services Water:</b>  All phases completed
<b>Bulk Services Power:</b>  Complete the OHPL to the mine, Install Bakubung station transformers, Install Ngwedi 500kv transformers	<b>Bulk Services Power:</b>  Ngwedi transformers installed, Bakubung transformers ordered	<b>Bulk Services Power:</b>  Ngwedi-Bakubung OH Line Commission Phase 2 & 3 Bakubung Sub-station commissioned
Amendment of EIA and WULA to include housing, plant, tailings line and tailings dam construction and waste crushing.	EIA and WULA consultants appointed. Applications to amend submitted and acknowledged. Consultation with DMR and affected stakeholders completed.	All specialist studies, public comments and submission to DMR to be completed. Approval of amendments scheduled for July 2016 and August 2016 for EIA and WULA, respectively.
Bulk sample test work programme for process plant design data	Test work completed by end of 2015.	Finalise test work report, initiate and complete process design criteria by mid-2016.



# Our Business Case and Value Proposition



## IN 2005

Our initial shareholders identified a viable and virgin portion of the Merensky and UG2 reefs that could be mined over a period of 30 to 35 years for the benefit of shareholders, stakeholders and the local communities creating thousands of potential new jobs and a host of other benefits.

The costs of developing and operating this mine were assessed against the global demand forecast for PGMs over the next four decades.

## STRATEGIC INVESTORS

The project was evaluated by the Jinchuan Group Co. Limited (Jinchuan) as well as the China Africa Development Fund (CADFund) who decided to join as shareholders and strategic investors (the CAJIL consortium). This consortium has since invested capital (both equity and debt) and expertise into Wesizwe and for developing the BPM.

Jinchuan, a Chinese company, was founded 53 years ago and is a non-ferrous metallurgical and chemical conglomerate with integrated assets in mining, concentrating, smelting and refining. It is a leader in smelting and refining technologies, established in over 30 countries worldwide. Jinchuan moved up 10 spots on the 2015 edition of the Top 500 Chinese Enterprises list, landing at number 79 with total revenues of 200.4 billion Yuan (31.4 billion U.S. dollars). Jinchuan is the world's second largest cobalt manufacturing enterprise and its fourth largest nickel manufacturer. It is the Chinese leader in the production of platinum and the third largest producer of copper. It is active in metals exploration and enterprises in numerous African countries.

Founded in 2007, The CADFund supports Chinese companies wanting to gain entry into African markets. It facilitates the gap between free aid and loans, without increasing the debt burden to African countries, by identifying high-potential projects that require stable support to become profitable.

Jinchuan offers vast mining expertise in conjunction with local mining skills through its members on the Wesizwe board and specialist mining support is available from its China operations. Nickel mining is very similar to platinum mining in practice, therefore Jinchuan has much knowledge to share being one of the world's largest nickel miners.



## BUSINESS STRATEGY

We focus on high-value PGM and strategic metals that have long-term demand and will enable the group to develop into a sustainable mid-tier mining house. Our anchor project is the BPM, which is due to start production in the second quarter of 2017 and reach full production in 2021, with life of mine (LOM) of 30-35 years.

Our Chinese consortium shareholder, CAJIL, and the presence of experienced Chinese mining professionals in the positions of deputy chairman, CEO, finance director and non-executive directors on the board are highly influential in developing our strategy.

## B-BBEE STRATEGY

Our obligations linked to the mining right granted in terms of section 23 of the Minerals and Petroleum Resources Development Act, No 28 of 2002 have been fully discharged. Being well aware of current mining industry Mining Charter requirements, we continue to liaise with the Department of Mineral Resources and the Bakubung Ba Ratheo community to find a lasting solution on the HDSA part ownership of Wesizwe Platinum Limited.

## PGM MARKETS SERVED

As the mine has not yet begun producing PGMs we cannot report on our market served. Off-take agreements will be finalised before production commences in 2017.

## SUSTAINABLE DEVELOPMENT STRATEGY

Our extensive sustainable development strategy is being implemented in parallel with developing the mine and its supporting infrastructure. This strategy is intended to align the legitimate concerns and needs of all key stakeholders with the social, environmental and financial outcomes resulting from the mine's activities.

'The Wesizwe Way to Sustainable Development' is our sustainable development strategy, which is founded on four primary pillars:

- 1** Deliver on Wesizwe's Social and Labour Plan (SLP) commitments, ensuring that the social licence to operate and mine in the area is retained. Part of that commitment is addressing the social and labour impacts of mining in a manner that fully involves communities while also communicating that mining has to be cost-effective for the shareholders.
- 2** Fully deliver on the strategy by ensuring that sustainable principles and practices are embedded into all aspects of business. These are then governed and assured to keep Wesizwe on our sustainable development track.
- 3** Further build upon sustainable development by embedding a culture of risk management, responsibility and mitigation into all levels of the company.
- 4** Recognising that all employees should have access to adequate training and a career path. To help develop the local community and keep its social fabric intact, permanent housing and infrastructure close to the site will be made available to at least 70% of employees when the mine is fully operational.





# Business Model

## Financial capital

- Offering equity and raising development capital at competitive rates
- Efficient expenditure of development capital
- Building shareholder value
- Operating costs: R29.9m
- Project construction and equipment spend for 2015: R620.9m

## Built capital

- Emphasis on capex and opex optimisation
- Infrastructure, logistics and IT systems being developed at the BPM and Wesizwe House to reduce costs
- Our anchor project is the BPM, with a life of mine of 30 to 35 years
- Utilisation of partnerships and global procurement opportunities
- Fit-for-purpose designs

## Intellectual capital

- Brand equity, product development, market research, management expertise, efficient supply chain, sound corporate governance
- Local mining experience in conjunction with expertise offered by Chinese shareholders and executives
- ISO 9000 series accredited
- Reputational value
- Reporting frameworks: <IR>, GRI and King III

## Human capital

- Employees, management skills, training
- Compact workforce and specialist contractors
- Grow to more than 3 300 employees by 2021

## Social and relationship capital

- Government, customers, funders, communities
- A workforce development and community relations strategy that encourages harmonious relationships with these vital stakeholders
- Maintain sound stakeholder relations

- Expending R49.7m on community development projects in terms of the SLP

## Environmental capital

- Water and electricity, carbon footprint
- Monitoring programme. The parameters include dust fallout, PM10 (respirable dust), NO<sub>2</sub>, SO<sub>2</sub>, surface water and groundwater
- Zero major environmental incidents
- No fines for environmental transgressions or non-compliances

## Natural capital

- The resource has a very favourable prill split with a Pt/Pd ratio of 2.4 for the Merensky Reef, 2.05 for the UG2 and 2.23 for the combined reefs
- The total attributable resources of 4E PGMs for the group is 15.438Moz.
- BPM's total resources are 13.26Moz
- Of the remaining resource, 1.927Moz are attributable to our 17.1% shareholding in the Maseve project and 0.251Moz to the War Springs project

## MATERIALITY: RISKS & OPPORTUNITIES

Material aspect	Nature of issue	Impact on company
Funding	Security of funding for project completion	Project- operational, funding risks Housing project funding, Royal Family concerns
Exchange rates and metal Prices and Currency Volatility	Mining industry challenges, economic outlook and platinum price drop	Platinum price drop (platinum recycling, job cuts, cost cutting) Volatile PGM markets and prices
Building the project	Improve the mine's business case, given low metal prices, increasing cost pressures, changing social climate and working conditions requirements.	Project ahead of schedule Safety Security Operating costs Ability to deliver projects on time and within budget Availability of adequate and appropriate skills Availability of utilities Labour unrest
Community engagement and cooperation	The volatile nature of the host community and ongoing management of potential threats and risks	Social and labour plan development Mining Charter compliance Community upheaval Bakubung Community Fraud case Lack of hosting community shareholding in the Bakubung Mine Employment of locals
Building positive social and industrial relations	Security of resources (water) for production Ongoing environmental management and compliance	Labour relations and employee engagement Labour and trade union stability Stakeholder engagement and responsiveness Unprotected strike action
Support services	Proper management of risks and challenges that may be experienced with all support services Reliance on contractors Related safety issues and the resultant fatal incident	Employee safety Managing the impacts of our supply chain IT system Business Continuity Plan Contractor performance Security at premises/ property Procurement from local SMME Contractor compliance
Sourcing, developing and retaining a suitable skilled workforce	Competition for skills with other mining companies Attracting required skills Equity issues	Mechanisation Retrenchments Employee home ownership Establishing suitable remuneration and reward structures Youth employment
Environmental impacts	Security of resources (water) for production Ongoing environmental management and compliance	Electricity supply and optimisation Water availability and optimisation (drought) Pollution Environmental and climate change management Water supply
Resource base	Challenges experienced with concluding the process The delicate nature of the relationship with the Bakubung Royal Family and communities	Mineral reserves available on a sustainable basis
Legislative compliance	Managing the changing landscaping of labour relations and its implications and impacts on the business	Potential changes to environmental laws Legislative revisions and uncertainty North West Department of Rural, Environmental and Agricultural Development fine Mining Charter compliance- Contractor EE compliance





# **Board of Directors and Executive Committee**



## BOARD OF DIRECTORS



**Ms Dawn Nonceba Merle Mokhobo (67)**

**Independent non-executive director (Chairperson)**

*Bachelor of Arts, University of the North  
Strategic Transformation Programme  
University of Stellenbosch Business School*

**Appointed:** 17 December 2009

**Leadership roles:** First African woman to the management board of Eskom, as Executive Director in charge of Growth and Development.

Won the prestigious Business Woman of the Year Award in 1993. Independent Electoral Commissioner in 1994.

Served in the Promotions Committee for the South African Police Service in 1996.

Nominated as the chairman of the United Nations Special Committee of Experts appointed to address the global issue of women and senior economic decision making in 1996.

**Boards:** Wesizwe Platinum Limited, Engen Limited, Sabvest Pty (Ltd), The Altron Group, Board of Cricket South Africa, Chairman of Khulisa Social Solutions.

**Skills, expertise and experience:** Social and economic development, governance and strategy



**Mr Wenliang Michael Ma (47)**

**Finance director**

*Bachelor of Economics, Jilin Normal University  
Master of Art (Economics), Northeast Normal University*

**Appointed:** 4 May 2011

**Other directorships and leadership roles:** Maseve (Platinum Group Metals), Bakubang Minerals (Pty) Limited

**Skills, expertise and experience:** Executive financial management, capital raising and strategy



**Mr Kenny Mokoka (45)**

**Non-executive director**

*CA(SA)*

**Appointed:** 7 November 2014

**Other directorships and leadership roles:** Anglo American Platinum

**Skills, expertise and experience:** Business development and corporate finance, mergers and acquisitions, strategic and risk management, stakeholder engagement and B-BBEE strategies



**Mr Dexin Chen (53)**

**Non-executive director (deputy chairman)**

*Bachelor of Mining, Mining Institute of Xi'an*

**Appointed:** 5 May 2011

**Other directorships and leadership roles:** Jinchuan Group

**Skills, expertise and experience:** Twenty-one years in the mining industry, senior management and technical positions



**Mr Jianke Gao**  
(53)

**Chief executive officer**

*Bachelor of Mining, Central-South Institute of Mining and Metallurgy  
Qualification of Professor Level  
Senior Engineer*

**Appointed:** 4 May 2011

**Other directorships and leadership roles:** Jinchuan Group

**Skills, expertise and experience:** Mining, technical and management expertise



**Mr Victor Mabuza**  
(45)

**Independent non-executive director**

*Bachelor of Commerce*

**Appointed:** 22 August 2014

**Other directorships and leadership roles:** Metorex/  
Jinchuan Group

**Skills, expertise and experience:** Corporate finance, investment banking, public offers, BEE strategies, corporate governance, risk management and strategic management



**Mr Jikang Li**  
(43)

**Non-executive director**

*Bachelor of Law from Lanzhou University*

*PRC Legal Professional Qualification Certificate*

*On-job Postgraduate in Finance and Trade from Xi'an Jiaotong University*

**Appointed:** 4 May 2011

**Other directorships and leadership roles:** Jinchuan Group

**Skills, expertise and experience:** Legal, foreign investment and financing



**Mr Liliang Teng**  
(50)

**Non-executive director**

*BSc from Electrical Power Department, Southeast University  
EMBA from School of Management and Economics, Tsinghua University  
MSc in Risk Management from ISMA Centre, Reading University, UK*

**Appointed:** 4 May 2011

**Other directorships and leadership roles:** China-Africa Development Fund

**Skills, expertise and experience:** Economics, management and engineering



**Mr William (Mike) Eksteen**  
(67)

**Independent non-executive director**

*Registered Certificated Engineer.  
National Higher Diploma in Mining.  
Mine Manager's Certificate of Competency*

**Appointed:** 1 October 2005

**Other directorships and leadership roles:** None

**Skills, expertise and experience:** Experience in commodities including PGMs, gold, diamonds and base metals

Resigned during reporting period



**Mr Lincoln Vumile (James) Ngculu**  
(60)

**Independent non-executive director**

*BAdmin (Hons) (UWC), PDM (UCT GSB) and Certificate in Defence Management (Wits)*

**Appointed:** 30 May 2011

**Other directorships and leadership roles:** Provincial Chairperson of the ANC

**Skills, expertise and experience:** Politics, security sector reforms and health



**Mr Jianke Gao**  
(54)

**Chief executive officer**

*Bachelor of Mining degree, Professor Level Senior Level Engineer*

*Executive since 2011*

**Other directorships and leadership roles:** Bakubung Minerals, SA Jinchuan Resource



**Mr Paul Smith (52)**

**Chief operating officer**

*BCom MBA, BSc in Chemistry, DMT Extractive Metallurgy*

*Executive since January 2013*

**Other directorships and leadership roles:** None  
Resigned during reporting period



**Ms Basetsana Ramaboa**  
(51)

**Executive: human resources**

*BA Honours degree in Social Work*

*BA Honours in Human Resources Development*

*Advanced Diploma in Project and Programme Management*

*Executive since May 2013*

**Other directorships and leadership roles:** None



**Mr Wenliang (Michael) Ma**  
(47)

**Financial director**

*Master's degree in Economics*

*BA in Economics*

*Executive since 2011*

**Other directorships and leadership roles:** Maseve and Bakubung Minerals



**Ms Vasta Mhlongo**  
(50)

**Company secretary**

*Advocate of the High Court of South Africa*

*Diploma in legislative drafting*

*BJuris, LLB*

*Executive since January 2013*

**Other directorships and leadership roles:** Non-executive director of Azeyech Consulting Services



**Mr Jacob Mothomogolo**  
(43)

**Executive: Projects**

*BSc Mining Engineering Management Development Programme (MDP)*

*MEng*

*Executive since 2011*

**Other directorships and leadership roles:** None



**Mr Hamlet Morule**  
(48)

**Executive: corporate affairs and investor relations**

*BJuris*

*LLM*

*MSc: Development and Project Planning, Harvard SEP*

*Executive since 2012*

**Other directorships and leadership roles:** Board chairman of Maloma Colliery Limited.



**Mr Edwin Mohlabi**  
(41)

**General manager: Bakubung Platinum Mine**

*Bachelor of Technology in Mining Engineering, Diploma in Management, Diploma in Mining, Intermediate Management Development Programme (MDP) Executive since 2013*

**Other directorships and leadership roles:** None



**Ms Kgomotso Tshaka** (46)

**Executive: sustainable futures**

*MBA, BSocSc, Management Advancement Programme (MAP), Global Executive Development Programme (GEDP) Executive since 2008*

**Other directorships and leadership roles:** Business Women's Association of South Africa (BWASA), National Business Initiative (NBI) – social and ethic committee



# Chairperson's Outlook

## DEAR WESIZWE STAKEHOLDERS,

I am happy to share Wesizwe's Integrated Annual Report for the financial year ended 31 December 2015.

We are moving towards the realization of our goal to provide sustained mining services over the next 30-35 years, with the company strategy growing from its early phase towards maturity at a pleasing speed. It must be noted, in the interest of highlighting progress, that most of our core business structures are already at an advanced stage for a relatively new business – these include our governance, finance and sustainable development structures.

In the previous year's report, I communicated the fact that Wesizwe's mine would not only be cost effective to build, but that construction would also be done with a 26 month reduction in the time required to reach full production. This was due to Jinchuan, our Chinese consortium partners' proactivity in conveying engineering optimisation innovations to ensure a timely and quality production.

I am thus proud to state that much progress has been made, in line with the company's strategic imperative of achieving a 230 000 tpm production level by October 2020. In the second quarter of 2017, our flagship project, BPM, is scheduled to commence production and by 2021, full-scale production will be reached. Wesizwe's Life of Mine will be sustained over a period of three decades presenting much needed job opportunities for the our host community.

We focus on high-value PGM and strategic metals that have long-term demand and will enable the group to develop into a sustainable mid-tier mining house.

Our anchor project is the Bakubung Platinum Mine (BPM), which is due to start production in the second quarter of 2017 and reach full production in 2021, with life of mine (LOM) of 30 years.

## Industry Outlook

The mining industry continues to be highly dynamic and challenging due to the build up of labour tensions over the last few years. However, our talent relations and labour approach has seen us continue steadily with the task at hand to begin production by 2017, and as mentioned above and in our performance indicators on page 22, we are on schedule.

Given the challenging operational conditions, with the leading concern including escalating costs. We will contribute to improve efficiencies in order to reduce costs.

## Environmental outlook

As a responsible corporate citizen, Wesizwe continuously find ways to ensure that its operations are sustainable and considerate to nature, with minimal disruption to the environment.

The effect of the sub-Saharan region drought emanating from the El Nino effect was felt throughout 2015, particularly in the arid mining area in which we operate. Over the last few years, Wesizwe has been proactive in harnessing water supply for BPM and surrounding communities. In addition to the current water supply, the company's permanent water supply programme for South Pilanesburg is well underway. Wesizwe has also commenced with building a reservoir through collaboration with Magalies Water, BPM and Maseve. The 50MI reservoir is located South of the two mines on the Mafenya Kopje and construction has already commenced with completion set for November 2016.

## Strategic alignment to socio-developmental goals

Strategically aligned to South Africa's national objectives to alleviate unemployment, once fully developed, our mine is set to create thousands of jobs and have a lasting socio-economic impact on developing our host community.

During the year under review, there has been great interaction, compliance and collaboration with the Department of Mineral Resources and the Bakubung Ba Ratheo community with regards to the HDSA part ownership of the company and the provision of housing to our mining workforce, in line with the Mining Charter requirements.

Wesizwe's sustainable development strategy has been created to align the legitimate concerns and needs of all key stakeholders, parallel with developing the mine and

its supporting infrastructure. The strategy captures the social, environmental and financial outcomes from the mine's activities and has translated these into our Stakeholder Engagement programs leading to Sustainable Futures.

Our SLP programme is in full effect with intensive development in the areas of job opportunities, education, training and entrepreneurship. The implementation of Wesizwe's SLP promotes continued compliance with the Department of Mineral Resources (DMR) Mining Charter. A robust report on these and other community projects is provided in the SD Report from page 34.

Our strategic value:  
Even though there are challenges in the market, we believe in the sustained value of platinum and its prolonged positive impact on the socio-economic development of our country and the world.

## Stakeholders

The board, executive management and workforce of Wesizwe have made a concerted effort to increase stakeholder interaction and engagement through various forums stipulated at length on page 48 of the SD Report. This has resulted in a thorough understanding of the key elements of our business strategy and garnering implementation support for the long-term.

## Governance

This year I have also had the pleasure of leading the Wesizwe board of directors to ensure that best practice governance structures and policies are upheld, integrated and cascaded to every level within the organisation for effective implementation. Over and above oversight of Wesizwe's overarching company strategy, the Board's focus for the 2015 fiscal year included recognising that the key elements of performance, sustainability and risk are all intricately connected for the sustained success of our business. Read more on the measures taken to de-risk our business on page 30.

Board interaction with our strong management team has resulted in many milestones as shared by Wesizwe's CEO, Jianke Gao, in his report on page 40. The board also appraises shareholders regularly about the company's performance on a regular basis.

## Appreciation

I wish to thank Mr Willem Eksteen for his commitment to the Board having resigned during the period under review. I thank the CEO, Mr. Jianke Gao and all Executives, for their exemplary leadership, and all Wesizwe employees for their continued commitment to ensuring that the company performs and implements its strategy diligently through the challenges faced in the last fiscal year.



**Dawn Mokhobo**

Chairperson





# CEO's Report



The 2015 fiscal was relatively stable for the mining sector after turbulence over the previous few years, emanating from labour unrest and commodity pricing pressure. As reported in the last integrated annual report, Wesizwe's performance continued to thrive, even under these challenging conditions.

### Well on our way to achieving our strategic objectives

This year, we ensured that we moved even closer to achieving our strategic objectives by meeting our targets and positioning the company to grow into a strong multi-commodity mining house. Continued implementation of the board approved optimisation plan occurred throughout the year with the following achievements made.

We continue to ensure that our project's critical path is maintained, our capital expenditure on shafts and infrastructure was R334m for the period under review and it will increase to R735m during 2016. I am proud to report that the implementation of cost control measures throughout the year resulted in significantly lower costs than the previous year, securing financial sustainability for the future of our company.

Our financial director's report on page 44 and the Annual Financial Statement (AFS) on page 98 offer more details of our financial performance for the year under review.

### Improving efficiencies and derisking the business

For the year under review, Wesizwe paid particular focus on de-risking the business and continued business efficiency improvements. Our top 10 risks and how we proactively managed these are highlighted on page 30 of this report.



Wesizwe continuously curbs the effects of mining on the environment through parallel programmes that include emissions offsetting and effective waste management. In 2015 a key risk facing the project included securing bulk services agreements, particularly for power and water. To alleviate pressure on water supply the following measures were taken: water infrastructure initiatives commenced to ensure that we established, managed and paid for our own water. In order to meet the requirement for 6 million litres of water per day, we are working with state-owned entity Magalies Water and are implementing two additional water projects. The company is also working closely with local power producer Eskom to procure the required 60MW of power required to run the mine. All phases for bulk water supply should be completed in 2016 and we will strive to ensure commissioning of phase 2 and 3 of the BPM sub-station by Eskom during 2016.

We paid greater focus on securing our future by keeping our workforce safe and healthy. Wesizwe continued implementation of its robust safety, health and wellness

## Key elements of the optimisation plan

# 26

-month reduction in time to full production (initial 230ktpm production level now planned for October 2020, as opposed to December 2022)  
- reduced shafts depths

■ increase in mine capacity to 250ktpm of run-of-mine ore at full capacity

# 20%

increase (to 420 000oz 4E per year) as compared to previous steady-state monthly production rate

■ R750m improvement on NPV

programmes throughout 2015. More information on these programmes can be found on page 43 of the SD report.

It is with deep sadness that I report a fatality that occurred during the year under review. One of our employees Mr. Titos Mondlane lost his life due to a fatal fall from the sinking stage to the shaft bottom. My sincerest condolences go out to his family, friends and colleagues. Going forward, we will continue to work tirelessly to uphold our Zero Harm approach to ensure that our safety protocols are constantly observed and improved

## Unlocking the value of PGM

Wesizwe is well-positioned for sustainable operations that will see the company achieve forecasted growth within the mining sector for the duration of its 30-35 years life of mine.

The foundation of our business model is based on unlocking PGM value and adequately leveraging platinum. At Wesizwe, we believe in shared value that has a beneficial impact on all our stakeholders including our immediate business stakeholders, investors, employees, communities and society at large, at every touchpoint of our business process from extraction to selling and recycling.

While the outcome of our overarching strategy is to extract precious metals and generate sustained financial capital, also inextricably linked is Wesizwe's core focus on empowering the communities surrounding the mine. We have developed a number of impactful Social and Labour Plan Programmes to this end, and have rolled up our sleeves to ensure that they are implemented.

## 2015 Strategic highlights

I am happy to report that the following key group objectives for 2015 were met:

**Budget:** Of the planned direct capital expenditure of R783m, only R334m was spent due to deliberate cost containment and improvement in efficiencies. We remained within budget for the period under review.

**Shaft Sinking:** As planned, we achieved our target of completing the main and service shafts at 825m and 810m, both completed in October and November respectively.

**Process Plant:** We invited proposals for the process plant Engineering, Procurement and Construction Management (EPCM) and finalized the recommendations for the approval of the board. The process is to be finalized during 2016.

**Surface Infrastructure:** During the period under review, we had planned to commence with the construction of access routes, sewage reticulation plant, water dams, car park and security house, all these are still under way and in the process of construction.

**BEE strategy:** As previously reported, the company has fully discharged its obligations linked to the mining right granted in terms of section 23 of the Minerals and Petroleum Resources Development Act of 2003. Being aware of the previous HDSA ownership dilution on the part of our Host Community, We continue to interact with the Department of Mineral Resources and the Bakubung Baa Ratheo Community to find a lasting solution.

**Funding:** We remained compliant with all US\$650m Senior Loan Funding Conditions and Reporting requirements.

**Talent:** We continued to update and review all our HR policies in alignment with our overarching company strategy to ensure that we upskill and/ or hire the best talent that will equip our business with the best talent to support Wesizwe's sustained growth.



### Strategic priorities for 2016

The long term vision for Wesizwe includes steady progression towards the creation of a mid-tier mine that will bring sustained value over the next 30-35 years.

In 2016 we will strive for a nil fatality. Our main focus will be on shaft equipping and flat development. The construction of additional surface packages will also commence, which will include amongst others offices, security entrance, control room, access routes, change houses and parking amongst others. We will also continue with the implementation of our mine operational readiness plan.

In the next two years, conclusion of shaft equipping and development and commencement with process plant construction will occur. We aim to also commission the main shaft and begin production build-up that will ensure that we reach full mining production by 2021 and have commissioned concentrator modules 2 and 3 by then.

We are confident that we will see an even greater impact on the socio-economic development of our host community and sustainable development in the years to come.

### Note of thanks

I deeply appreciate the insights and decision making guidance from Wesizwe's board, led by Ms. Dawn Mokhobo. I also acknowledge the superior management that the company's Exco has provided for the year under review. Most importantly, I thank every member of the Wesizwe workforce for the implementation of our strategy. All your efforts do not go unnoticed.

**Jianke Gao**  
CEO

While the outlook for platinum for the years to come is dependent on many factors, some beyond our control, we are confident in our derisking measures and that the long term demand for our product will create a sustainable mine that sees the company operate efficiently for the next 30 years and beyond.



# Financial Director's Report

## FINANCIAL PERFORMANCE

International economic circumstances in general and the prevailing condition in the Platinum Group Metals (PGM) industry specifically continue to place Platinum Producers under severe pressure. The Company experiences the resulting pressure and uncertainty very acutely during this time of significant capital expenditure in a new production facility with revenues only expected by 2019. The very low PGM prices do not affect the financial results directly at this point in time but creates uncertainty about the future. Currently the Company is focused on the construction of a highly efficient mining operation on time and within budget. Continuous improvement is a very high priority and has delivered very good results such as the project optimization in 2014 and the shaft shortening proposals that was approved during 2015. These improvements ensured that all project milestones were achieved on time and within budget as extensively addressed by the CEO on page 40. Various other areas aimed at efficiency and return on investment improvement are still under investigation.

## GEARING AND US\$ FACILITIES

The Company also concentrates on the curtailment of overheads and indirect cost in order to preserve cash. Due to that concerted effort, we have achieved a year on year improvement of non-direct project administrative expense in 2015, which were less by 6% compared to the 2014 expenditure and lesser by 11% compared to the 2013 expenditure.

The weaker rand does increase the Rand value of the US\$ facility that is available to the Company and at weaker R/US\$/ZAR exchange rates the facility is delivering more progress on the ground than originally planned. Due to the natural hedge resulting from the fact that total sales will be priced in US\$ still delivers positive gearing. The loan servicing, although more expensive, still requires less Rands than the revenue benefits derived from a weaker Rand. However the significant weakening in December 2015 caused the unrealized exchange variances to exceed the threshold that can be capitalized as funding cost and the Company had to write-off R634m against equity in 2015.

## IMPAIRMENTS AND GOING CONCERN

The most significant uncertainty in the project valuations for impairment testing is the future price and exchange rate projections. Wesizwe have again based its projections on the supply and demand studies by SFA Oxford. Wesizwe also compares the SFA price forecast with those of the major international institutions that produces long term projections. This year we found that the prices projections from these institutions are either in line with or even more optimistic than SFA Oxford projections which were not the case in previous years. The significance of this is the fact that there is a growing consensus around the expected price recovery on the back of growing demand.

The impairment test of the BPM Project delivered a remaining head room of almost 50% and no impairment was considered necessary. The impairment test of the Wesizwe investment in the Maseve Mine Project delivered values higher than the carrying value and no impairment was required.

Based on the project valuations and the funding facilities available management concluded that the Wesizwe Group qualifies as a going concern.

## MANAGEMENT INFORMATION AND CONTROL SYSTEM ENHANCEMENTS

In support of improved control Wesizwe successfully implemented the required modules of an ERP system in the beginning of 2015 and also improved the Project Management and Capital Budget Control systems in use. The first phase of a selected operational budgeting system has also been completed during the year.

## THE ROAD AHEAD

The wide consensus about growing demand for the PGMs and the resulting price recoveries now supports the view the Company held and reported previously. We still maintain that by the time it goes into production at BPM, the recovered prices will support a profitable mining operation.



**Wenliang (Michael) Ma**  
Financial Director



# Value Created by Business



<b>Bakubung Minerals</b>	<b>At 1 January 2015</b>	<b>Spend for 2015</b>	<b>At December 2015</b>
Owners cost and pre-production overheads	619 283 296	739 891 682	1 359 174 977
EPCM costs	321 449 639	103 218 001	424 667 640
Housing Development & Community projects	63 389 526	49 006 162	112 395 688
Process plant	1 505 729	2 807 456	4 313 185
External bulk power and water supply	174 246 507	58 962 376	233 208 883
Capital footprint development	-	11 170 224	11 170 224
Ventilation shaft sinking and development	471 430 022	128 542 273	599 972 294
Main shaft sinking and development	638 182 617	159 486 693	797 669 310
Shaft surface complex infrastructure	153 061 979	29 835 653	182 897 632
Surface infrastructure	71 879 718	5 458 224	77 337 942
Tangible E&E	454 368 081	-	454 368 081
Decommissioning assets	34 675 211	(26 151 758)	8 523 453
Intangible assets	437 413 423	-	437 413 423
Business Systems	12 529 537	(2 782 581)	9 746 955
Other property plant & equipment	16 788 427	13 717 037	30 505 465
<b>Total Project</b>	<b>3 470 203 710</b>	<b>1 273 161 442</b>	<b>4 743 365 152</b>



# **PGM Market: 2015 and Beyond**



Wesizwe continually keeps abreast of PGM market trends and forecasts through various independent reports, data analysis as well as published articles and statistics. This report has been compiled to provide a review of the financial year under review as well as to provide projections for 2016 and beyond.

## 2015 IN REVIEW

### Platinum

Underlying demand trends have been largely positive even though weak price and poor market sentiments have overshadowed the platinum market in 2015. Africa still remains key investment destination with South Africa still producing over 70% of world's platinum. In 2015, platinum was the best performing metal group in terms of average pricing, followed by rhodium and palladium.

Strike action cost South African mines over 1.3 million oz of platinum production in 2014. In 2015, the strike-affected mines have returned to near normal levels and although 2015 saw the steady recovery of the mining industry from labour and community turbulence of previous years, the risk of disruption remained apparent.

A weak microeconomic environment ensured that platinum prices remained relatively flat throughout 2015 at less than US\$1300/oz. (average of US\$1042.56/oz). Prices remained low as the Rand continued to weaken against the dollar.

Since September 2015 euro 6b emissions limits have applied to all passenger cars registered in Europe. Euro 6b diesel required NOx after treatment to meet the stricter limits. Although diesel's share of the European market may fall marginally, light duty diesel production will nevertheless grow by 4% and platinum use in the segment will rise by over 12% in the coming months.

### Palladium

Palladium price dipped to an average of US\$679.14 for 2015. Although palladium was the least performing metal group in comparison to platinum and rhodium, prices are predicted to rise to US\$750/oz in 2016.

### Rhodium

The price of rhodium averaged at \$925.72/oz in 2015 and the use of the metal in autocatalysts continued to dominate demand, accounting for 83% of gross consumption. The balanced rhodium prices reflect improved availability of this metal following the end of the labour strike in July 2014.

Depletion of existing assets will see global output decline from 2018 and combined with a slow rate of net demand growth, this should keep rhodium market in a narrow deficit for the next few years. Global production of light duty gasoline vehicles is expected to stagnate in 2015 with weak demand for passenger cars in some large rest of world markets including Russia and Brazil.

## 2016 FORECASTS

### Platinum

Platinum prices will remain under pressure as the dollar is expected to strengthen. Following strong recovery in South African mine output in 2015, production is expected to stabilise in 2016 and beyond.

Demand is expected to grow at an average of 3.5% per annum until 2020, particularly in the use of platinum in autocatalysts albeit at a slower rate than in the last two years. Global output of light duty diesel vehicles is forecast to rise by 4% next year and heavy duty trucks by 6%.

Platinum jewellery recycling is forecast to grow steadily from 580koz in 2014 to 665koz by 2025. A double digit rise in the recycling of platinum from auto scrap is anticipated in 2016 however, price is likely to continue to influence scrap flows.

It is anticipated that 2016 is likely to see a drop in investment demand especially in Japan offset by some modest gains in sales to jewellery makers in India and China. This is under the assumption that increased recovery of platinum from scrapped vehicles is balanced by growth in autocatalyst and industrial demand.

India, Western Europe and China are expected to be the greatest contributors to automotive platinum demand growth, with India adding approximately 235koz of demand until 2020.

### Palladium

The prospect of any increase in primary palladium shipments in 2016 is rather limited and will depend largely upon the ability of producers to sustain increases in capacity utilisation in South Africa and Zimbabwe.

Our previous report stated that until 2025, LMC Automotive forecasts additional palladium-rich gasoline vehicle production of 22.5 million. In terms of palladium demand, overall growth in gasoline car volumes will be offset by some limited thrift of PGM, especially in North America, where automakers take the opportunity to thrift heavy loaded catalysts on some light duty trucks models ahead of the next round of emission legislation.

Overall, it is anticipated that palladium demand in consuming applications (automotive, industrial and jewellery combined) to be stable or marginally higher.

### Rhodium

Autocatalyst demand for rhodium is expected to improve modestly in the next year, in line with improving global car production following a year of weak growth in 2015. It is predicted that global light duty vehicle output will expand by around 4% with gains concentrated in China and other countries. It is anticipated that at least one year of double digit growth demand for rhodium in light duty diesel applications will emerge.

The volume of autocatalyst scrap processed fell in 2015 but it is expected to recover in 2016 assuming a more positive pricing environment. The goal is to return to the average price of over US\$2 000/oz by 2017, however this is dependent on adaptation of strategies to market conditions.

## SHAREHOLDER ANALYSIS

### Wesizwe Platinum

#### Analysis of Ordinary Shareholders as at 31 December 2015

Shareholder Spread	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
1 - 1,000	824	17,31%	423 648	0,03%
1,001 - 10,000	1 678	35,25%	7 748 767	0,48%
10,001 - 100,000	1 680	35,29%	63 827 680	3,92%
100,001 - 1,000,000	504	10,59%	147 662 646	9,07%
Over 1,000,000	74	1,55%	1 408 164 317	86,51%
<b>Total</b>	<b>4 760</b>	<b>100,00%</b>	<b>1 627 827 058</b>	<b>100,00%</b>

Distribution of Shareholders	Number of Shareholdings	% of total shareholdings	Number of Shares	% of issued Capital
Private Companies	83	1,74%	1 000 925 794	61,49%
Retail Shareholders	4 252	89,33%	213 193 670	13,10%
Public Companies	3	0,06%	211 860 375	13,01%
Custodians	35	0,74%	88 804 398	5,46%
Trusts	279	5,86%	59 961 955	3,68%
Stockbrokers & Nominees	9	0,19%	24 485 317	1,50%
Collective Investment Schemes	3	0,06%	7 895 572	0,49%
Hedge Funds	2	0,04%	7 549 970	0,46%
Managed Funds	2	0,04%	5 817 688	0,36%
Close Corporations	54	1,13%	3 515 264	0,22%
Retirement Benefit Funds	4	0,08%	2 371 075	0,15%
Investment Partnerships	26	0,55%	1 132 336	0,07%
Insurance Companies	1	0,02%	217 021	0,01%
Foundations & Charitable Funds	6	0,13%	96 173	0,01%
Unclaimed Scrip	1	0,02%	450	0,00%
<b>Total</b>	<b>4 760</b>	<b>100,00%</b>	<b>1 627 827 058</b>	<b>100,00%</b>

Shareholder Type	Number of Shareholdings	% of total shareholdings	Number of shares	% of issued capital
<b>Non-Public Shareholders</b>	<b>4</b>	<b>0,08%</b>	<b>949 372 302</b>	<b>58,32%</b>
Directors and Associates	2	0,04%	5 000 000	0,31%
China Africa Jinchuan Investments Ltd	1	0,02%	732 522 177	45,00%
Rustenburg Platinum Mines Limited	1	0,02%	211 850 125	13,01%
<b>Public Shareholders</b>	<b>4 756</b>	<b>99,92%</b>	<b>678 454 756</b>	<b>41,68%</b>
<b>Total</b>	<b>4 760</b>	<b>100,00%</b>	<b>1 627 827 058</b>	<b>100,00%</b>

<b>Beneficial Shareholders With A Holding Greater Than 3% Of The Issued Shares</b>	<b>Number of Shares</b>	<b>% of issued Capital</b>
China Africa Jinchuan Investments Ltd	732 522 177	45,00%
Rustenburg Platinum Mines Limited	211 850 125	13,01%
Micawber 809 (Pty) Ltd	97 362 283	5,98%
Africa Continental Resource Venture	73 630 000	4,52%
Bank of New York (Custodian)	64 586 588	3,97%
<b>Total</b>	<b>1 179 951 173</b>	<b>72,49%</b>

<b>Total number of shareholdings</b>	<b>4 760</b>
<b>Total number of shares in issue</b>	<b>1 627 827 058</b>

#### **Share Price Performance**

Opening Price 02 January 2015	R0,88
Closing Price 31 December 2015	R0,41
Closing High for period	R0,90
Closing low for period	R0,41
Number of shares in issue*	1 627 827 058
Volume traded during period	93 999 888
Ratio of volume traded to shares issued (%)	5,77%
Rand value traded during the period	R59 569 163,92

\*The number of shares in issue has remained unchanged since December 2014



# **Our Capitals – and How we report on them**

## OUR CAPITALS

Wesizwe Platinum has accepted the IIRC's 'six capitals' model as best practice for logical and transparently reporting on our operational, financial and broader activities. In our view the King III recommended six capitals reporting stance enables a clear view of the tangible (financial, manufactured, human, natural) and intangible (intellectual, social and relationship) capitals that flow through Wesizwe Platinum to create short, medium and long-term value.

In summary, the six capitals are:

### Financial capital

The pool of funds that is:

- available to an organisation for producing goods or providing services; and
- obtained through financing (such as debt, equity or grants), or generated through operations or investments.

### Manufactured capital

Manufactured physical objects (as distinct from natural physical objects) used in producing goods or providing services. These may be:

- buildings;
- equipment; and
- infrastructure (such as roads, ports, bridges, and waste and water treatment plants).

**Intellectual capital** Organisational, knowledge-based intangibles, including:

- intellectual property, such as patents, copyrights, software, rights and licences; and
- 'organisational capital' such as tacit knowledge, systems, procedures and protocols.

**Human capital** People's competencies, capabilities and experience, and their motivations to innovate, including their:

- alignment with an organisation's governance framework, risk management approach, and ethical values;
- ability to understand, develop and implement an organisation's strategy; and
- loyalties and motivations for improving processes, goods and services, ability to lead, manage and collaborate.

### Social and relationship capital

The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective wellbeing. Social and relationship capital includes:

- shared norms, values and behaviours with key stakeholders;
- willing engagements with external stakeholders;
- intangibles associated with the brand and reputation; and
- an organisation's social licence to operate.

### Natural capital

- All renewable and non-renewable environmental resources and processes that provide goods or services. It includes: air, water, land, minerals and forests; and biodiversity and eco-system health.
- Not all capitals are equally relevant or applicable to all organisations. While most organisations interact with all capitals to some extent, these interactions might be relatively minor or indirect, therefore not sufficiently important to include in the integrated report.



## BUILT (MANUFACTURED) CAPITAL

### Overview

The sinking and development project reached a significant milestone in October 2015 when both the main and services shafts reached the bottom at 825m and 810m respectively – which is in line with the optimisation study milestones published in 2014. The main shaft is being prepared by the sinking team for equipping and establishing the temporary ore handling system from 69L to 81L in the services shaft. The project team has completed the scoping document for the flat development, which follows equipping, in 2017. This project is being developed into a global package and preparations are being made to attract the interest of international players.

An unfortunate fatality occurred during the second quarter of the year. In order to prevent a recurrence of such incidents, improvements during the year under review were facilitated through reviews of risks, drafting standard operating procedures and revised training. The completion of the project's sinking phase means a departure from a rather more hazardous environment of working under gravity, to beginning the project's flat development – which has a different set of risks. Risk assessments for the flat development phase are being completed by teams to update the standards and training manuals in use.

Regarding matters of Safety, Health and Environment (SHE), Wesizwe has continued to strengthen engagement with important stakeholders, namely employees, the union, and the Department of Mining and Resources (DMR). Valuable input from inspectors has helped our teams to focus on developing improvements to the project.

During the year under review, incidents of sporadic and sometimes lengthy work stoppages occurred. While these actions were led by the union of the shaft sinker employees, the signing of recognition and wage agreements towards the end of the year helped to stabilise the situation. At the end of the sinking stage of the project, the sinking contractor was reviewed, as the demand for sinking skills turned to flat development skills. The process followed CCMA section 189, with the correct procedure and transparency being applied.

The project's surface and ancillary equipment programme reached new milestones with the commissioning of: the main stores, jiggling shed, a rail link between the two, and the delivery of up to 70% of all equipping steelwork and equipment to site. The major advantage is the availability of materials, thereby mitigating the risk of delays during sinking.

A key achievement of the project team was in performing the Continuous Improvement (CI) exercise. The dedicated team's aim of the CI exercise was to identify further design optimisation for shaft infrastructure, mining layout, and process optimisation using technology and equipment. After the CI exercise, key design changes were, among others: further shortening of shafts, implementing conveyor belting for underground ore movement, and reducing waste development by streamlining the station layout. The design team also looked at hoisting capacity, supply of services to ensure increased flexibility – as well as proposals to convert the original ventilation shaft into a services shaft for men and materials, and also introduced raised bored holes for ventilation.

## Sinking and development highlights

The optimisation exercise focused on revising shaft infrastructure and looking at shaft depths. Moving ore and water handling facilities up to the reef horizons lead to further shortening of both shafts. A major milestone was achieved in October 2015, as sinking reached shaft bottom on 82L and 81L on main and services shafts respectively – which was in line with the project schedule.

Table 1: Sinking milestones 2015

Month	Milestone - 2015	Achievement – 2015
<b>January</b>	Production shaft sinking Service shaft sinking Project sinking Project development	Production shaft reached the 770m depth Service shaft reached the 770m depth Project sunk over 1540m in total Projects station level development achieved over 360m in total
<b>February</b>	Project development	Projects station level development achieved over 440m in total
<b>March</b>	Production shaft sinking Project sinking Project development	Production shaft reached the 780m depth Project has sunk over 1550m in total Projects station level development achieved over 480m in total
<b>April</b>	Production shaft sinking Service shaft sinking Project sinking Project development	Production shaft reached the 780m depth Service shaft reached the 770m depth Project sunk over 1555m in total Projects station level development achieved over 510m in total
<b>May</b>	Production shaft sinking	Production shaft reached the 800m depth
<b>June</b>	Development	Project developed over 710m in total
<b>July</b>	Production shaft sinking Service shaft sinking Development <b>Development</b>	Production shaft reached the 805m depth Service shaft reached the 788m depth Project developed over 715m in total <b>Milestone: 77L mining holed between production and service shaft</b>
<b>August</b>	Production shaft sinking Service shaft sinking Development	Production shaft reached the 807m depth Service shaft reached the 805m depth Project developed over 720m in total
<b>September</b>	Production shaft sinking Service shaft sinking Development	Production shaft reached the 820m depth Service shaft has reached the 809m depth Project has developed over 740m in total
<b>October</b>	Production shaft sinking Service shaft sinking <b>Service shaft sinking</b> Development Construction	Production shaft reached the 825m depth Service shaft reached the 815m depth <b>Milestone: service shaft sinking complete (81 Level)</b> Project developed over 790m in total Permanent cable store complete
<b>November</b>	<b>Production shafts sinking</b> Production shaft equipping	<b>Milestone: production shaft sinking complete (82 level)</b> Preparation for Shaft Equipping commenced
<b>December</b>	Development	The project has developed over 884m in total

On the table above is a list of all critical path development packages that have been completed during the reporting period. Highlights include the completion of sinking both the production and service shafts, as well as the completion of the jiggling shed, main store and, cable store among others. The total project flat development metres for the reporting period is 532m and sinking has reached bottom on both shafts.

### Vertical sinking metres (production and services shafts)

The graphic below illustrates vertical metres sunk in both shafts during 2015 and shows that the project is in line with planned targets.

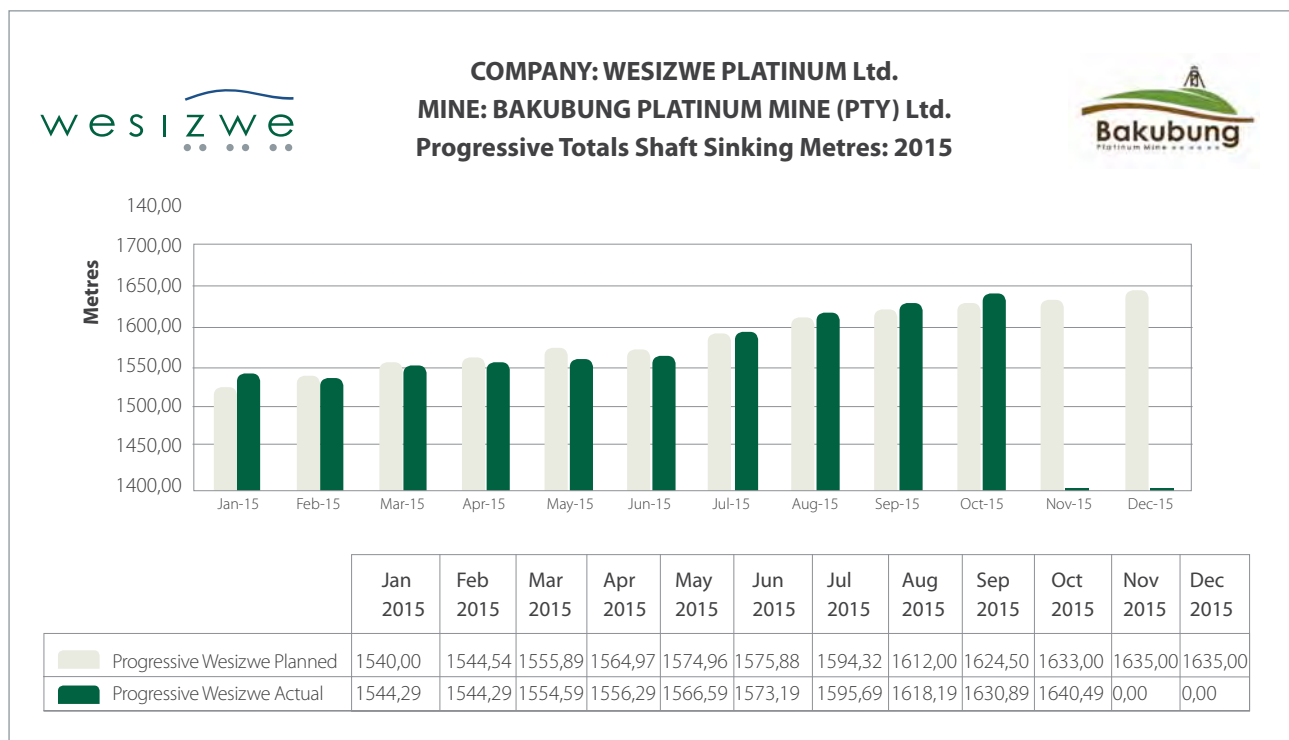
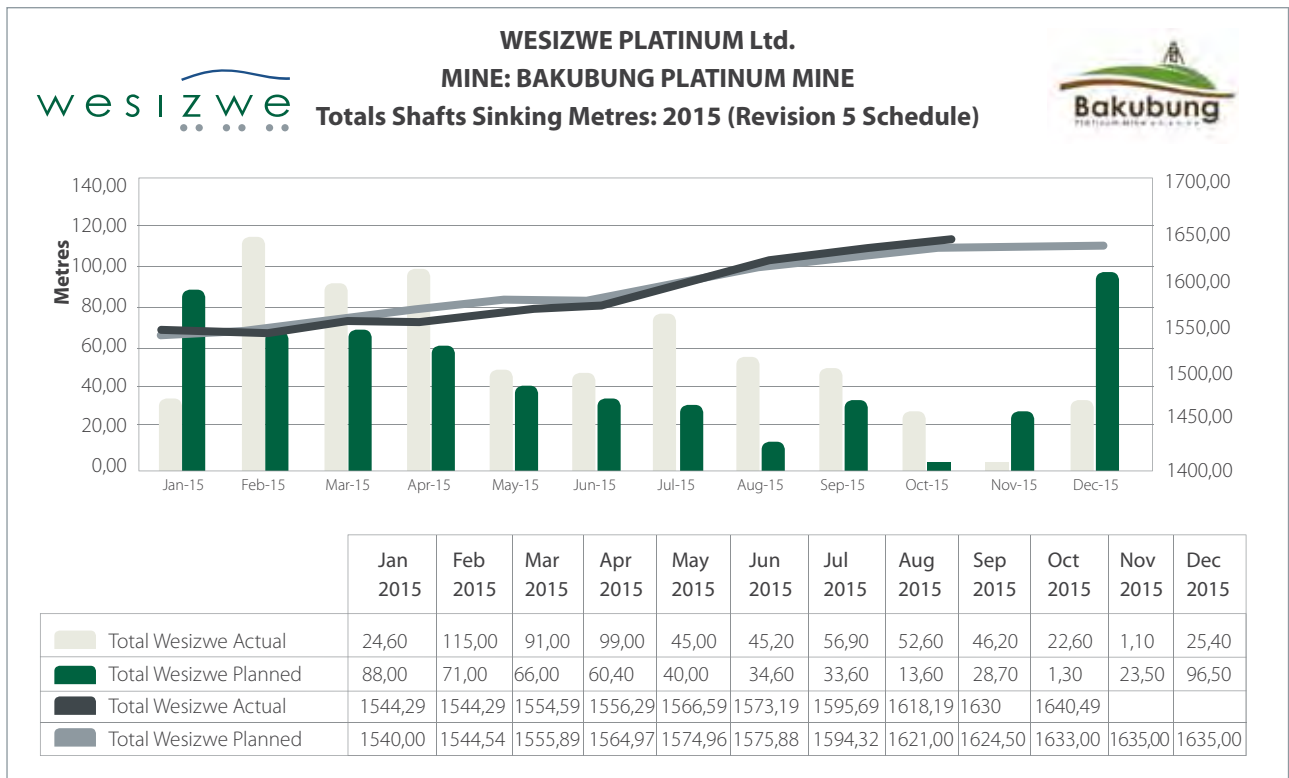


Figure 1: Shaft sinking metres run chart (production and services shafts totals)



Four stations were developed, on both the production and service shafts. A highlight was completing the sinking in line with the project schedule.

Wesizwe Platinum continued to make impressive strides over the course of 2015, despite the challenges faced by the Platinum industry in South Africa where we experienced lost time, we ensured recovery through rescheduling and alignment with optimized plan.

### Equipping and development

The sinking included development on the levels to establish connections between two shafts on 77L. Amongst others, the development on 77L includes excavations and cubbies for water handling dams, mini subs, conveyor belts, loading box and excavation. In addition, the development included the establishment of a temporary and permanent ore pass system.

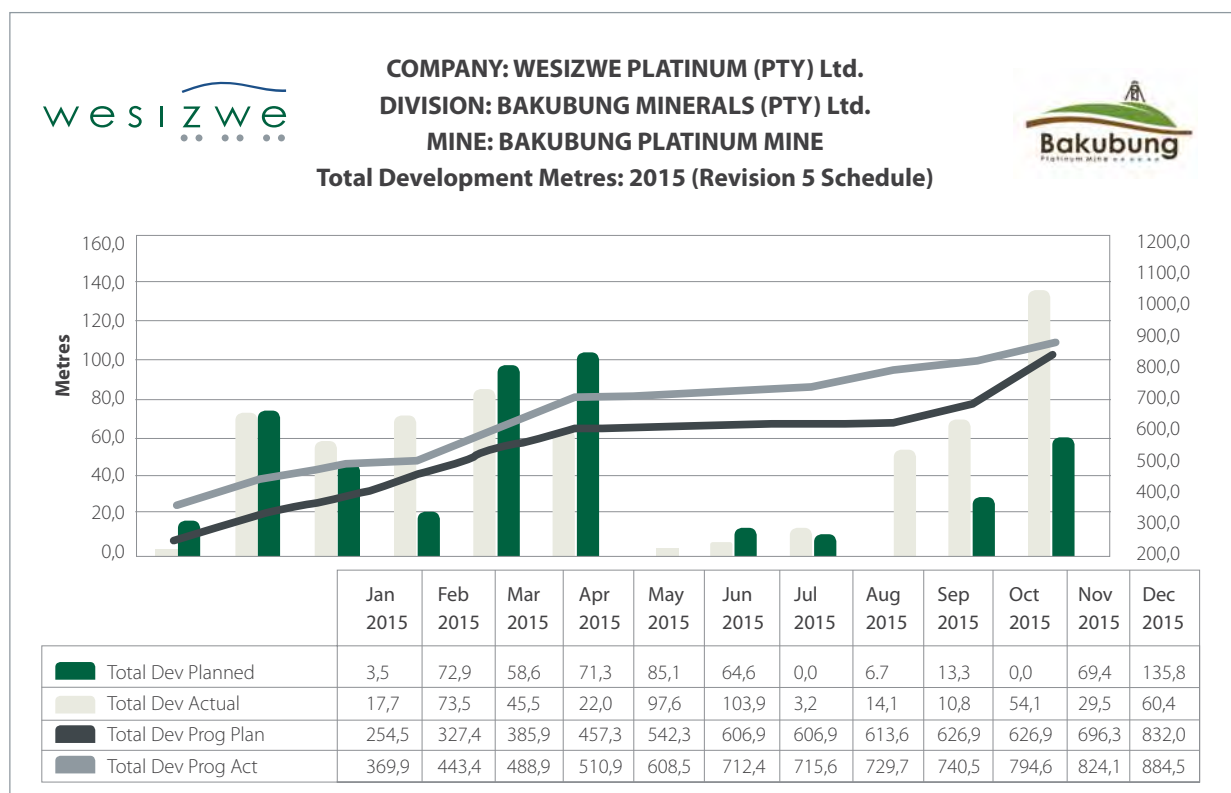


Figure 2: Flat development metres run chart (production and services shafts)

The project faced challenges of industrial action by the sinker's employees and unions, while the project also lost time due to SHE stoppages and investigations. The levels station landings were also equipped with draw bridges for men and materials access in preparation for the multiple level development in 2016.

Wesizwe Platinum continued to make impressive strides over the course of 2015, despite the challenges faced by the Platinum industry in South Africa.



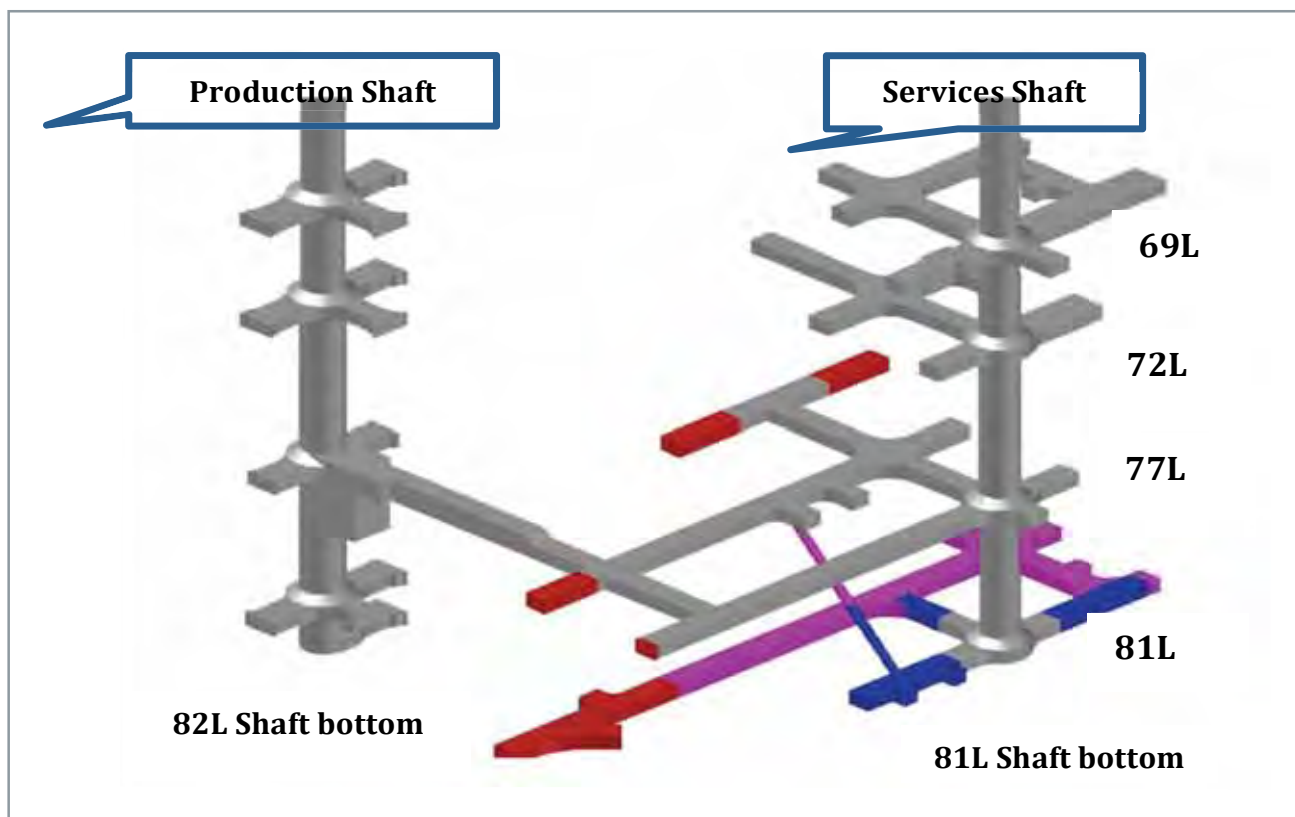


Figure 3: Shaft sinking and development progress diagram

The critical path for 2016 focuses on equipping the production shaft, which will be done in different sequences with hold points being identified as changeover periods.

On the main shaft, the major scope for 2016 is shaft equipping and continued flat development through the new services shaft. Development will be done on levels 69L, 72L, 77L, 81L and 82L to follow via the service shaft.

Wesizwe regards environmental sustainability as a company imperative that ensures long-term business success, while contributing towards a healthy environment.



Figure 4: BPM flat development 77L

Wesizwe regards environmental sustainability as a company imperative that ensures long-term business success, while contributing towards a healthy environment. Wesizwe's approach to environmental management is precautionary and self-regulating, based on assessing potential risks and impacts.

The yellow development phase which opens the stations around the shaft barrel as a landing and into the tunnels around the shafts is vital for opening up each station/level to aid the project with access to ore-passes, ventilation requirements and sufficient mining ends. This is projected to occur in 2017 when the main shaft will be commissioned (Phase 1) for the start of the red development phase, which includes completion of the tunnels and access to reef.



*Figure 5: Main store and shaft steelwork*

## Engineering

Design and fabrication efforts were focused on sinking-related items within the vertical shaft barrel. The loading station was relocated upwards – from the bottom end of the production shaft, to between the lowest two production levels. This took considerable time to reconfigure as the concept challenged conventional thinking. Work on underground stations, shaft columns, guides and buntons, including the permanent headgear steel was accelerated. All barrel designs were completed during the year and steel orders were placed for delivery in early 2016 – in time to meet the requirements of the equipping phase.

The completion of the first phase of surface rail infrastructure included the jiggling workshop, with punch list items remaining for the main warehouse. Earthworks for the permanent roads and sewerage lines commenced in Q4 2015, with the main security access gate, civils and carparks to follow. Designs for the main administration office block, sewerage treatment works, lamp room and crush, proto, medical room and change house are nearing completion and will be ready to be issued for tender late Q4 2015 and Q1 2016.

Longer lead items such as winder ropes, sheave wheels, rope tension and clamp/hold devices were issued for tender to be awarded Q1 2016. Conveyance designs, which are in the advanced stages, will be concluded in 2016 and ready for installation during 2017. Infrastructure is required for phase 1 –commissioning of the production shaft in 2017, as well as meeting the operational readiness needs of Bakubung Platinum Mine.

After phase 1, the objective is for surface construction to establish a staff flow system from access roads to parking areas via access control into a change house or administration office with associated equipment and services.

The next objective is to establish an equipped lamp room and crush as well as the proto/control and medical facility. The security gate house and lighting will also be completed during this phase.



Figure 6: Ngwedi station construction (Courtesy of Eskom)

The BPM project development has secured an additional 20MWa to Phase 1 Power Supply, which is sufficient for shaft sinking and commissioning.

The Phase 2 supply is currently underway, with energising of the first transformer (88kV and 132kV) planned for July 2016 and the full 132kV supply is planned for December 2016

### Cost Management

- Direct Project Commitments – December 2015
  - Total project commitments to date R 2.9 billion
  - Total commitment for the period R 376 million
- Direct Project Expenditure – December 2015
  - Total expenditure to date R 2.6 billion
  - Expenditure for the period R 598 million
  - Contingency used to date R 156 million



*Figure 7: 500MVA Transformer at the Ngwedi substation (Courtesy of Eskom)*

A budget quote for a third transformer has recently been ordered from Eskom. This transformer will increase the mine's capacity to 60MVA to accommodate the concentrator plant. Construction of the regional Ngwedi sub-station is also underway to supply power to BPM, with commissioning planned for July 2016.

The Ngwedi substation will be fed from the Medupi power station and the project is developed and managed by Eskom with regular progress reports to the mine management team. Key milestones for Phase 2 commissioning are planned for Q1 2016, which is in line with the mine development programme to support production build up.



Figure 8: 50MI reservoir

## Water

The project is currently being developed with a temporary water supply of 500kl per day which will be increased to 1500kl p/d by Q1 2016. This is in line with water demands for the start of the project's flat development through the services shaft, while the production shaft is being commissioned.

The permanent water supply programme is underway and is being developed by Magalies Water, Wesizwe and PTM to the south of the Pilanesberg and other operations to the north, as well as private stakeholders. The partnership to the south is completing an 8.4 km 600mm pipe segment – Phase 1c – to supply the mines and the Ledig community. Our mine's uptake will peak at 10MI p/d, with 1MI p/d for mine housing and 5MI p/d for the Ledig community. Magalies Water is developing sections 1a and 1b, which stretches 44km, to Vaalkop Dam, increasing its supply capacity. The water supply commission date of the entire south Pilanesberg scheme is planned for Q1 2016.

The water use licence for the entire south Pilanesberg water scheme from Evergreen to Sun City road, is still to be issued by the Department of Water and Sanitation, although the application was submitted during August 2012.

During May 2015, BPM and Maseve, on behalf of Magalies Water, began the construction of a circular concrete post tensioned 50MI reservoir located on the Mafenya Kopje, to the south of the two mines. The completion of this reservoir is planned for November 2016. The figure above is an aerial photograph taken of the 50MI reservoir in November 2015.

## Process Plant

During 2015 the bulk sample test work commenced. The objective of the test work was to use the results to firm up the plant layout and finalise for construction. This data is an input essential for front-end engineering studies as well as any simulations that may be required prior to construction.

Tests for the ore handling and flotation sections design data commenced in April 2015 at Mintek where 170 tons of ore was delivered. Bench scale and pilot plant studies were conducted and completed in November 2015 with the final report received in January 2016.

Current indications from Mintek is that there are no major deviations from the characterisation work of the ore as compared to the drill core ore used for indicative feasibility studies in 2012 to 2014. The crushing and milling indexes are also similar to those observed during that exercise. Beneath are pictures of the pilot plant at Mintek.





Figure 9 (a): Pilot Milling Circuit



Figure 9 (b): Pilot Flotation Circuit

Grade recovery curves for only the Merensky have been determined. No concentrate off-take agreement has been negotiated for the final concentrate as of yet and the concentrate grade target for this test work is set between 100 and 130 g/t. The curves are indicated on the graph below.

The water project is underway with Wesizwe projecting to deliver 1500kl per day by the first quarter of 2016

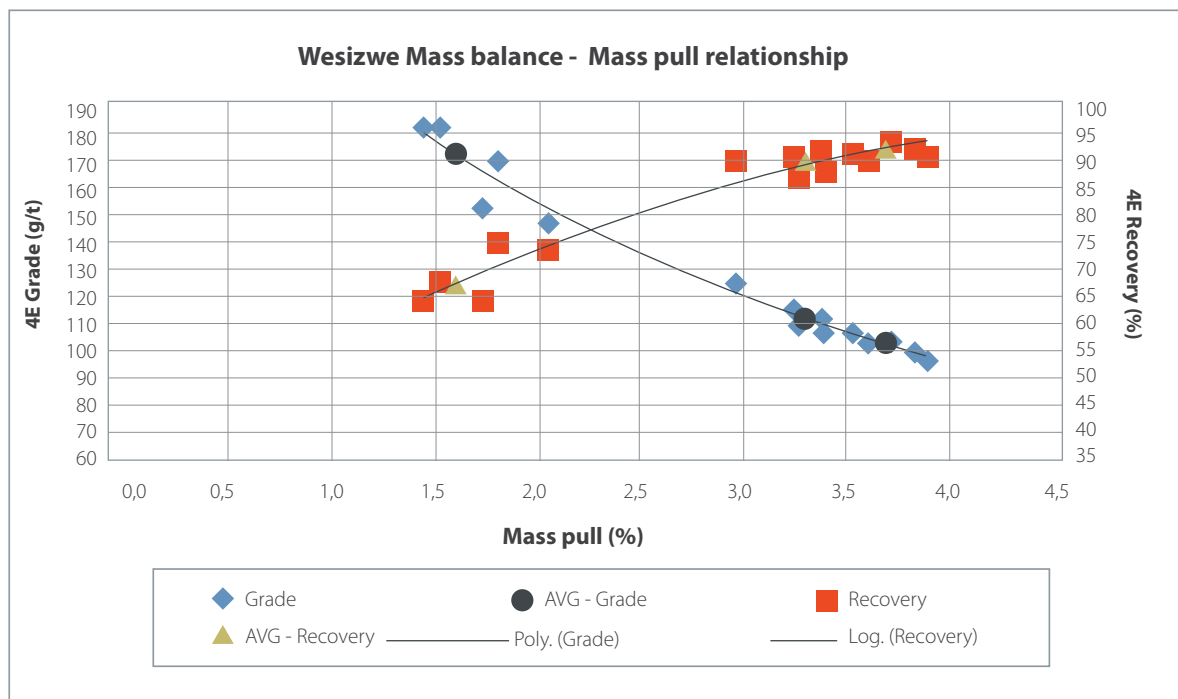


Figure 10: Merensky Ore Grade-Recovery-Mass Pull Curves – Pilot Plant Study

Process Optimisation work was also initiated at Mintek in 2015. The focus was on reducing anticipated operational cost and improving recovery. The following areas were covered:

- Renewable Energy – Lower electricity costs and stabilise price escalation;
- Reagent Consumption – Reduce consumption at similar performance;
- Ore Sorting – Upgrade the plant feed by reducing waste in feed and;
- High Sheer Reactor – Increase recovery of platinum group metals from the very fine size fraction.

All these exercises are currently in progress and will be concluded in the first quarter of 2016.

Samples from the pilot plant test work were taken for design data of the thickening and filtration sections, tailings line and tailings dam. Outotec is currently running thickening and filtration test; Patterson and Cooke is also due to report the design data of the tailings pipeline on 30 June 2016 and Knight Pieshold is to report on the waste classification design data for the tailings dam.

The team also commenced with the EIA/WULA amendment exercise, amending for the plant, tailings dam as well as housing. This process is on track with the

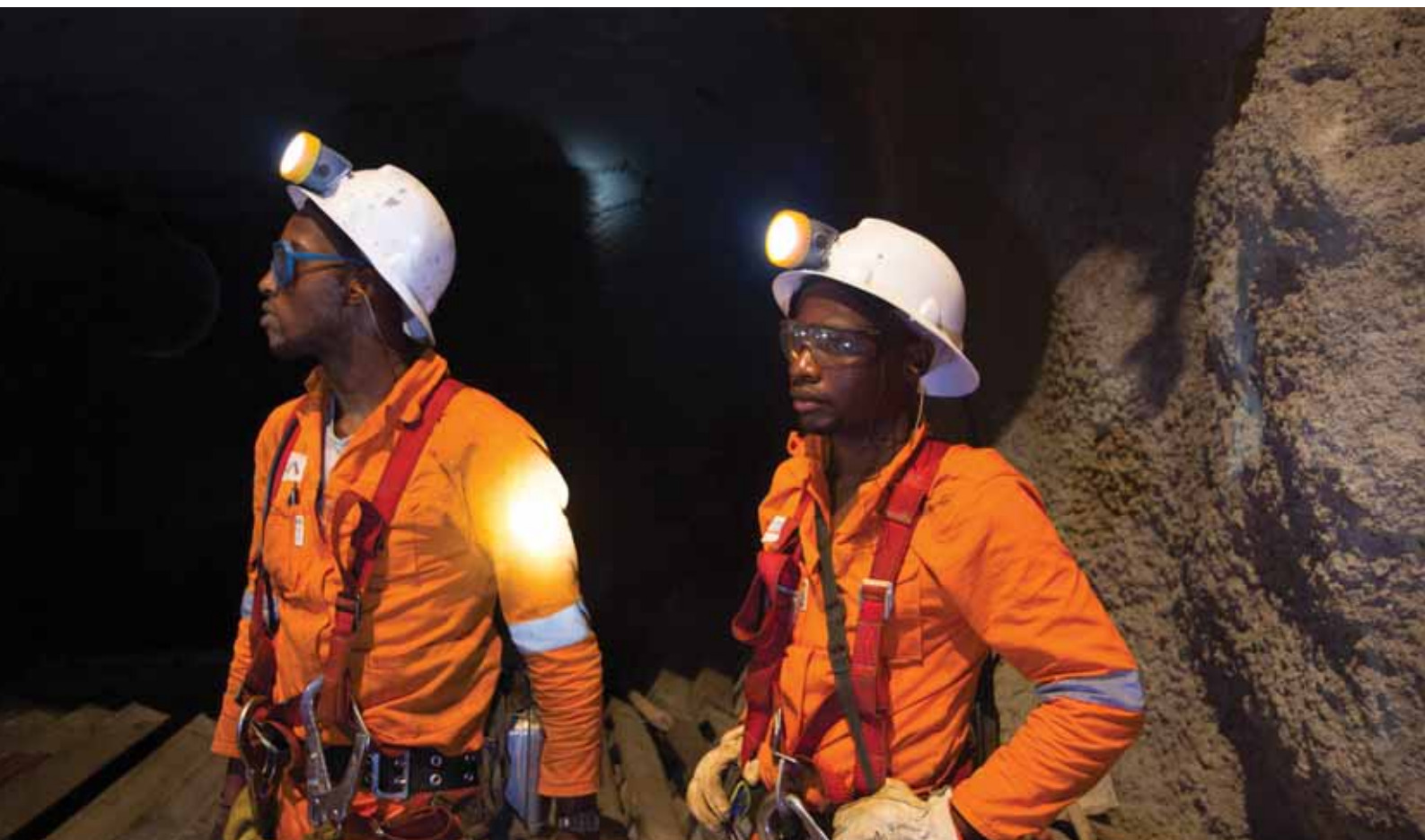
approval decision expected in August 2016.

The decision was taken by the board to delay the appointment of the Plant EPCM and Tailings EPC due to delays on the capital development. On the initial high level schedule the EPCM and EPC appointments were due in September and November 2015, respectively.

Major milestones for 2016 include EIA and WULA amendment approval in August 2016; plant ore handling section start of construction in August 2016 and tailings dam construction scheduled to commence in November 2016.

## Risk and opportunities

The high level risks for the project are continuously being reviewed and action plans are developed by management. During the year under review, major risks remained in our main contractor Aveng, employee strikes, and the spill-over of community unrest. Project management risks including the schedule and the contractual performance of contractors, are managed with a full-scale review and update of the schedule and capital budget. The performance of the shaft sinker remains a major potential risk to meeting the delivery timelines. The supply of bulk services is also a potential risk which could cause major delays to production build-up and operations.



## BPM Operations

### ■ Statutory reporting

Accidents and other dangerous occurrences were promptly reported to the DMR of chapter 23 of the Mine Health and Safety Act (MHSA). Monthly, quarterly and annual reports were also submitted to the DMR as required by the MHSA. Legal appointments in place were found to be compliant during various external audits.

### ■ Health

The mine's medical assessments for all employees are conducted at Bafokeng Rasimone Platinum Mine clinic. A formal service level agreement was concluded between the mine and Platinum Health on 21 April 2015. The agreement ensures that employees' occupational diseases and injuries will be well taken care of.

### ■ Participation in the North West Tripartite

Bakubung Platinum Mine is represented at the tripartite forum which is held on a monthly basis. Attended by the DMR, organised labour and employer representatives, the purpose of the forum, is to share health and safety information.

## Environmental monitoring (Mine Works Program)

Wesizwe creates value primarily by extracting PGMs and relies on access to these natural minerals in order to do business, as well as access to water and fuels to provide energy. This in turn supports our construction activities, to facilitate the extraction and processing of resources in the future. Our activities result in the unavoidable disturbance of land, the construction of water and electricity resources, and the generation of waste and pollutants.

Wesizwe regards environmental sustainability as a company imperative that ensures long-term business success, while contributing towards a healthy environment. Wesizwe's approach to environmental management is precautionary and self-regulating, based on assessing potential risks and impacts.



The company will implement appropriate and timeous mitigation measures throughout the mine's lifecycle to ensure the integrity of the ecosystems and landscapes in our vicinity. In so doing, we comply with environmental legislation and strive to institute best practices.

Activities undertaken in 2015 include: the finalisation of the preliminary closure plan, the first biodiversity assessment, continuous monitoring of air quality (NO<sub>2</sub>, SO<sub>2</sub> and PM<sub>10</sub>), both ground water and surface water qualities, water levels within the boreholes, and aquatic bio-monitoring. Wesizwe has continued with data capturing initiatives that commenced in 2013 to calculate greenhouse gas emissions. Scope 1 and scope 2 figures have been recorded and reported monthly.

Water and energy consumption are also recorded and reported monthly. Regular audits include the bi-annual audit of the Construction Environmental Management Programme (CEMP). In addition, internal and external audits have been performed on its commitments contained in the approved CEMP. In terms of its approved Water Use Licence, internal and external audits were performed on the conditions contained in the Water Use Licence. Wesizwe's environmental monitoring and reporting is published in more detail in our 2015 SD report.

## NATURAL CAPITAL

The total attributable resources for the BPM project are 13.26Moz, while an additional 1.473Moz are attributable to our 17.1% shareholding in the Maseve project, and 0.251Moz to the War Springs project. BPM is located in the world-renowned Bushveld Igneous Complex – in the Western Limb, which has been the platinum bread basket for decades.

The project's ore body has the following key attributes which differentiate it from other mineral deposits:

- It contains both the Merensky Reef and the UG2 Chromitite Layer. The middling distance between the two reef horizons is large enough to enable the extraction of both over the biggest part of the lease area. The 4E grade of the reefs is as good as it gets in the Western Limb with the Merensky Reef being the high grade resource. The presence of clearly defined reef facies allows us to develop a good understanding of the ore body
- It is one of the last reasonably shallow deposits on the Western Limb with mining depths ranging between 650m and 850m

- The resource has a very favourable prill split with a Pt/Pd ratio of 2.4 for the Merensky Reef and 2.05 for the UG2. The UG2 layer has a nice Rh kick of 10.6% of the basket
- The geological structure of this project has been examined in great detail. Large portions (approximately 70%) of the ore body have a dip of less than 10 degrees. The positions of discontinuities are accurately known and have been included in the mine design
- The reef widths (both MR and UG2) are wider than most which will simplify mining and limit primary dilution. The UG2 average widths range from 127cm to 156cm for the two different facies types. The infamous Triplets are close enough to the UG2 to be part of the mining cut in the greater part of the lease.

We are confident of the attributes listed above, due to the extensive exploration undertaken and the reviews conducted to date.

The project's information is extensive. A total of 173 boreholes were drilled on a 250 metre grid pattern with 439 deflections. A total amount of 27 859 samples were submitted for analysis. This generates a high level of confidence in the resource base and facies delineation. Furthermore, a properly calibrated detailed three-dimensional geo-seismic survey was conducted, resulting in very high confidence structure plans being created

The project was rigorously reviewed by numerous external third parties during the fund raising phase. No fatal flaws were identified and recommendations from these reviews were incorporated in the feasibility studies.

In addition to resources and reserves attributable to the group through its planned flagship project, the BPM, the company has access to additional resources in the immediate vicinity through its 17.1% equity investment in Maseve. The following statement of mineral resources and reserves, compiled in terms of the SAMREC guidelines and designed to meet the disclosure requirements of the JSE, provides the reader with a fuller indication of the group's attributable mineral resources and reserves.

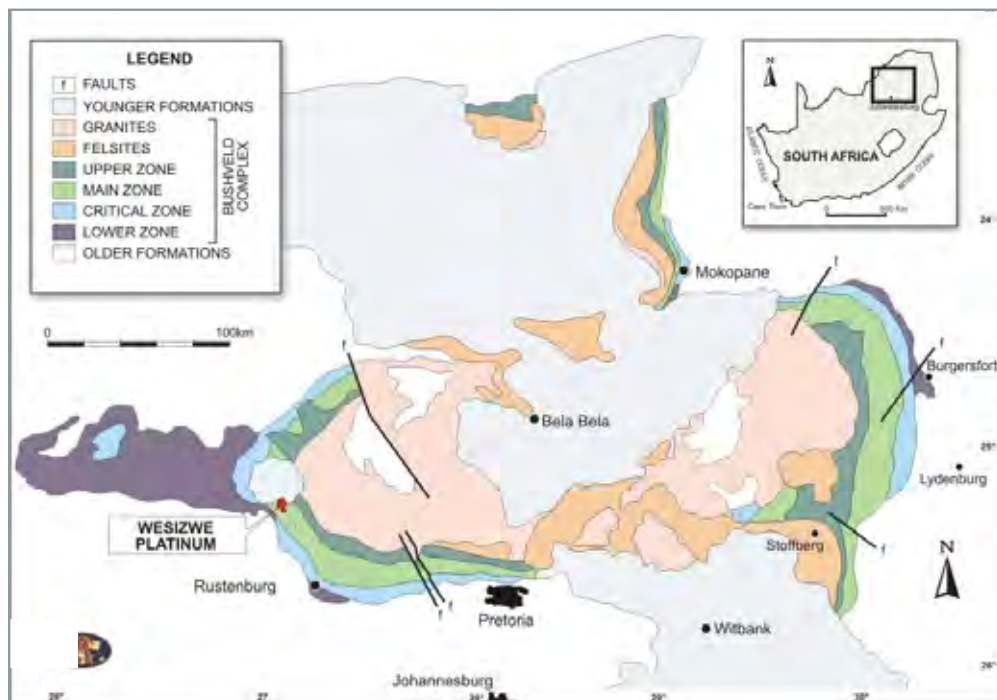
Ensuring that Wesizwe retains the mining rights that provide access to these precious metal deposits is critical to the long-term sustainability of the project. As such compliance with legislation and the successful implementation of our SLP represent key risks that must be managed.

## Geological Setting

The plan below shows the geological setting of the BPM as being favourably situated on the western limb of the Bushveld Igneous Complex. The BPM is situated 50km north of Rustenburg immediately adjacent (west) to the RBPlats Styldrift Project.

Both the Merensky Reef (MR) and the UG2 Chromitite Layer (UG2) are well developed on the property with the middling distance between the two reef horizons being large enough to enable the extraction of both over the largest part of the lease area. The MR has been subdivided into four distinct facies types, ranging from thin single chromitites to wide 'detached' pyroxenitic reefs all of which are extractable at an average width of 1.45m. The UG2 is well developed with main, leader and triplet seams (average width of 1.46m) and is subdivided into two facies types based on the footwall stratigraphy.

These reefs are gently dipping (50) over large parts of the lease area, are separated vertically from each other by between 15m to 50m and occur at depths ranging from 650 – 850mbs. The position and nature of structural discontinuities (faults, dykes, IRUP, sills, potholes) are well defined through a total of 173 boreholes and a detailed 3D-Seismic survey.



## Mineral resources

### Bakubung Platinum Mine Resource Statement

The table below summarises the Resource Statement for BPM.

		Reef	Totals		
			Mt	4E g/t	4E Moz
Mineral resource	Measured	Merensky	6.698	6.27	1.351
Geological loss – 25.0%	Indicated		18.093	6.08	3.535
	Inferred		11.242	5.88	2.124
	<b>Totals</b>		<b>36.033</b>	<b>6.05</b>	<b>7.010</b>
Mineral resource	Measured	UG2	-	-	-
Geological loss – 27.5%	Indicated		32.894	4.63	4.901
	Inferred		10.078	4.16	1.349
	<b>Totals</b>		<b>42.972</b>	<b>4.52</b>	<b>6.250</b>
<b>Total</b>			<b>79.005</b>	<b>5.22</b>	<b>13.260</b>

#### Notes on the BPM Resource Statement:

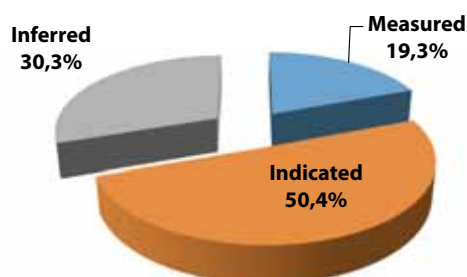
1. The Mineral Resources are quoted inclusive of the Mineral Reserves.
2. Mineral Resources are reported as in situ tonnes and grade and allow for (inclusive) geological losses (25% for the Merensky Reef and 27.5% for the UG2 reef).
3. No Mineral Resources are excluded due to cut-off grade (pay limit) considerations.
4. Mineral Resources are quoted as 4E (Pt, Pd, Rh, Au) unless otherwise stated.
5. The BPM mineral resource statement (September 2009) was prepared by The Mineral Corporation and the mineral resources statements have been signed off in accordance with the SAMREC Code (2007, amended 2009) by David Young, a director of The Mineral Corporation. David's qualifications are BSc (Hons), FGSSA, FSAIMM, FAusIMM (204659), Pr Sci Nat (400989/83) and his business address is Homestead Office Park, 65 Homestead Avenue, Bryanston 2021. All the independent mineral resource estimates 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 Company is in possession of written confirmation from the Lead Competent Person that the resource information disclosed in this report is compliant with the SAMREC Code and any relevant Section 12 and Table 1 requirements and that it may be published in the form and context as intended. This written confirmation is available for scrutiny as and when necessary.

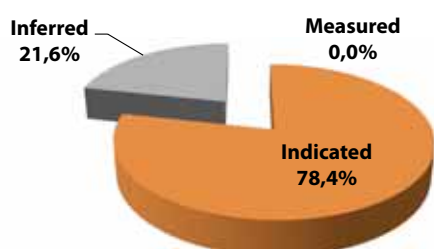
6. Rounding off of numbers may result in insignificant computational discrepancies.
7. Mr Young is a member of SACNASP, a body recognised by SAMREC. The physical address of SACNASP is Management Enterprise Building, Mark Shuttleworth Street, Innovation Hub, Pretoria, 0087.
8. There were no changes in the Mineral Resource Statement from 2014 to 2015.

The following graphics depict the breakdown in resource type for the MR, UG2 and total BPM.

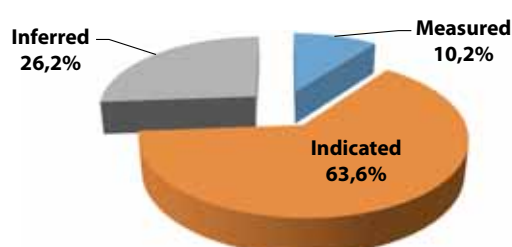
#### BPM Resource Classification: MR



#### BPM Resource Classification: UG2



#### BPM Resource Classification: Total



## Maseve Projects 1 and 3 and the War Springs Project

There were changes to the total attributable resources from the Maseve projects to Wesizwe due to an update of the Mineral Resource Statement in August 2015. This change equates to a total reduction of attributable resource to Wesizwe from the Maseve projects of 0.454Moz (4E). The Wesizwe shareholding in Maseve remained constant at 17.1%.

The table below depicts the Resource Statement for the Maseve Projects (1 and 3) and the subsequent attributable (17.1%) resources for Wesizwe

Project: Maseve Project 1			Total			Wesizwe attributable			
	Reef		Mt	4E g/t	4E Moz	%	Mt	4E g/t	4E Moz
Mineral Resource	Measured		9.266	5.23	1.558	17.1	1.584	5.23	0.266
	Indicated	MR	12.552	5.71	2.304	17.1	2.146	5.71	0.394
	Inferred		0.196	3.62	0.023	17.1	0.034	3.62	0.004
<b>Total</b>			<b>22.014</b>	<b>5.49</b>	<b>3.885</b>	<b>17.1</b>	<b>3.764</b>	<b>5.49</b>	<b>0.664</b>
Mineral Resource	Measured		8.496	3.63	0.992	17.1	1.453	3.63	0.170
	Indicated	UG2	14.183	3.90	1.778	17.1	2.425	3.90	0.304
	Inferred		0	0	0	17.1	0	0	0
<b>Total</b>			<b>22.679</b>	<b>3.80</b>	<b>2.770</b>	<b>17.1</b>	<b>3.878</b>	<b>3.80</b>	<b>0.474</b>
<b>Total Project 1</b>			<b>44.693</b>	<b>4.63</b>	<b>6.655</b>	<b>17.1</b>	<b>7.643</b>	<b>4.63</b>	<b>1.138</b>
<b>Project: Maseve Project 3</b>									
Mineral Resource	Ind + Inf	MR	5.600	5.67	1.020	17.1	0.958	5.67	0.174
	Inferred	UG2	5.947	4.91	0.939	17.1	1.017	4.91	0.161
<b>Total</b>			<b>11.547</b>	<b>5.28</b>	<b>1.959</b>	<b>17.1</b>	<b>1.975</b>	<b>5.28</b>	<b>0.335</b>
<b>Total Maseve projects</b>			<b>56.240</b>	<b>4.76</b>	<b>8.614</b>	<b>17.1</b>	<b>9.617</b>	<b>4.76</b>	<b>1.473</b>

The table below depicts the Resource Statement for the Platinum Group Metals (RSA) War Springs Project and the subsequent unchanged attributable (15%) Resources for Wesizwe:

PTM War Springs			Totals			Wesizwe attributable – 15.0%		
	Reef		Mt	4E g/t	4E Moz	Mt	4E g/t	4E Moz
Mineral resource	Inferred	B	20.935	0.95	0.641	3.140	0.95	0.096
Geological loss – 5.0%	Inferred	A	26.031	1.24	1.035	3.905	1.24	0.155
<b>Totals</b>			<b>46.966</b>	<b>1.11</b>	<b>1.676</b>	<b>7.045</b>	<b>1.11</b>	<b>0.251</b>



## Notes on the Maseve and War Springs Resource Statements

1. The Maseve Projects 1 and 3 Mineral Resources are quoted at zero cut-off grades and are reported as in situ tonnes and grade and allow for (inclusive) geological losses (14% for Merensky Reef and 23% for UG2 on project 1 and 14% for both reefs on project 3).
2. The Platinum Group Metals (RSA) War Springs project contains reefs of the Platreef type and are defined at a 300cmg/t cut-off grade (3E: Pt, Pd, Au) and 5% inclusive geological losses
3. Rounding off of numbers may result in insignificant computational discrepancies.
4. The Maseve Project 1 Mineral Resources Statement was updated in August 2015. This Statement was prepared by Mr CJ Muller, an independent qualified person from CJM Consulting (Pty) Ltd. This Mineral Resource Statements have been signed off in accordance with the Canadian NI 43-101 Code. Mr Muller's qualification is BSc (Hons) Geology and he is also a practicing professional member of SACNASP (reg nr 400201/04). His business address is Ruimsig Office Estate, Ruimsig, Roodepoort, 1724.
5. Mr Muller is also the competent person for Maseve project 3 and the War Springs project. The Mineral Resource Statement of both these projects were done according to Canadian NI 43-101 standards of disclosure.
6. The War Springs prospecting permit expired and a renewal application was lodged with the DMR which is still outstanding. This project is low priority.

## Mineral reserves (BPM only)

After applying the modifying factors to the total convertible Mineral Resource (Inferred excluded) and computing the Basic Grade Equation, a total of 61.12 million tonnes of ore will be delivered to the plant. This equates to 8.338Moz of 4E content averaging at 4.24g/t, including both MR and UG2.

The table below shows the BPM Mineral Reserve Statement:

Total proved reserve (4E)				
	Tons (millions)	Grade (g/t)	Metal content (kg)	Metal content (Moz)
MR	7.052	5.08	35800	1.151
UG	-	-	-	-
<b>Totals</b>	<b>7.052</b>	<b>5.08</b>	<b>35800</b>	<b>1.151</b>

Total probable reserve (4E)				
	Tons (millions)	Grade (g/t)	Metal content (kg)	Metal content (Moz)
MR	19.050	4.92	93674	3.012
UG	35.020	3.71	129871	4.175
<b>Totals</b>	<b>54.070</b>	<b>4.13</b>	<b>223545</b>	<b>7.187</b>

Total potential reserve (4E)				
	Tons (millions)	Grade (g/t)	Metal content (kg)	Metal content (Moz)
MR	26.100	4.96	129474	4.163
UG	35.020	3.71	129871	4.175
<b>Totals</b>	<b>61.120</b>	<b>4.24</b>	<b>259345</b>	<b>8.338</b>

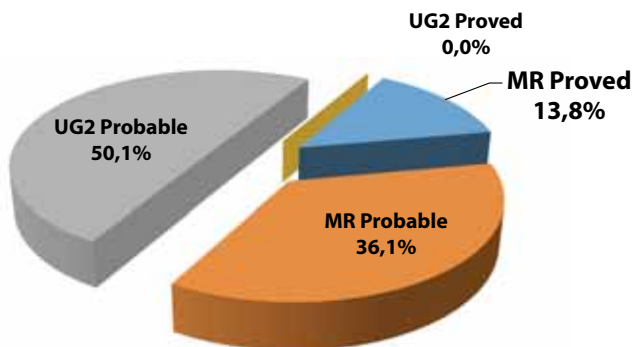


#### Notes on the BPM Reserve Statement

1. The Mineral Reserve is quoted as fully diluted delivered to the plant.
2. The Mineral Reserve contains no converted Inferred Resources.
3. Mineral Reserves are quoted as 4E (Pt, Pd, Rh, Au)
4. There were no changes in the Mineral Reserve Statement from 2014 to 2015.
5. The Resource to Reserve conversion was done according to SAMREC criteria through applying technical and economic modifying factors.
6. The conversion process recognised planned (ASG's, raises, winch beds etc.) and unplanned (over break, FOG, scaling etc.) dilution as well as mining losses such as the different stability pillar types and off-reef mining.
7. Rounding off of numbers may result in insignificant computational discrepancies.
8. The BPM mineral reserve statement (Feb 2014) was prepared by The Mineral Corporation and has been signed off in accordance with the SAMREC Code (2007, amended 2009) by Jonathan Buckley, a Senior Mining Engineer at The Mineral Corporation. Jonathan's qualifications are BSc (Hons), M.Sc, AMM, MSAIMM, Pr Eng and his business address is Homestead Office Park, 65 Homestead Avenue, Bryanston 2021. Mr Buckley is a member of SACNASP, a body recognized by SAMREC. The physical address of SACNASP is Management Enterprise Building, Mark Shuttleworth Street, Innovation Hub, Pretoria, 0087. The Company is in possession of written confirmation from the Lead Competent Person that the reserve information disclosed in this report is compliant with the SAMREC Code and any relevant Section 12 and Table 1 requirements and that it may be published in the form and context as intended. This written confirmation is available for scrutiny as and when necessary.



**BPM total 4E Reserve**

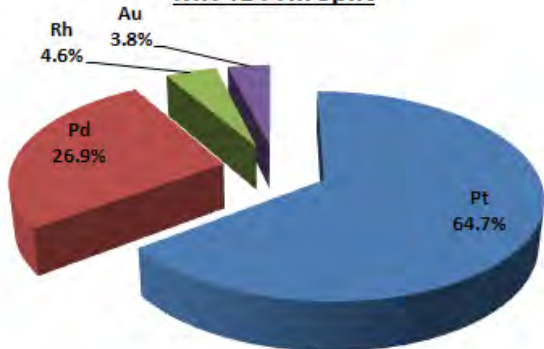


Prills (BPM only)

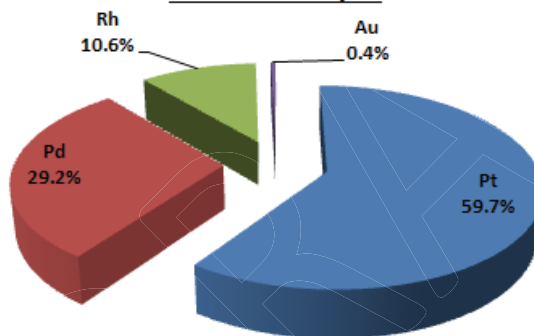
The resource has a very favourable prill split with a Pt/Pd ratio of 2.4 for the Merensky Reef, 2.05 for the UG2 and 2.23 for the combined reefs. There is a high Rh kick of 10.6% of the UG2 basket and a gold kick of almost 4% in the MR basket.

The following 3 graphs depict the 4E prill splits for the BPM-only Merensky Reef and UG2 as well as total prill split for the in situ life of mine (LOM) tonnage.

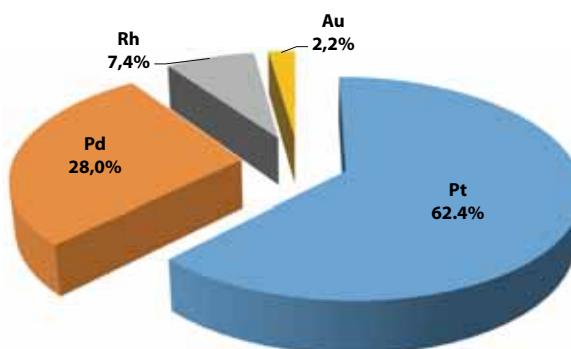
**MR 4E Prill Split**



**UG2 4E Prill Split**



**Combined life of mine 4E prill split**



More detailed information regarding the regional geology, the geology specific to the BPM and its mineral resources is contained in a summary of the original Competent Person's Report which is available on the group's website at <http://www.wesizwe.com/>.



## FINANCIAL CAPITAL

Prudent and focused application of Wesizwe's financial capital will support extracting the company's natural capital and building the manufactured capital necessary. It is thus clear that for Wesizwe, stakeholder value creation is interlinked with the transformation of one capital into others.

Wesizwe signed a US\$650 million project funding facility with China Development Bank (CDB) in 2013 for the duration of 15 years. This funding arrangement includes the following terms: Two bridging loans of US\$100 million were advanced to Wesizwe during 2012 and 2013, with the first bridging loan repaid in 2013 and the second in April 2014. The first drawdown of US\$100 million on the US\$650 million facility took place in January 2014 and the second drawdown of US\$100 million took place in August 2014 and the third drawdown of US\$100 million in July 2015.

## LOAN FUNDING STRATEGY

The current economic conditions have resulted in a higher gearing ratio than generally acceptable for platinum mines in the country. Wesizwe and China-Africa Jinchuan Investments Limited (providers of funding until commercial production is achieved) are focused on alternative medium to long term funding options that will make a marked improvement on the project's high gearing.

## SOCIAL AND RELATIONSHIP CAPITAL:

### STAKEHOLDER RELATIONS

At the heart of Wesizwe's corporate philosophy is effective stakeholder engagement – which plays an important role in the success of the company's BPM project. The company's aim is to engage on all issues that have the potential to impact on collective interests, to ensure that meaningful and long-term relationships are built with the stakeholder community.

In order to overcome the legacy of failed community initiatives in the past, Wesizwe has worked hard to regain the trust of influential parties in the region. To avoid a repeat of the past, and to serve the broader community, the company has taken care to identify the region's legitimate stakeholders. Therefore, stakeholder engagement is highly material to the future and harmonious sustainability of Wesizwe's operations in the region.

The following outlines Wesizwe's stakeholder relations objectives during 2015:

- raising the profile of the Wesizwe brand in the marketplace
- engaging with all key stakeholders, opinion-formers and influencers
- safeguarding the reputation of the company and the brand
- positioning the leadership of the company as industry thought leaders
- communicating strategic changes in the company without affecting the brand
- providing support and strategic communications solutions to deal with crises
- supporting the content development of effective communications channels and platforms with which to engage key stakeholder groups

### GOVERNMENT AND COMMUNITY RELATIONS

During the period under review, the company held seven meetings with members of the Royal family, three with the Moses Kotane Local Municipality, three with the Department of Mineral Resources, five with the North West Provincial Government and convened two Stakeholder Engagement Forums usually attended by community-based organisations.

A total of four statutory instructions from 13 DMR visits were issued in 2015. Two of the instructions were issued in terms of section 54 and two in terms of section 55 of the MPRDA. One of these instructions delayed the shaft-sinking element, including a 10-day stoppage after the unfortunate fatality.

All directives issued to the mines in the region by the DMR Principal Inspector were diligently addressed.

Accidents and other dangerous occurrences were promptly reported to the DMR in accordance with the provisions of chapter 23 of the MHSA. Monthly, quarterly and annual reports were also submitted to the DMR as required by the MHSA. Legal appointments are in place and always found to be compliant during various external audits.

### THE BOARD SOCIAL AND ETHICS COMMITTEE REPORT

The committees operate within approved terms of reference and a detailed annual work-plan, which includes both its statutory duties and those assigned by the board. The committee is responsible for maintaining the overall direction and control of the company's social responsibility performance.

The committee consists of two independent non-executive directors and two members of executive management. Other attendees include subject matter experts on each of the disciplines or areas falling within its mandate specified in Regulation 43(5) of the Act. During the period under review, the committee has met four times and the details of attendance are disclosed on page 90 in the governance report.

Our employees are guided by our code of conduct and ethics policy in the practical implementation of business principles and key policies in their day-to-day roles – and refers them to more detailed policy standards and guidelines for business behaviour. Our business principles are guided by our values which are designed to ensure stakeholders know that Wesizwe will always strive to choose the responsible option, however, we cannot anticipate every ethical issue we may face. Our business principles guided by the following values:

- Zero harm to people and the environment
- Ethical behaviour based on integrity and honesty
- Ownership, accountability and responsibility
- Dignity, respect and fairness
- Trust, openness and transparency
- Respecting diversity and inclusion
- Perseverance and tenacity
- Caring



Reports of alleged unethical behaviour are received through Wesizwe's anonymous reporting hotline and other mechanisms. All reports are reviewed quarterly by the committee.

Key discussions held by the committee during the reporting period included:

- A review of the code of conduct and ethics policy
- Reports concerning initiatives and SLP investments, as part of Wesizwe's broader socio-economic responsibilities. A total of R29, 076, 667.00 was spent as part of the SLP
- Monitoring Wesizwe's SLP performance
- A review of Wesizwe's compliance with the Employment Equity Act 55 of 1998 as amended,

employment relationships and key challenges, and compliance

- Environmental, health and safety performance
- Mining charter compliance
- Relations with the host community and its leadership
- Relations with government

An ethics risk assessment was conducted by the Institute of Ethics South Africa, to promote a culture of ethical thinking and awareness across Wesizwe. The risk assessment process will be finalised by March 2016. The committee carried out its duties and responsibilities as stipulated in the Act and regulations and terms of reference.

*Mr James Ngculu*  
Chairman



# Human Capital

Wesizwe's approach to talent is critical as it is our workforce that will ensure implementation of our strategy and the sustainability of our business for many years to come. Our people are at the core of our business and Wesizwe's human capital approach and performance is discussed in greater detail from page 31 of the SD report.

The below table reflects Workforce Representation at the various occupational levels, including race and gender for 2015:

## EMPLOYMENT EQUITY

### Wesizwe Employees

2015 FIGURES											
OCCUPATIONAL LEVEL	MALE				FEMALE				FOREIGN		TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top Management											
Senior Management	6			2	2						
Professionally qualified and experienced specialists and mid-management	11	1		6	6				4		28
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	9	1		3	9		1	1			24
Semi-skilled and discretionary decision making	3				5	1		1			10
Unskilled and defined decision making	10				3						13
Temporary employees	1			2							3
<b>Wesizwe Total</b>	<b>40</b>	<b>2</b>	<b>-</b>	<b>13</b>	<b>25</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>-</b>	<b>91</b>

### Contractors' Employees

2015 FIGURES											
CONTRACTOR	MALE				FEMALE				FOREIGN		TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Aveng	319	1	-	103	31	1	-	7	-	-	462
Worley Parsons	14	2	3	38	3	1	-	7	-	-	68
<b>Contractors Total</b>	<b>333</b>	<b>3</b>	<b>3</b>	<b>141</b>	<b>34</b>	<b>2</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>530</b>



In 2015, the workforce increased to ninety one (91) employees, with thirteen (13) new jobs created. Approximately 96.7% of Wesizwe's workforce comprises permanent employees, Wesizwe's contracted employees constitute 3.3% of the total workforce.

## Company philosophy and principles for employee remuneration

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

- **Competitive pay levels:** Wesizwe is committed to paying 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 and parity:** 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 especially during the shaft sinking phase.
- **Holistic approach:** Wesizwe has adopted an integrated approach to the 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
  - Deferred-based incentives for key executives and key senior managers
  - Non-financial rewards
  - Employee benefits

The company's remuneration structure comprises the following components and pay mix:

- Guaranteed total cost to company
- Variable pay for performance that includes an annual cash incentive bonus and deferred bonus plan, which has a long-term component

A major departure from the previously reported company remuneration philosophy is linked to the long-term incentive plan (LTIP), which has been changed to a deferred bonus plan (DBP), developed within the approved framework of the LTIP. The aim of the plan is to attract, retain, motivate and reward executives and managers who meet the set performance targets that are aligned to the expectations of the company's shareholders.

As mentioned, the DBP replaces the previously approved share bonus plan. Only the restricted share element of the previous LTIP has been amended, with the reward strategy rebalanced to give equal weight to short and long-term incentives.

The remuneration for non-executive directors has not changed; it comprises a monthly retainer fee and a meeting fee for meetings attended. The remuneration of non-executive directors is reviewed annually and benchmarked against the market.

During the year under review, the company remunerated non-executive directors and executive management as follows:

### Executive Management's Emoluments and Related Payments for 2015:

Name of Executive	Date of Appointment	Months employed	Basic Salary R	Medical Aid R	Other (travel) R	Retirement benefits (Employer Contribution) R	Performance Bonus R	Termination of contract R	Deferred Bonus Plan R	Total Earnings R
B Ramaboa	07-May-13	12 months	1 685 249	8 011	43 589	126 393	481 500	-	176 129	2 520 871
KTshaka	01-Jan-08	12 months	1 940 398	8 011	44 028	145 529	541 073	-	331 106	3 010 145
V Mhlongo	01-Jan-13	12 months	1 392 568	8 011	6 464	104 442	304 202	-	-	1 815 687
J Mothomogolo	03-May-11	12 months	2 332 601	8 011	27 300	174 945	766 426	-	486 320	3 795 603
E Mohlabi	01-Feb-13	12 months	2 505 095	8 011	29 328	187 882	823 103	-	498 268	4 051 687
H Morule	04-Jan-12	12 months	1 834 223	8 011	85 500	137 567	516 432	-	313 837	2 895 570
P Smith	01-Jan-13	6 months	1 181 421	4 005	16 800	100 309	895 966	1 608 577	-	3 807 078

### Non-Executive Directors' Emoluments and Related Payments for 2015

Name of Director	Date of Appointment	Months employed	Reimbursive Travel R	Expense claim R	Meeting Attendance R	Retainer R	Other allowance R	Subsistence allowance R	Total Earnings R
DNM Mokhobo	17-Dec-09	12 months	-	-	497 255	321 000	-	10 623	828 878
WM Eksteen	17-Dec-09	6 months	2 100	-	309 122	78 023	-	-	389 245
LV Ngculu	30-May-11	12 months	-	1 166	712 331	133 754	19 900	-	867 151
L Teng	04-May-11	12 months	-	-	-	9 059	-	-	9 059
TV Mabuza	22-Aug-14	12 months	6 420	-	764 158	133 754	49 000	-	953 332
J Mokoka	07-Nov-14	12 months	-	-	142 170	108 703	-	-	250 873
D Chen	04-May-11	12 months	-	-	60 187	81 526	-	-	141 713
J Li	04-May-11	12 months	-	-	69 336	81 526	-	-	150 862

### Executive Directors' Emoluments and Related Payments for 2015

Name of Executive	Date of Appointment	Months employed	Basic Salary R	Medical Aid R	Other (travel) R	Retirement benefits (Employer Contribution) R	Performance Bonus R	Deferred Bonus Plan R	Total Earnings R
W Ma	10-Aug-11	12 months	2 186 321	8 011	-	163 974	735 584	446 359	3 540 249
J Gao	27-Jul-11	12 months	3 156 546	8 011	-	236 741	1 145 375	875 582	5 422 255





# Corporate Governance

## OVERVIEW

Implementing sound corporate governance principles is the commitment of the board of directors (the board) and management of the company. The group executive: sustainable futures ensures that the company complies with all statutory and regulatory requirements by co-ordinating the compliance function across the business.

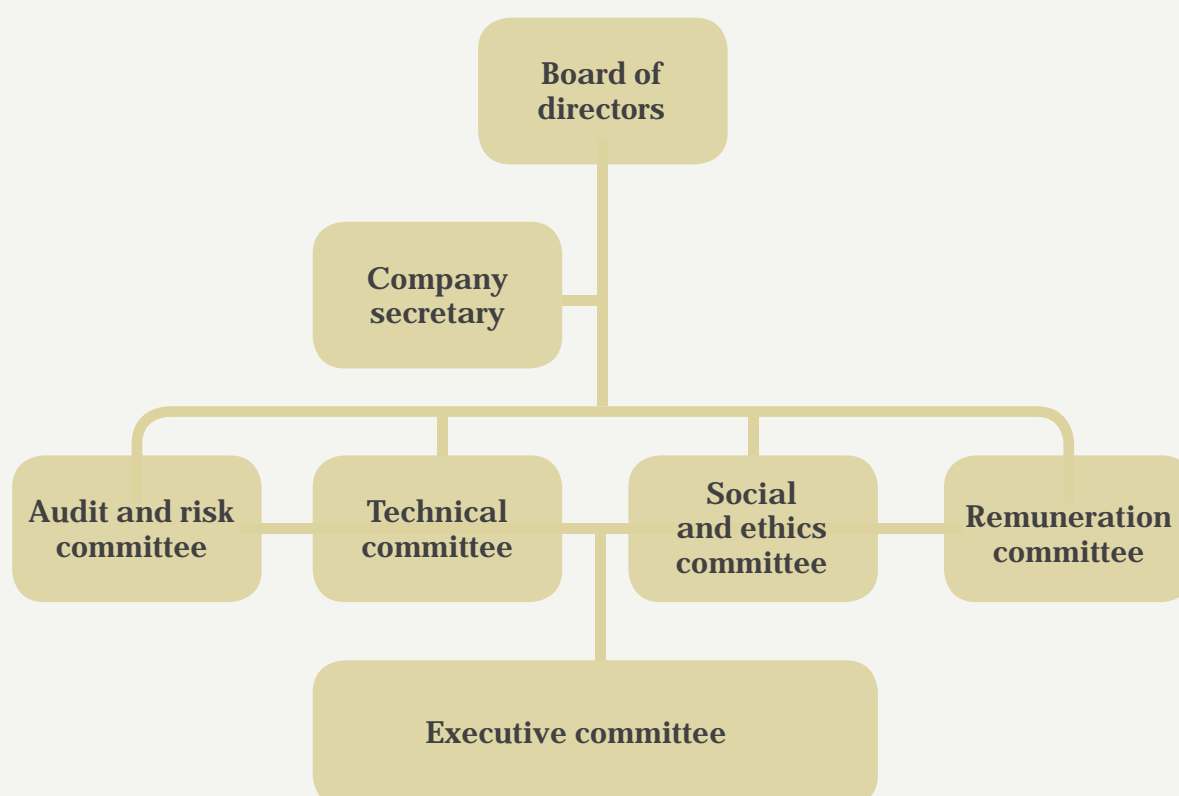
The company has developed standards, policies and principles that govern how business is conducted.

## GOVERNANCE STRUCTURE

The board of directors is accountable and responsible for the performance and affairs of the company. To assist it in properly discharging its duties, the board delegates certain functions to management and board committees. The chairman of each board committee reports to the board at each scheduled meeting thereof and minutes of board committee meetings are provided to the board. As approved by the board, each board committee functions in accordance with the provisions of the committee's terms of reference.

All board committees have terms of reference which are reviewed annually and which provide the committee and its members with guidance on:

- The committee's composition
- The committee's role, responsibilities, authority, meeting procedures and evaluation.



## BOARD OF DIRECTORS

Full and effective control is exercised over the group through the board's unitary structure. As required in terms of the listings requirements of the JSE Limited (Listings Requirements), the board has approved a policy to provide principles, criteria and procedures for appointment to the board of directors.

The board comprises two executive directors and seven non-executive directors. Three of the seven non-executive directors are independent. To ensure a balance of power and authority to prevent unfettered powers of decision-making, the responsibilities of all directors are clearly divided.

Among other things, it is the responsibility of the board to continuously review and enhance the company's system of control and governance to ensure that the company is managed ethically and within prudent risk parameters. These include: the governance of risk and information technology, monitoring and reporting on the effectiveness of the company's system of internal control, ensuring that the company has an effective and independent audit and risk committee and an effective risk-based internal audit function.

The board is responsible for the integrity of integrated reporting, overseeing all sustainability issues, and is committed to sustainable value creation for all stakeholders.

The board charter, which is reviewed annually, contains further details of the roles and responsibilities of the board, a copy of which is available on request from the company secretary.

The composition of the board is reviewed on a regular basis. Appointments to the board are considered by the board as a whole, to ensure a rigorous and transparent process. This involves evaluating the existing balance of skills and experience and a continuous process of assessing the needs of the company. Leading the company effectively requires a mix of knowledge, skills and experience and the board collectively believes that it currently meets this requirement.

In terms of the company's memorandum of incorporation (MOI) (a copy of which is available at [http://wesizwe.co.za/cmsAdmin/uploads/wesizwe\\_platinum\\_limited\\_memorandum\\_of\\_incorporation.pdf](http://wesizwe.co.za/cmsAdmin/uploads/wesizwe_platinum_limited_memorandum_of_incorporation.pdf)), at every annual general meeting (AGM) of the company, at least one-third of the non-executive directors are required to retire from the board in terms of the Companies Act, 2008 as amended (the Act). A director appointed by the board to fill a vacant seat will serve as a director of the company

on a temporary basis until the vacancy has been filled by election at the next AGM.

Mr William Machiel Eksteen, an independent non-executive director, resigned from board on 6 July 2015, however the board has decided not to fill the vacancy.

Board meetings are convened by formal notice, incorporating a detailed agenda and relevant written proposals and reports. Information is distributed in good time before the date of the board meetings to enable adequate preparation by the board so that the directors can discharge their fiduciary duties. In accordance with the company's MOI, a number of decisions are taken between board meetings by written resolution, and these are tabled for ratification at each subsequent board meeting. Teleconferencing facilities are made available when directors are not able to attend in person, to allow them to participate in the meetings. Where necessary, special meetings are held to deal with specific matters. The board and all the board committees meet as scheduled.

To provide an explanation of new directors' fiduciary duties and responsibilities, an appropriate induction programme for new directors to the board is arranged by the company secretary. Visits to the BPM project and discussions with management facilitate an understanding of the company's affairs and operations. Directors are continuously appraised of new legislation and changing risks that may affect the company. The development of directors is supported by the board and, where applicable, training is made available depending on each director's requirements.

The board is subject to an annual evaluation in order to continuously improve the manner in which the company is governed. The results of the annual evaluation were discussed by the board during March 2016.

A profile of each director is included from page 33.

## THE CHAIRMAN

The chairman's role amongst other matters, is to set the ethical tone for the company and the board; ensuring that the board remains efficient, focused and operates as a unit. Ms Dawn Nonceba Merle Mokhobo, the independent non-executive chairman, provides overall leadership to the board without limiting the principle of collective responsibility for board decisions. Ms Mokhobo does not chair any other board committee and is a member of the remuneration, social and ethics, and audit and risk committees. The chairman is evaluated by the board annually, but only re-elected or replaced when required. At the meeting in March 2016, the board discussed the outcome of the evaluation of the chairman.

## NON-EXECUTIVE DIRECTORS

All members of the board have a fiduciary responsibility to act in the best interest of company and its subsidiaries. The non-executive directors are highly talented and credible individuals who make a significant contribution to the board's deliberations and decision-making. The non-executive directors provide amongst others, independent guidance in matters of strategy, performance, transformation, diversity, employment equity and environmental management.

The benefits non-executive directors derive from the group are limited to the remuneration recommended by the board, as approved by shareholders at the company's annual general meeting.

## DIRECTORS' ROTATION

In terms of clause 5.1.8. of the MOI, at least one third of the non-executive directors of the company must retire at the company's AGM. Eligible retiring members of the board may be re-elected if available.

The board takes into account past performance and contribution to the board by the affected non-executive directors in recommending the re-election of eligible non-executive directors. Shareholders can propose the nomination of any such director/s at an AGM or general meeting.

In December 2015, the board recommended to the shareholders the re-election of the following long-serving, non-executive directors who are due to be retired from the board in terms of the company's MOI and are eligible for re-election:

- Mr L Teng – appointed 4 May 2011
- Mr D Chen – appointed 5 May 2011
- Mr LV Ngculu – appointed 30 May 2011

## CHIEF EXECUTIVE OFFICER

Having defined its own levels of authority, the board reserves specific powers for itself and delegates certain matters to management via the executive committee. Mr Jianke Gao, the chief executive officer (CEO) bears the collective responsibility for management. Formulating and recommending strategies and policies to the board is his responsibility, while also playing a critical role in the operations and success of the company's business. The CEO is accountable to the board, provides regular reports at meetings and consistently strives to achieve the company's goals within the authority framework.

## AUDIT AND RISK COMMITTEE

The audit committee oversees the financial and integrated reporting and also maintains the effectiveness of the risk process, as well as policies and internal controls with reference to the findings of both the internal and external auditors. The committee complies with all legislative and regulatory requirements and executes all statutory duties in terms of section 94 of the Act.

The committee has its own terms of reference, as approved by the board. The risk register is maintained on a regular basis and the committee constantly considers the business risks, compliance, legal and regulatory governance.

The committee's work plan ensures that the committee carries out all its duties timeously and its terms of reference are reviewed annually.

Mr William Machiel Eksteen resigned as a member of the committee during the year and Ms Dawn Mokhobo was appointed to the committee in 2 September 2015. The current committee comprises Victor Mabuza (chairman), Dawn Mokhobo and James Ngculu. Kenny Mokoka is a standing invitee to the committee. The CEO, finance director (FD) and audit partner of the external auditor (KPMG Inc.) and internal auditors (Grant Thornton) attend meetings of the committee by invitation, but have no voting rights. The auditors have unrestricted access to the chairman of the board, as well as to the chairman of this committee.

The chairman of this committee is expected to attend annual general meetings to answer questions raised by the shareholders. The committee's report, detailing its activities for the year under review, appears on page 96.

The committee met five times during the year under review. Details of attendance at committee meetings are provided on page 90.

The purpose, authority and responsibility of the internal audit function are defined in the internal audit charter, which is consistent with the Institute of Internal Auditors' definition of internal auditing and the principles of King III.

The committee is satisfied with the independence of the audit services rendered, having reviewed and assessed the effectiveness of both internal and external auditors. The committee has approved a policy on the use of external auditors for non-audit services. The principle of the policy is, on an annual basis, to ensure that non-audit service fees do not exceed 30% of the company's audit fees on an aggregated basis.

The committee is satisfied with the experience and skill of the FD.

## REMUNERATION COMMITTEE

Approving a broad company remuneration strategy is the function of this committee, as is ensuring that directors and senior executives are appropriately remunerated for their contribution to the company's operating and financial performance.

Among other things, the committee is also responsible for approving management's recommendations for:

- the average annual wage and salary increase; and
- recommendations to the board for remuneration of non-executive directors

While the committee is chaired by a non-executive director who is not independent, the majority of the committee members are independent non-executive directors. The current committee comprises Liliang Teng (chairman), Dexin Chen, Dawn Mokhobo, James Ngculu and Victor Mabuza. The CEO, FD and the executive: human resources attend committee meetings by invitation. The CEO and FD are recused from all discussions relating to their remuneration packages.

The remunerations report, detailing the company's remuneration policy, directors fees, Executives emoluments, together with committees activities for the year appears on pages 82 and 90 of IAR.

The remuneration committee met four times during the year under review. Details of attendance at committee meetings are provided on page 90.

## TECHNICAL COMMITTEE

Creating long-term value for stakeholders is the technical committee's primary objective – it achieves this by assisting the board in adopting sound management principles in safety, health, environmental, and technical matters beyond the statutory requirements.

The current membership of the committee comprises Dexin Chen (chairman), Kenny Mokoka and Jianke Gao. Messrs Paul Smith and William Machiel Eksteen resigned during the year. Wesizwe's project executive, FD and general manager: mining, attend meetings by invitation.

This committee is primarily responsible for:

- evaluating technical and mining strategies for the effective development of the company's projects;
- recommending the appointment and termination of the services of consultants to the mine project;

- pre-approving all services provided to the company in areas of its defined objectives, including fees;
- assisting the board on 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;
- overseeing the appointments by the requisite company authority of suitably qualified persons to statutory positions falling within those areas prescribed by the committee's terms of reference; and
- briefing the board on material local and international developments in engineering, environmental and health, geology, metallurgy, mining and related fields.

## SOCIAL AND ETHICS COMMITTEE

In line with the requirements of the Act, the board has established a social and ethics committee to act as the company's social conscience and take into account public and stakeholder interests in the company's operations.

The committee's responsibilities and functions are detailed in Regulation 43 of the Companies Regulations 2011 and are focused on, among other things, social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment matters.

The current committee comprises James Ngculu (chairman), Dawn Mokhobo, Kgomotso Tshaka and Hamlet Morule. The CEO and FD attend meetings by invitation.

The social and ethics committee's report, detailing the committee's activities during the year appears on page 77.

The committee met four times during the year. Details of attendance at committee meetings are provided on page 90.

The chairman of the social and ethics committee is expected to attend all AGMs to answer shareholders' questions.



## EXECUTIVE COMMITTEE

The executive committee (Exco) comprises the company's two executive directors and executive management. In order to implement the board-approved strategy for the company, Exco meets monthly and on an ad-hoc basis throughout the year. In addition, Exco assists the CEO in guiding and controlling the overall direction of the company, as well as monitoring business performance and acting as a medium of communication and co-ordination between management and the board.

Exco deliberates, takes decisions and makes recommendations on all matters of strategy and operations. These decisions and recommendations are sometimes referred to the board or relevant committee for final approval, while in other cases Exco exercises its power to make decisions as delegated in terms of the board approved mandate.

## COMPANY SECRETARY

Ms Vasta Mhlongo is the company secretary and she plays a vital role in ensuring that the company adheres to good corporate governance. She is responsible for ensuring the company and the board's compliance with statutory and regulatory requirements. The company secretary is responsible for the submission of the annual compliance certificate to the Johannesburg Stock Exchange (JSE).

The company secretary provides guidance to the board, as a whole, and the directors, individually, on discharging their responsibilities and duties. She also provides 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 acts as a primary link between the board and management, and only has a working relationship with the board, as she is not a director of Wesizwe. Therefore, the board believes that an arm's-length relationship exists between itself and the company secretary. After due consideration, the board is satisfied that the company secretary is suitably qualified, experienced and competent to carry out her designated duties and responsibilities.

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 and, the holders of securities in the company are properly administered.

The company secretary is the secretary of all the meetings of the board and board sub-committees.

## BOARD AND COMMITTEE MEETING ATTENDANCE

During the year under review, the board met five times. Of these meetings, four were pre-scheduled meetings and one was a special meeting.

Director	Date appointed	Board	Audit and Risk	Remuneration	Social and Ethics	Technical
Dawn Mokhobo	17/12/2009	5/5	**1/5	4/4	4/4	#
William Machiel Eksteen*	01/10/2005	*3/5	*3/5	#	#	2/4
James Ngculu	30/05/2011	4/5	5/5	3/4	3/4	#
Dexin Chen	05/05/2011	4/5	#	3/4	#	2/4
Liliang Teng	04/05/2011	4/5	#	3/4	#	#
Jikang Li	04/05/2011	2/5	***3/5	#	#	#
Jianke Gao	04/05/2011	5/5	###4/5	###3/4	###3/4	###3/4
Wenliang Ma	04/05/2011	4/5	###4/5	###4/4	###4/4	###3/4
Hamlet Morule ##	##	##	#	#	4/4	#
Kgomotso Tshaka ##	##	##	#	#	4/4	###4/4
Victor Mabuza	22/08/2014	5/5	**5/5	4/4	#	#
Kenny Mokoka	07/11/2014	5/5	5/5	#	#	**

# denotes not a member, ## not a director, \* resigned during the year, \*\* appointed during the year, ### invitee, \*\*\* resigned from the committee during the year.

## BOARD STATEMENT

The board is satisfied that this integrated annual report complies in all material respects with the relevant statutory requirements governing disclosure and reporting by the company and that the annual financial statements comply in all material respects with the Act, as amended, as well as with IFRS. As such, the board approves the content of the integrated annual report 2015, including the annual financial report 2015.

## GOVERNANCE APPROACH

The board recognises it is the custodian of corporate governance. The board always strives to ensure that the group aligns with local and international codes of good corporate governance, seeks to apply best practice and follows relevant trends in good corporate governance.

The extent to which the company applies the principles and recommended practices in the King Report on Corporate Governance for South Africa (King III) is reviewed regularly. This review identifies the governance principles already being applied and those that the company needs to address or entrench further. The review also identifies areas of improvement or ways in which our governance practices can be enhanced.

## ETHICS

Underpinning the board's commitment to the highest level of ethical standards is a Code of Ethics (the code), which has been approved by the board. This key business

principle requires a top-down approach, through which examples set by the board and individual directors are crucial to the buy-in of everyone involved in the affairs of the company.

The company's directors, management, employees, outsourced functions and suppliers are expected to act in accordance with the code.

Monitoring whether the company's conduct and ethical standards are being met and properly enforced is the board's responsibility. The directors believe that company ethical standards, as stipulated, are monitored and are being met. An appropriate level of discipline is rigorously enforced to discourage recurrences of non-compliance when it is found.

The company does not tolerate engaging in illegal acts of any description in the way it conducts its business. Therefore, the company's policy is to actively pursue and prosecute the perpetrators of fraudulent or other illegal activities, should it become aware of any such acts.

During the reporting period, the company started the process of identifying ethics risks and opportunities through a robust and systematic process, which will be central to the company's future strategic planning process.

The company undertakes not to victimise whistle-blowers. With this in mind, the company introduced an ethics hotline in 2013, which is outsourced to an independent service provider and the board approved the conduct for staff in line with legislation.

## RISK MANAGEMENT

A comprehensive risk management policy is in place and reviewed annually. In line with international best practice, risks are assessed on their probability, severity and quality of the existing control environment. These measures result in residual risk scores that indicate the importance of the risk and facilitate assessing progress made in addressing identified risks. The board determines the levels of risk tolerance through the audit and risk committee and also ensures that risk assessments are continually performed at least annually.

## STATUTORY AND REGULATORY COMPLIANCE MANAGEMENT

The board is responsible in ensuring that the company complies with applicable laws and considers adhering to non-binding rules, codes and standards. It ensures the establishment of structures and systems, with appropriate checks and balances, to help it discharge its legal responsibilities and oversee legal compliance through the audit and risk, and social and ethics committees.

The board delegates the task of implementing an effective compliance framework and processes to management, as compliance risk is an integral part of the company's risk management process. As a part of its meetings, the board regularly considers compliance with laws, rules, codes and standards.

The company's business activities may result in regulatory and statutory compliance risks, and these are continuously assessed, managed and reported. It is the company's aim to maintain honest, transparent and trustworthy relationships with regulatory bodies.

## CONFLICT OF INTEREST

The board recognises the importance of acting in the best interest of the company and protecting the legitimate interests and expectations of its stakeholders. The board consistently applies the provisions of the Act in disclosing or avoiding conflicts of interest. Directors are required to declare their interests in terms of and in accordance with the requirements of the Act.

## DIRECTORS' DEALINGS IN SHARES

Dealing in the company shares by directors and specified employees during closed periods is prohibited by our trading in shares policy.

Directors of the company and of its subsidiaries may not deal in Wesizwe shares without first advising and obtaining clearance from the chairperson or the FD. The CEO, company secretary and FD may not deal in the company's shares without first obtaining clearance from the chairperson. Affected employees (excluding directors), as defined in the company's trading in shares policy, may not deal in the company's securities without obtaining a clearance from the company secretary.

## SHAREHOLDING OF DIRECTORS AND EXECUTIVES

The shareholding of directors and executives in the issued share capital of the company as at 31 December 2015 was as follows:

Name of director	Direct beneficial	Indirect beneficial	Total shareholding 2015	Total shareholding 2014
<b>Directors</b>				
Vumile Lincoln Ngculu		5 795 888	5 795 888	5 795 888
William Machiel Eksteen	5 000 000		5 000 000	3 000 000
<b>Executives</b>				
Paul Smith	213 000		213 000	213 000
Hamlet Morule	245 280		245 280	245 280
Jacob Mothomogolo	177 041		177 041	

- Mr William Machiel Eksteen resigned from the board in July 2015, 2,000 000 shares were acquired post resignation date.
- Mr Paul Smith resigned from the company in June 2015.



## RELATIONSHIP WITH STAKEHOLDERS

Shareholders are encouraged by the board to attend the company's AGM, notice of which is contained in this integrated report. Shareholders have the opportunity to put questions to the board, and the chairman of the audit and risk as well as the social and ethics committees. The accompanying sustainable development report contains details regarding the company's approach to stakeholder engagement, the issues raised by stakeholders and the company's responses.



# King III Application

The extent to which the company applies the principles and recommended practices in King III is continuously reviewed. This review identifies the governance principles already being applied and those that the company needs to address or entrench further. The review also identifies ways in which the company's governance practices could be enhanced and related areas of improvement.

The table below summarises the group's application of the principles contained in chapter two of King III.

### King III Governance Register at: 31 December 2015

**AAA** Highest Application

**AA** High Application

**BB** Notable Application

**B** Moderate Application

**C** Application to be improved

**L** Low Application

Wesizwe Platinum Limited - 2003/020161/06	IoDSA GAI Score	Applied / Partially Applied / Not Applied
+ Chapter 1: Ethical leadership and corporate citizenship	AAA	Applied
+ Chapter 2: Boards and directors	AA	Partially not applied
+ Chapter 3: Audit committees	AAA	Applied
+ Chapter 4: The governance of information technology	AAA	Applied
+ Chapter 5: The governance of information technology	AAA	Applied
+ Chapter 6: Compliance with laws, rules, codes, and standards	AAA	Applied
+ Chapter 7: Internal audit	AAA	Applied
+ Chapter 8: Governing stakeholder relationship	AAA	Applied
+ Chapter 9: Intergrated reporting and disclosure	AAA	Applied
<b>Overall Score</b>	<b>AAA</b>	powered by IoDSA GAI

The full King III application report can be accessed on the company's website at [www.wesizwe.com](http://www.wesizwe.com).

#### Disclaimer:

The assessment criteria of the web-based tool, the Governance Assessment Instrument (GAI), have been based on the practice recommendations of the King III report.

These criteria are intended to assess quantitative aspects of corporate governance only and not qualitative. As such, the results are proposed to serve as an indication of the structure, systems and processes in place and are not intended to include and indication of the governance culture of an entity.

The responsibility for the input of data in order to attain a results through the use of this is that of the user and the entity in respect of which the user subscription has been granted.

The Global Platinum for Intellectual Property (Pty) Ltd (\*TGPIP\*), nor the IoDSA, as Licensor of the content of the GAI, makes no warranty or representation as to the accuracy or completeness of either the assessment criteria or the results. Neither TGPIP, nor the IoDSA, nor any of its affiliates, nor the software developer shall be held responsible for any direct, indirect, special, consequential or the damage of any kind suffered or incurred, as a result of reliance on the results produced through the use of the GAI.



# Report of the Audit and Risk Committee

## INTRODUCTION

The audit and risk committee (the committee) is pleased to present its report in terms of the Act 2008 and the JSE Listings Requirements for the financial year ended 31 December 2015. The committee has conducted its work in accordance with the written terms of reference approved by the board, information about which is recorded in the corporate governance report.

## COMPOSITION

The composition of the committee changed during 2015. The committee comprised the following members, who have the necessary skills and experience to fulfil the duties of the committee:

- Mr Victor Mabuza (Independent non-executive director and Chairman)
- Mr James Ngculu (Independent non-executive director)
- Mr Mike Eksteen (Independent non-executive director) – resigned 6 July 2015
- Ms Dawn Merle Nonceba Mokhobo - appointed 2 September 2015

The appointment of all members of the committee is subject to the shareholders' approval at the next annual general meeting to be held on 4 May 2016. The profiles of the members including their qualifications can be viewed in the integrated report.

## FREQUENCY AND ATTENDANCE OF MEETINGS

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

## STATUTORY DUTIES

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

## EXTERNAL AUDITOR

The committee nominated and recommended the appointment of the external auditor, KPMG Inc. to the shareholders in compliance with the Act 2008 and the Listings Requirements of the JSE Limited and the appointment of Shaun van den Boogaard as designated auditor for the 2015 financial year.

The committee satisfied itself that the audit firm and designated auditor are accredited to appear on the JSE List of Accredited Auditors. The committee further satisfied itself that KPMG Inc. was independent of the company, which includes consideration of compliance with criteria relating to independence proposed by the Independent Regulatory Board for Auditors. The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees.

The committee has the following responsibilities for external audit:

Recommends the appointment of external auditor and to oversee the external audit process and in this regard the committee must:

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



## INTERNAL AUDITOR

The committee has satisfied itself that the internal auditor, Grant Thornton was independent of the company, which includes consideration of compliance with criteria relating to the Institute of Internal Auditors. The internal audit plan was approved and they have access to the committee, primarily through its chairperson.

The committee has the following responsibilities for internal audit:

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

## INTERNAL FINANCIAL CONTROL

Nothing has come to the attention of the committee that caused it to believe that the company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The committee reviewed and approved the policy for non-audit services that can be provided by external auditors.

## DUTIES ASSIGNED BY THE BOARD

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

## EXPERTISE OF THE FINANCIAL DIRECTOR AND FINANCE FUNCTION

The committee has reviewed the current performance and future requirements for the financial management of the company and concluded that the current team has the appropriate skills, experience and expertise required to fulfil the finance function. In compliance with paragraph 3.84(h) of the Listings Requirements of the JSE, the committee satisfied itself of the appropriateness of the expertise and experience of the financial management team as a whole. During the 2015 financial year, the committee will review the appropriateness of the expertise and experience of the Financial Director, Mr Wenliang Ma in compliance with the JSE Listings requirements.

## GOING CONCERN

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

## ANNUAL FINANCIAL STATEMENTS

The committee has reviewed the financial statements of the Group and Company for the year ended 31 December 2015 and is satisfied that they comply with International Financial Reporting Standards and that areas of judgement were discussed to confirm accounting estimates.

## RISK MANAGEMENT

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

## FRAUD PREVENTION

A fraud prevention plan has been implemented in prior years and an anonymous tip-off line has still been used in the current year. Monthly reports are provided by the independent service provider. The review of reports from this service are dealt with by the committee and shared with the Social and Ethics Committee.

## INFORMATION TECHNOLOGY GOVERNANCE

The committee is responsible for:

- obtaining independent assurance on the effectiveness of the IT internal controls;
- overseeing the value delivery on IT and monitor the return on investments on significant IT projects;
- ensuring that IT forms an integral part of the company's risk management;

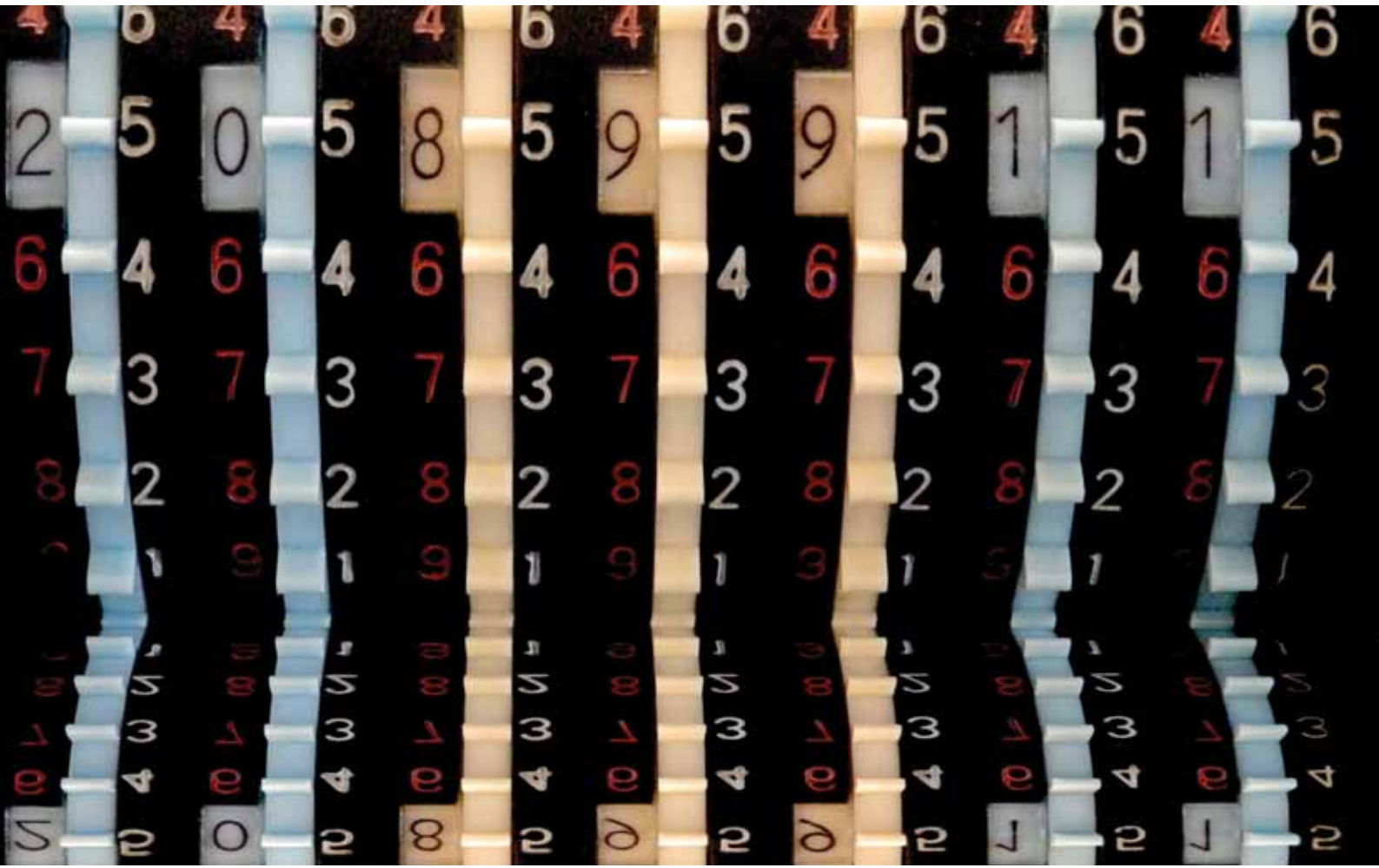
The IT steering committee submits reports on a quarterly basis to this committee on IT governance and management.

Recommendation of the Annual integrated Report for approval by the Board

The committee recommended the integrated report for approval by the board.



**TV Mabuza**  
Chairman



# Abridged Consolidated Statement of Financial Position

## ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION at 31 December 2015

		2015	2014
	Notes	R'000	R'000
<b>ASSETS</b>			
Property, plant and equipment	5	5 395 023	4 120 176
Intangible asset		5 871	7 448
Available-for-sale financial asset	6	628 000	788 700
Investment in equity-accounted investee	7	-	-
Restricted cash	8	134 641	134 641
<b>Non-current assets</b>		<b>6 163 535</b>	<b>5 050 965</b>
Other receivables		32 269	25 912
Taxation	10	4 916	4 363
Restricted cash	8	27 000	32 700
Cash and cash equivalents		1 398 823	1 066 094
<b>Current assets</b>		<b>1 463 008</b>	<b>1 129 069</b>
<b>Total assets</b>		<b>7 626 543</b>	<b>6 180 034</b>
<b>EQUITY AND LIABILITIES</b>			
Stated capital	9	3 425 544	3 425 544
Available-for-sale financial asset reserve		-	22 581
Accumulated loss		(621 103)	(64 318)
<b>Capital and reserves</b>		<b>2 804 441</b>	<b>3 383 807</b>
Deferred tax liability	10	157 763	362 218
Interest-bearing borrowings	14	4 548 772	2 310 114
Mine closure and environmental rehabilitation obligation	11	16 620	39 618
Provision		3 540	-
<b>Non-current liabilities</b>		<b>4 726 695</b>	<b>2 711 950</b>
Interest-bearing borrowings	14	-	-
Trade and other payables		95 407	84 277
Taxation	10	-	-
<b>Current liabilities</b>		<b>95 407</b>	<b>84 277</b>
<b>Total equity and liabilities</b>		<b>7 626 543</b>	<b>6 180 034</b>

## ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Notes	2015 R'000	2014 R'000
<b>Operations</b>			
Administration expenses		(216 224)	(165 634)
Project-related expenses capitalised		186 300	133 839
Loss on scrapping of property, plant and equipment		(13)	-
Profit on sale of property, plant and equipment		-	111
Share of profit in equity-accounted investee		-	(194)
<b>Net operating costs</b>		<b>(29 937)</b>	<b>(31 878)</b>
Loss on adjustment of investment in equity-accounted investee		-	(159 556)
Impairment of available-for-sale financial asset reclassified from other comprehensive income		(133 000)	-
<b>Financial income/(expense)</b>			
Finance income		83 153	56 413
Finance expense		(142 889)	(69 817)
Foreign exchange loss		(1 087 759)	(199 935)
Finance costs capitalised		554 311	234 385
<b>Net finance (expense)/income</b>		<b>(593 184)</b>	<b>21 046</b>
Loss before tax		(756 121)	(170 388)
Income tax income/(expense)		199 336	(92 816)
<b>Loss for the year</b>		<b>(556 785)</b>	<b>(263 204)</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified to profit or loss</b>			
(Loss)/gain on fair value movements of available-for-sale asset		(160 700)	27 700
Tax on other comprehensive income		29 967	(5 119)
Available-for-sale financial asset reclassified to profit or loss		133 000	-
Related tax		(24 848)	-
Total other comprehensive (loss)/income		(22 581)	22 581
<b>Total comprehensive loss for the year</b>		<b>(579 366)</b>	<b>(240 623)</b>
Loss per share			
Basic loss per share (cents)		(34.20)	(16.17)
Diluted loss per share (cents)		(34.20)	(16.17)

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2015

	Stated Capital	Available- for-sale Reserves	Retained Income/ (Accumulated loss)	Total
	R'000	R'000	R'000	R'000
Balance at 1 January 2014	3 425 544	-	198 886	3 624 430
<b>Total comprehensive loss for the year</b>				
Loss for the year	-	-	(263 204)	(263 204)
Other comprehensive income	-	22 581	-	22 581
	-	22 581	(263 204)	(240 623)
<b>Balance at 31 December 2014</b>	<b>3 425 544</b>	<b>22 581</b>	<b>(64 318)</b>	<b>3 383 807</b>
<b>Total comprehensive loss for the year</b>				
Loss for the year	-	-	(556 785)	(556 785)
Other comprehensive loss	-	(22 581)	-	(22 581)
	-	<b>(22 581)</b>	<b>(556 785)</b>	<b>(579 366)</b>
<b>Balance at 31 December 2015</b>	<b>3 425 544</b>	<b>-</b>	<b>(621 103)</b>	<b>2 804 441</b>

## ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

### for the year ended 31 December 2015

	<b>2015</b>	<b>2014</b>
<b>Note</b>	<b>R'000</b>	<b>R'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	-	-
Cash paid to suppliers and employees	(9 104)	(36 528)
<b>Cash utilised in operations</b>	<b>(9 104)</b>	<b>(36 528)</b>
Finance income received	33 601	27 682
Finance cost paid	(86 825)	(8 822)
Taxation paid	(3 109)	(3 855)
Taxation received	2 556	-
<b>Cash utilised in operating activities</b>	<b>(62 881)</b>	<b>(21 523)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment as a result of increase in operations	(859 811)	(709 327)
Acquisition of intangible assets	(693)	(7 827)
Proceeds on disposal of property, plant and equipment	-	138
<b>Net cash outflow from investing activities</b>	<b>(860 504)</b>	<b>(717 016)</b>
<b>Cash flows from financing activities</b>		
Interest-bearing borrowings raised	1 238 500	2 125 523
Interest-bearing borrowings repaid	-	(1 022 460)
<b>Net cash inflow from financing activities</b>	<b>1 238 500</b>	<b>1 103 063</b>
<b>Net increase in cash and cash equivalents</b>	<b>315 115</b>	<b>364 524</b>
Cash at beginning of year	1 229 673	865 149
<b>Cash at end of year</b>	<b>1 544 788</b>	<b>1 229 673</b>
<b>Cash at end of year comprises:</b>		
Cash balances	1 398 823	1 066 094
Less: interest accrued	(15 676)	(3 762)
Cash and cash equivalents	1 383 147	1 062 332
Restricted cash	8	167 341
<b>Cash at end of year</b>	<b>1 544 788</b>	<b>1 229 673</b>

# NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 December 2015

### 1. Reporting entity

Wesizwe Platinum Limited (“Wesizwe” or the “company”) is a company domiciled in the Republic of South Africa. The abridged consolidated financial statements for the year ended 31 December 2015 comprise the company and its subsidiaries (together referred to as the “group”). The audited consolidated financial statements of the group for the year ended 31 December 2015 are available at [www.wesizwe.com](http://www.wesizwe.com).

### 2. Statement of compliance

These abridged consolidated financial statements (“abridged report”) are prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, the presentation and disclosure requirements of IAS 34 Interim Financial Reporting, The South African Companies Act and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council.

These abridged financial statements have been extracted from the complete set of financial statements, but is itself not audited, on which the auditors, KPMG Inc., have expressed an unqualified audit opinion. A copy of the auditor’s report is available for inspection at the company’s registered office.

The financial statements have been prepared under the supervision of the Finance Director, Mr Wenliang Ma.

The directors of Wesizwe take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying audited annual financial statements.

### 3. Accounting policies

The accounting policies used to prepare this report are in terms of International Financial Reporting Standards and are consistent with those used in the previous annual financial statements.

### 4. Estimates

The financial statements and commentary contain information and is based on calculations that require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these abridged consolidated financial statements, the significant judgments made by management in applying the group’s accounting policies and the key sources of estimation, except as listed below, were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

Management engaged the services of various professional research and forecasting experts, including that of SFA Oxford Limited for product prices to prepare projections and forecasts regarding future economic outlook, exchange rates and product prices.

The following economic parameters were assumed for Bakubung:

	2015	2014
US\$ exchange rate (ZAR) up to 2025/2019	13.10 – 16.30	10.54 – 11.62
US\$ exchange rate (ZAR) long-term	14.85	11.62
Pt price (US\$/oz) up to 2025/2019	843 – 1 514	1 385 – 1 714
Pt price (US\$/oz) long-term	1 526	1 714
Pd price (US\$/oz) up to 2025/2019	556 – 1 043	859 – 1 016
Pd price (US\$/oz) long-term	1 046	1 016
Rh price (US\$/oz) up to 2025/2019	739 – 2 239	1 320 – 2 423
Rh price (US\$/oz) long-term	3 069	2 423
Au price (US\$/oz) up to 2025/2019	1 125	1 200 – 1 358
Au price (US\$/oz) long-term	1 125	1 358
Pre-tax Discount rate/Weighted Average Cost of Capital (%) (Real)	11.79	11.41

Management acknowledges that the US\$/ZAR exchange rate and commodity prices have been volatile and movements would have an impact on the values as determined by management. Management is of the opinion that, given the fact that the net asset value of the mining assets at year-end were below the determined fair values, the assets of the group are not impaired.

## 5. Property, plant and equipment

	Mine Assets	Other	Total
	R'000	R'000	R'000
Balance at 1 January 2014	3 194 942	46 387	3 241 329
Additions	866 258	17 280	883 538
Disposals	-	(28)	(28)
Depreciation	-	(4 663)	(4 663)
<b>Balance at 1 January 2015</b>	<b>4 061 200</b>	<b>58 976</b>	<b>4 120 176</b>
Additions	1 267 175	13 872	1 281 047
Disposals	-	(13)	(13)
Depreciation	-	(6 187)	(6 187)
<b>Balance at 31 December 2015</b>	<b>5 328 375</b>	<b>66 648</b>	<b>5 395 023</b>



## 6. Available-for-sale financial asset

	2015	2014
	R'000	R'000
Opening Balance	788 700	-
Reclassified to available-for-sale financial asset	-	761 000
(Loss)/gain included in OCI – fair value adjustment	(160 700)	27 700
<b>Closing Balance</b>	<b>628 000</b>	<b>788 700</b>

The group currently holds 17.1% of Maseve Investments 11 (Pty) Ltd (“Maseve”). The available-for-sale financial asset is classified as a level 3 fair value as the fair value is determined on inputs not based on observable market data. The fair value of the unlisted equity securities are based on the discounted cash flows method. The valuation model considers the present value of estimated future cash flows, discounted using a risk-adjusted discount rate.

The significant unobservable inputs are:

	2015	2014
US\$ exchange rate (ZAR) up to 2025/2019	13.10 – 16.30	10.54 – 11.62
US\$ exchange rate (ZAR) long-term	14.85	11.62
Pt price (US\$/oz) up to 2025/2019	843 – 1 514	1 385 – 1 714
Pt price (US\$/oz) long-term	1 526	1 714
Pd price (US\$/oz) up to 2025/2019	566 – 1 043	859 – 1 016
Pd price (US\$/oz) long-term	1 046	1 016
Rh price (US\$/oz) up to 2025/2019	739 – 2 239	1 320 – 2 423
Rh price (US\$/oz) long-term	3 069	2 423
Au price (US\$/oz) up to 2025/2019	1 125	1 200 – 1 358
Au price (US\$/oz) long-term	1 125	1 358
Pre-tax Discount rate/Weighted Average Cost of Capital (%) (Real)	14.94	14.91

Sensitivity analysis on the fair value of the investment in Maseve:

	2015	2014
	R'million	R'million
10% increase in the US\$ exchange rate	211.5	209.3
10% decrease in the US\$ exchange rate	(214.4)	(213.2)
10% increase in the platinum price	137.6	137.8
10% decrease in the platinum price	(139.6)	(138.6)

## 7. Investment in equity accounted investee

	2015	2014
	R'000	R'000
Opening balance	-	920 750
Share of loss in equity-accounted investee	-	(194)
Loss on adjustment of value in interest in equity-accounted investee	-	(159 556)
Investment in equity-accounted investee reclassified to available-for-sale financial	-	(761 000)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

As at 30 September 2014, the group lost significant influence on Maseve and discontinued reporting Maseve on the equity accounted basis. The investment in Maseve was reclassified as an available-for-sale financial asset.

## 8. Restricted cash

	2015	2014
	R'000	R'000
<b>Non-Current</b>		
Eskom — Connection guarantees	77 641	77 641
Aveng Mining Limited — Performance payment guarantee	57 000	57 000
	134 641	134 641
<b>Current</b>		
Department of Mineral Resources — Rehabilitation obligation	27 000	27 000
Land purchase agreement	-	5 700
	<b>27 000</b>	<b>32 700</b>
<b>Total</b>	<b>161 641</b>	<b>167 341</b>

## 9. Stated capital

	2015	2014
	R'000	R'000
Authorised		
2 000 000 000 no par value ordinary shares	-	-
<b>Issued</b>		
1 627 827 058 no par value ordinary shares	3 425 544	3 425 544

## 10. Taxation

### 10.1 Income tax receivable

	2015	2014
	R'000	R'000
Balance at the beginning of the year	(4 363)	(534)
Profit or loss charge	-	6
Tax penalties	-	20
Taxation paid	(3 109)	(3 855)
Taxation refund received	2 556	-
<b>Balance at the end of the year</b>	<b>(4 916)</b>	<b>(4 363)</b>

## 10.2 Deferred tax

	<b>2015</b>	<b>2014</b>
	<b>R'000</b>	<b>R'000</b>
Deferred tax liability		
Balance at the beginning of the year	362 218	264 289
Current year charges	(204 455)	97 929
Property, plant and equipment	354 893	248 161
Available-for-sale financial asset	(29 967)	98 043
Unredeemed mining capex	(535 819)	(245 413)
Provisions	6 438	(2 862)
<b>Balance at the end of the year</b>	<b>157 763</b>	<b>362 218</b>

## 11. Mine closure and environmental rehabilitation obligation

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

At the time of establishing the provision, a corresponding asset is recognised that will be depreciated over the future life of the asset to which it relates. The provision is re-assessed on an annual basis for changes in cost estimates, discount rates and useful lives.

As required by the Department of Mineral Resources a deposit of R27.0 million (2014: R27.0 million) is held with a financial institution. The deposit has been guaranteed to the Department of Mineral Resources for the mine closure and environmental rehabilitation.

## 12. Segment reporting

No segment reporting has been included as the group is conducting activities in one geological location which represents only one 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 companies. 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.

## 13. Subsequent events

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

## 14. Interest-bearing borrowings

	2015	2014
	R'000	R'000
Non-current		
Opening balance	2 310 114	-
China Development Bank – drawdown	1 238 500	2 125 523
Interest accrual	132 731	59 897
China Development Bank – interest repayment	(219 453)	(58 865)
Realised foreign exchange loss	(18 261)	(1 270)
Unrealised foreign exchange loss	1105 141	184 829
<b>Closing balance</b>	<b>4 548 772</b>	<b>2 310 114</b>

The group has secured US\$300 million loan with a carrying amount of R4 548.8 million at 31 December 2015 (2014: R2 310.1million). The interest rate on the facility is determined six monthly in advance at the six month LIBOR rate plus 3.5%. The term of the loan is 15 years and no capital repayments are due during the first six years. Repayments in semi-annual instalments over the last nine years of the facility commence at an amount equal 0.077% of the outstanding balance at the end of the year, after which every instalment until the second last payment amounts to 8.5% of the initial outstanding amount. The last instalment repays the total balance. A facility fee amounting to 0.5% of the unutilized balance is payable annually. The interest expense is payable bi-annually. The interest expense and facility fee is included in the effective interest rate calculation.

## 15. Headline earnings per share

The basis of calculation of headline loss and diluted headline loss per share is:

	2015	2014
	R	R
Loss attributable to ordinary shareholders (rand)	(556 784 945)	(263 203 837)
Profit on disposal of property plant and equipment	-	(110 539)
Loss on scraping of property, plant and equipment	12 931	-
Reclassification of gains or losses upon impairment of available-for-sale financial asset	133 000 000	-
Loss on adjustment of value in interest in equity-accounted investee	-	159 555 896
Total tax effects of adjustments	(24 851 996)	92 954 954
<b>Headline loss</b>	<b>(448 624 010)</b>	<b>(10 803 526)</b>
Weighted average number of ordinary shares in issue (shares)	1 627 827 058	1 627 827 058
<b>Headline loss and diluted headline loss per share (cents)</b>	<b>(27.56)</b>	<b>(0.66)</b>

## 16. Capital Commitments

Capital commitments for the next 12 months amounts to R465.0 million (2014: R430.1 million).

## 17. Prospects

The Bakubung project remains on target both in terms of start-up date and project construction costs budget. The updated feasibility study of the Bakubung project was tested by the auditors for an impairment assessment and still continues to yield very encouraging results.

## NOTICE OF ANNUAL GENERAL MEETING

### WESIZWE PLATINUM LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2003/020161/06)

Share code: WEZ ISIN: ZAE000075859

(Wesizwe or the company or the group)

Notice is hereby given that the annual general meeting of the company's shareholders will be held at the Holiday Inn Sandton, 123 Rivonia Road, Sandton, Johannesburg on Wednesday, 4 May 2016 at 09h00 (the annual general meeting).

### PURPOSE

The purpose of the annual general meeting is to transact the business set out in this notice of annual general meeting (AGM notice) by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions hereunder.

### AGENDA

1. Presentation of the group's audited annual financial statements, the directors' report, the independent auditor's report, the audit and risk committee's report, as well as the report of the social and ethics committee for the year ended 31 December 2015. The integrated report, containing the complete audited annual financial statements, is available at [www.wesizwe.co.za](http://www.wesizwe.co.za) or can be obtained from the company's registered office.
2. To consider and, if deemed fit, approve, with or without modification, the following special and ordinary resolutions:

Note:

*For special resolution numbers 1 and 2 to be adopted, at least 75% of the voting rights exercised on each such special resolution must be exercised in favour thereof.*

*For ordinary resolution numbers 1 to 12 and 14 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.*

*For ordinary resolution number 13 to be adopted, at least 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.*

### 1. SPECIAL BUSINESS

#### 1.1 Special resolution number 1:

#### Remuneration of directors

##### Reason for special resolutions

- Section 66(9) of the Act, No 71 of 2008 (as amended) (the Act) stipulates that payment of remuneration for directors, described as remuneration for "services as directors", may be paid only in accordance with a special resolution wherein shareholders authorise "the basis for compensation" to directors as required in terms of section 65(11)(h) of the Act.
- In addition, King III recommends that (i) the non-executive directors remuneration be pre-approved by shareholders for the ensuing year and that such remuneration should comprise both a base fee and an attendance fee and, (ii) the board should be mandated to determine the remuneration of the executive directors in accordance with the guiding principles of the company's remuneration policy.
- Accordingly, the reason for the special resolutions is to pre-approve the remuneration of the non-executive directors of the company for the ensuing year and to mandate the board to set and pay the executive directors' remuneration on a pay-for-performance basis in accordance with the guidelines set out in company's as remuneration policy.

*The remuneration committee, having compared and benchmarked the directors' remuneration with peers in the market and having found it fair, recommends that shareholders consider and approve the below directors remuneration for the ensuing year by adopting, with or without modification, the below special resolutions as stand-alone resolutions to be voted on separately:*

#### Special Resolution number 1.1. 1.

#### Remuneration of non – executive directors

"Resolved, in terms of section 66(9) of the Act,, that the current remuneration payable to the non-executive directors will remain unchanged and will be valid until the next annual general meeting of the company to be held in 2017."

Category	Current remuneration
<b>Board</b>	
Chairman	R26 750 monthly retainer
	R14 445 per meeting attended
Non-executive director	R9 058 monthly retainer
	R9 630 per meeting attended
Independent non-executive director	R11 146 monthly retainer
	R9 630 per meeting attended
<b>Audit and risk committee</b>	
Chairman	R23 183 per meeting attended
Member	R12 365 per meeting attended
<b>Remuneration committee</b>	
Chairman	R23 183 per meeting attended
Member	R12 365 per meeting attended
<b>Social and ethics committee</b>	
Chairman	R23 183 per meeting attended
Member	R12 365 per meeting attended
<b>Technical committee</b>	
Chairman	R23 183 per meeting attended
Member	R12 365 per meeting attended

### 1.1.2 Special resolution number – Remuneration of executive directors

“Resolve and hereby mandate the board to determine the remuneration of the executive directors in accordance with the guiding principles of the company’s remuneration policy and in terms of each director’s contract with the company, which remuneration should be based substantially on a pay-for-performance basis for services they render to the company as executive directors.”

#### Effect of special resolution 1.1.1 and 1.1.2

The effect of special resolutions numbers 1.1 and 1.2 is that the non-executive directors’ remuneration will be fixed for the ensuing year and that the board, through the remuneration committee, will be authorised to set and pay fair and responsible remuneration to the executive directors for services rendered to the company as directors, without requiring further shareholder approval until the next annual general meeting of the company.

### 1.3 Special resolution number 2: Financial assistance to related and inter-related companies

#### Reason for special resolution number 2

- In terms of the Act, the company is required to obtain shareholders’ approval by way of a special resolution for the provision by it of inter-group loans or other direct or indirect financial assistance to a subsidiary or a related or inter-related company (as contemplated in section 45 of the Act) for purposes of funding the activities of the group.
  - The board is required in terms of section 45 of the Act to adopt a resolution for the giving of such financial assistance but may not do so unless, the board is satisfied that:
    - immediately after providing the financial assistance, the group would satisfy the solvency and liquidity test as contemplated in section 4 of the Act; and
    - the terms under which the financial assistance is proposed to be given are fair and reasonable to the group; and
    - any conditions or restrictions in respect of the

granting of financial assistance set out in the company's memorandum of incorporation has been satisfied; and

- written notice of any such resolution by the board shall be given to all shareholders of the group and any trade union representing its employees:
  - within 10 business days after the board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous financial assistance during the financial year, exceeds 0.1% of the group's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.

Accordingly, it is proposed that shareholders mandate the board, to the extent required and by way of a general authority, to provide direct or indirect financial assistance to any subsidiary or related or inter-related company in accordance with the provisions of section 45 of the Act by adopting the following special resolution:

"Resolved that the board of directors of the group be and is hereby authorised in terms of section 45(3)(a)(ii) of the Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 2), to authorise the group to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Act) that the board of the company may deem fit to any related or inter-related company or corporation of the group ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Act), on the terms and conditions and for the amounts that the board may determine."

### **Effect of special resolution number 2**

The effect of special resolution number 2 is that the board will, inter alia, be authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries. Special resolution number 2: Financial assistance to directors and prescribed officers

#### **1.4 Special resolution number 3: Financial assistance to directors and prescribed officers**

##### **Reason for special resolution number 3**

- In terms of the Act, the company is required to obtain shareholders' approval by way of a special resolution to provide financial assistance to directors and prescribed officers of the company (as contemplated in section 45 of the Act).
- The board is required in terms of section 45 of the Act to adopt a resolution for the giving of such financial

assistance but may not do so unless, the board is satisfied that:

- immediately after providing the financial assistance, the group would satisfy the solvency and liquidity test as contemplated in section 4 of the Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the group; and
- any conditions or restrictions in respect of the granting of financial assistance set out in the company's memorandum of incorporation has been satisfied; and
- written notice of any such resolution by the board shall be given to all shareholders of the group and any trade union representing its employees:
  - within 10 business days after the board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous financial assistance during the financial year, exceeds 0.1% of the group's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.

Accordingly, it is proposed that shareholders consider and, if deemed for, to pass, the following special resolution:

"Resolved, that the board of directors of the group be and is hereby authorised in terms of sections 45(3) (b)(i) and (ii) of the Act as a general approval (which approval will be in place for a period of two years from the date of adoption of this special resolution number 3), to authorise the group to provide any direct or indirect financial assistance (financial assistance will herein have the meaning attributed to such term in section 45(1) of the Act) that the board of the company may deem fit to any director or prescribed officer (director and prescribed officer will herein have the meanings attributed to those terms in section 45 (2) of the Act, that the board may fit to any director or prescribed officer of the group, on the terms and conditions and for the amounts that the board may determine".

### **Effect of special resolution number 3**

The effect of special resolution number 3 is that the board will, inter alia, be authorised to grant loans to directors and or prescribed officers of the company

## 2. ORDINARY BUSINESS

### 2.1 Re-election of directors

#### Contextual information

*• In terms of the company's memorandum of incorporation, as well as the Listings Requirements of the JSE Limited (Listings Requirements) and the recommendations of King III, at least one-third of the non-executive directors in office are required to retire by way of rotation at every annual general meeting of the company and, being eligible, may offer themselves for re-election as directors.*

Accordingly, it is proposed that shareholders, by way of individual stand-alone ordinary resolutions, vote separately for the election of each of the following non-executive directors:

#### 2.1.1 Ordinary resolution number 1: Re-election of Mr. Liliang Teng as a non-executive director

*"Resolved that Mr. Liliang Teng who retires by rotation in terms of the memorandum of incorporation of the company and being eligible and offering himself for re-election, be and is hereby re-elected as a non-executive director."*

An abbreviated curriculum vitae in respect of Mr. Liliang Teng may be viewed on page 33 of the integrated report of which this notice forms part.

#### 2.1.2. Ordinary resolution number 2: Re-election of Mr. Dexin Chen as a non-executive director

Resolved that Mr Dexin Chen who retires by rotation in terms of the memorandum of incorporation of the company and being eligible and offering himself for re-election, be and is hereby re-elected as a non-executive director."

An abbreviated curriculum vitae in respect of Mr. Dexin Chen may be viewed on page 33 of the integrated report of which this notice forms part.

#### 2.1.3. Ordinary resolution number 3: Re-election of Mr. Vumile Lincoln Ngculu as an independent as a non-executive director.

Resolved that Mr. Vumile Lincoln Ngculu who retires by rotation in terms of the memorandum of incorporation of the company and being eligible and offering herself for re-election, be and is hereby re-elected as an independent non-executive director."

An abbreviated curriculum vitae in respect of Mr. Vumile Lincoln Ngculu may be viewed on page 33 of the integrated report of which this notice forms part.

### 2.2 Re-appointment of auditors

#### Contextual information

- KPMG Inc. is an accredited auditor appearing as such on the list of Accredited Auditors of the JSE Limited (JSE) and is registered with the Independent Regulatory Board for Auditors (IRBA).
- The independence of KPMG Inc. was confirmed to be untainted.
- Mr. Shaun Boogaard is a registered auditor and partner with KPMG Inc and is registered with IRBA and accredited with the JSE. In terms of the prescribed auditor rotation requirements, he is eligible to serve as the individual auditor to lead the group's audit.
- Both KPMG Inc. and Mr. Boogaard qualify for re-appointment as the group's external auditor in terms of prescribed legislation and applicable ethical codes.

Accordingly, on the recommendation of the audit and risk committee, it is proposed that shareholders pass the following ordinary resolution as contemplated in section 90 of the Act:

#### 2.2.1 Ordinary resolution number 4: Confirmation of the re-appointment of the auditors

*"Resolved that KPMG Inc. be and is hereby re-appointed as independent auditors of the company for the ensuing year on the recommendation of the audit and risk committee of the company with the designated auditor being Mr. Shaun van den Boogaard."*

### 2.3 Auditor's remuneration

#### 2.3.1 Ordinary resolution number 5: Confirmation of the auditor's remuneration

*"Resolved that the auditor's remuneration for the year ended 31 December 2015 as determined by the audit and risk committee of the company be and is hereby confirmed."*

The reason for ordinary resolution number 5 is that the remuneration of the auditor be considered at the annual general meeting of the company.

### 2.4 Appointment of the members of the audit and risk committee of the company

#### Contextual information

- For the avoidance of doubt, all references to the audit and risk committee of the company is a reference to the audit committee as contemplated in section 94 of the Act.
- In terms of section 94 of the Act, read with the recommendations as set out in King III and the rules of the Listings Requirements in this regard, every public listed company must at each annual general meeting appoint an audit committee, comprising of at least three independent non-executive directors who, as



a collective body, must be suitably qualified, skilled and experienced to fulfill the obligations of an audit committee as set out in the Act.

- The independence of the under-mentioned non-executive directors has been assessed and in each instance, the director's independence was found to be undiminished, uncompromised and untainted.
- The board is satisfied that the under-mentioned directors collectively possess the appropriate qualifications, skills and experience to fulfill their audit and risk committee obligations as set out in regulation 42 of the Companies Regulations 2011.

Accordingly, the board proposes that shareholders adopt the below stand-alone resolutions for the election of each of the following directors:

#### **2.4.1 Ordinary resolution number 6: Re-appointment of Mr. Victor Thembinkosi Mabuza to the audit and risk committee of the company**

"Resolved that Mr. Victor Thembinkosi Mabuza being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Act.

An abbreviated curriculum vitae in respect of Mr. Victor Thembinkosi Mabuza may be viewed on page 33 of the integrated report of which this notice forms part.

#### **2.4.2 Ordinary resolution number 7: Appointment of Ms. Dawn Merle Nonceba Mokhobo to the audit and risk committee of the company**

"Resolved that Ms. Dawn Merle Nonceba Mokhobo , being the chairman of the board and is eligible in terms of the rules of the Listings Requirements be and is hereby appointment as a member of the audit and risk committee of the company, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Act and."

An abbreviated curriculum vitae in respect of Ms. Dawn Merle Nonceba Mokhobo may be viewed on page 33 of the integrated report of which this notice forms part.

#### **2.4.3. Ordinary resolution number 8: Re-appointment of Mr. Vumile Lincoln Ngculu to the audit and risk committee of the company**

"Resolved that Mr. Vumile Lincoln Ngculu, being eligible, be and is hereby re-appointed as a member of the audit and risk committee of the company, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Act."

An abbreviated curriculum vitae in respect of Mr. Vumile Lincoln Ngculu may be viewed on page 33 of the integrated report of which this notice forms part.

#### **Effect of ordinary resolution numbers 4 to 8 (inclusive)**

The effect of the abovementioned ordinary resolutions is that shareholders will have elected the required number, as well as suitably qualified, skilled and experienced directors to serve as members of the group's audit and risk committee.

#### **2.5 Ordinary resolution number 9: Endorsement of the remuneration policy**

##### **Contextual information**

- *King III recommends that shareholders consider, for purposes of a non-binding advisory vote, the key elements and guiding principles of the company's remuneration policy to inform themselves how directors and senior executives of the company are remunerated and to express their view as to whether they consider the remuneration policy and approach appropriate.*
- *The group's remuneration committee has endorsed the said remuneration policy as set out in the remuneration report as on pages 88 to 90 of the integrated report and is of the view that the remuneration paid by the company is fair and aligned with the strategy of the company and is substantially based on performance.*

Accordingly, the board proposes that shareholders adopt the following non-binding advisory resolution to indicate that they have found the key elements and guiding principles of the company's remuneration policy and approach appropriate:

"Resolve to hereby endorse the company's remuneration policy, as set out in the Remuneration report as on pages 88 to 90 of the integrated report, by way of a non-binding advisory vote."

#### **Effect of ordinary resolution number 9**

The effect of ordinary resolution number 9 is that the shareholders will have taken note of the key elements and guiding principles of the group's remuneration approach and policy and will have given an indication by way of a non-binding advisory vote whether they have found the afore-mentioned appropriate.

#### **2.6 Unissued shares placed under control of the directors**

##### **Contextual information**

- *The reason for the ordinary resolution proposed below, is to place a limited number of the company's current*

*authorised but unissued shares under the control of the directors until the next annual general meeting for purposes of enabling the directors to take advantage of commercial opportunities by issuing and allotting such shares under their control.*

Accordingly, the board proposes that shareholders adopt the following ordinary resolution:

### **2.6.1 Ordinary resolution number 10: Placing unissued shares under directors' control**

"Resolved, as a general authority, that the authorised but unissued shares in the company, be and are hereby placed under the control of the directors until the next annual general meeting of the company and that the directors be and are hereby authorised to issue any such shares as they, in their discretion may deem fit, subject to the requirements of the Act, the memorandum of incorporation of the company, and the provisions of the Listings Requirements."

The effect of ordinary resolution number 10 is that, in terms of the company's memorandum of incorporation, the board requires authority from shareholders to issue shares in the company. This general authority, once granted, allows the board, from time to time, when it is appropriate to do so, to issue such number of ordinary shares as may be required, inter alia, in terms of capital raising exercises and to maintain a healthy capital adequacy ratio as may be required from time to time.

## **2.7 General authority to issue shares for cash**

### **Contextual information**

- *The reason for the ordinary resolution proposed below, is that in terms of the Listings Requirements and the company's memorandum of incorporation, the prior approval of shareholders must be sought to issue any shares for cash.*
- *The proposed general authority will enable the directors to issue shares for cash subject to the provisions of the Listings Requirements, the Act and the company's memorandum of incorporation.*
- *The general authority shall be valid until the date of the next annual general meeting of the company or 15 months from the date of this resolution, whichever period is shorter.*
- *The authority granted below should be read together with the authority granted in terms of ordinary resolution 10 above.*
- *Furthermore, in order for the ordinary resolution below to be adopted, at least 75% of the voting rights exercised must be exercised in favour thereof.*

Accordingly, the board proposes that shareholders adopt the following ordinary resolution:

### **2.7.1 Ordinary resolution number 11: General authority to issue shares for cash**

"Resolved that, subject to the adoption of ordinary resolution number 11, the directors of the company be and are hereby authorised by way of a general authority, to allot and issue 244 174 058 unissued shares for cash as they in their discretion may deem fit, subject to the provisions of the Listings Requirements, the Act and the company's memorandum of incorporation and subject to the provision that the aggregate number of authorised but unissued ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 15% of the issued share capital (excluding treasury shares) of the company as at 2 June 2016 provided that:

- the approval shall be valid until the date of the next annual general meeting of the company or 15 months from the date of this resolution, whichever period is shorter;
- a paid press announcement giving full details, including the impact on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue;
- the general issues of shares for cash, in the aggregate, in any one financial year may not exceed 15% of the company's issued share capital (excluding treasury shares) of that class. For purposes of determining the aforementioned 15%, the securities of a particular class will be aggregated with the securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible. The number of securities of a class which may be issued shall be based on the number of securities of that class in issue at the date of such application less any securities of the class issued during the current financial year, provided that any securities of that class to be issued pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were securities in issue at the date of application;
- in determining the price at which an issue of shares will be made in terms of this general authority, the maximum discount permitted is 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the

date that the price of the issue is agreed between the company and the party subscribing for the securities. The JSE should be consulted for a ruling if the securities have not traded in such 30 business day period;

- any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties; and
- any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue.”

## **2.8 Authorise directors and/or the company secretary**

### **Ordinary resolution number 12: Authority to action**

“Resolved that any one director of the company and/or the company secretary be and is hereby authorised to do all such things and sign all such documents as deemed necessary to implement the ordinary and special resolutions as set out in this notice convening the annual general meeting of the company at which these resolutions will be considered.”

The reason and effect for ordinary resolution number 12 is to ensure that the resolutions voted upon favourably are duly implemented through the delegation of powers provided for in terms of the company’s memorandum of incorporation.

## **3. OTHER BUSINESS**

To transact such other business as may be lawfully transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

## **DIRECTORS’ STATEMENT**

1. The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company’s financial position.
2. The directors, whose names are reflected in this integrated report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by the Listings Requirements.

3. Other than the facts and developments reported on in the integrated report, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report up to the date of this notice.

## **RECORD DATE, ATTENDANCE AND VOTING**

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the company (the Share Register) for purposes of being entitled to receive this notice is Thursday, 24 March 2016
2. The date on which shareholders must be recorded in the Share Register for purposes of being entitled to attend and vote at this meeting is Friday, 22 April 2016, with the last day to trade being Friday, 15 April 2016.
3. Shareholders entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the company. A form of proxy, in which are set out the relevant instructions for its completion, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the annual general meeting. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder’s proxy) at the annual general meeting.
4. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the company at the address given below by not later than 09h00 on Friday, 22 April 2016. The chairman of the annual general meeting, in his sole discretion, may accept such forms of proxy, provided such forms of proxy are handed to the chairman of the annual general meeting not later than 30 minutes prior to the commencement of the annual general meeting.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the annual general meeting in person will need to request their Central Securities Depository Participant (CSDP) or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the annual general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves

and the CSDP or broker in the manner and time stipulated therein.

7. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each share held.
8. In terms of the Act, any shareholder or proxy who intends to attend or participate at the annual general meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the annual general meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the annual general meeting as sufficient identification.

■ **Quorum**

■ **The annual general meeting will not begin, or a matter begin to be debated, as the case may be, unless:**

- **at least three shareholders are present or represented at the meeting;**
- **sufficient individuals are present at the meeting to exercise at least 25% of all of the voting rights that are entitled to be exercised in respect of at least one matter on the agenda;**
- **sufficient individuals are present at the meeting to exercise at least 25% of all of the voting rights that are entitled to be exercised in respect of any matter at the time the matter is called on the agenda.**

■ **For the meeting to continue and to consider matters on the agenda after the initial quorum has been established, sufficient shareholders entitled to vote must remain present at the annual general meeting.**

**Electronic participation**

Shareholders wishing to participate electronically in the annual general meeting are required to deliver written notice to the company secretary with a copy to the transfer secretaries (at the addresses given in this notice), stating that they wish to participate via electronic communication at the annual general meeting (the Electronic Notice).

In order for the transfer secretaries to arrange for the shareholder (or its representative) to provide reasonably satisfactory identification as set out in paragraph 8 above and in section 63(1) of the Act and to provide the shareholder (or its representative) with details as to the

means of participating electronically, the Electronic Notice must reach the afore-mentioned by no later than at 09h00 on Tuesday, 26 April 2016. In order for the Electronic Notice to be valid it must contain:

- if the shareholder is an individual, a certified copy of his/her identity document and/or passport;
- if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution (and the relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the annual general meeting via electronic communication);
- a valid e-mail address and/or facsimile number (the contact address/number).

By no later than 24 hours prior to the time of the annual general meeting, the company shall use its reasonable endeavours to notify a shareholder at its contact address/number who has delivered a valid Electronic Notice, of the relevant details through which the shareholder can participate via electronic communication.

Shareholders will merely be able to participate, but not vote, via electronic communication and the costs of accessing any means of electronic participation provided by the company shall be borne by the shareholder so accessing the electronic participation.

The company reserves the right not to provide for electronic participation at the annual general meeting in the event that it determines that it is not practical to do so.

By order of the board



**V Mhlongo**  
**Company secretary**

17 March 2016

## FORM OF PROXY

### **WESIZWE PLATINUM LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 2003/020161/06)

Share code: WEZ ISIN: ZAE000075859

(Wesizwe or the company or the group)

FORM OF PROXY – for use by certificated and “own name” dematerialised shareholders only at the annual general meeting of shareholders to be held at the Holiday Inn Sandton, 123 Rivonia Road, Sandton, Johannesburg on Wednesday, 4 May 2016 at 09h00 (annual general meeting).

I/We (please print name in full) \_\_\_\_\_

of (address) \_\_\_\_\_

being a shareholder/s of Wesizwe Platinum Limited, holding \_\_\_\_\_ shares in the company hereby appoint:

1. \_\_\_\_\_ or, failing him/her,
2. \_\_\_\_\_ or, failing him/her,
3. \_\_\_\_\_ or failing him/her,
4. the Chairman of the annual general meeting,  
as my proxy to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment thereof and to speak and act for me/us and, on a poll or a show of hands, vote on my/our behalf.

My/our proxy shall vote as follows:

	Number of shares		
	In favour of	Against	Abstain
To consider the presentation of the annual financial statements for the year ended 31 December 2015			
<b>Special resolution number 1:</b> Remuneration of directors			
<b>Special resolution number 2:</b> Financial assistance to related and inter-related companies			
<b>Special resolution number 3:</b> Financial assistance to directors and prescribed officers			
<b>Ordinary resolution number 1:</b> To re-elect Mr. Liliang Teng as a non-executive director			
<b>Ordinary resolution number 2:</b> To re-elect Mr. Dexin Chen as a non-executive director			
<b>Ordinary resolution number 3:</b> To re-elect Mr. Vumile Lincoln Ngculu as an independent non-executive director			
<b>Ordinary resolution number 4:</b> Confirmation of the re-appointment of the auditors			
<b>Ordinary resolution number 5:</b> Confirmation of auditor's remuneration			
<b>Ordinary resolution number 6:</b> Re-Appointment of Mr. Victor Thembinkosi Mabuza to the audit and risk committee			
<b>Ordinary resolution number 7:</b> Appointment of Ms. Dawn Merle Nonceba Mokhobo to the audit and risk committee			
<b>Ordinary resolution number 8:</b> Re-appointment of Mr. Vumile Lincoln Ngculu to the audit and risk committee			
<b>Ordinary resolution number 9:</b> Endorsement of remuneration policy of the company			
<b>Ordinary resolution number 10:</b> Placing of shares under the directors' control			
<b>Ordinary resolution number 11:</b> General authority to issue shares for cash			
<b>Ordinary resolution number 12:</b> Authority to action			

(indicate instruction to proxy by way of a cross in the space provided above)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature \_\_\_\_\_

Please read the notes on the reverse side hereof.

## NOTES:

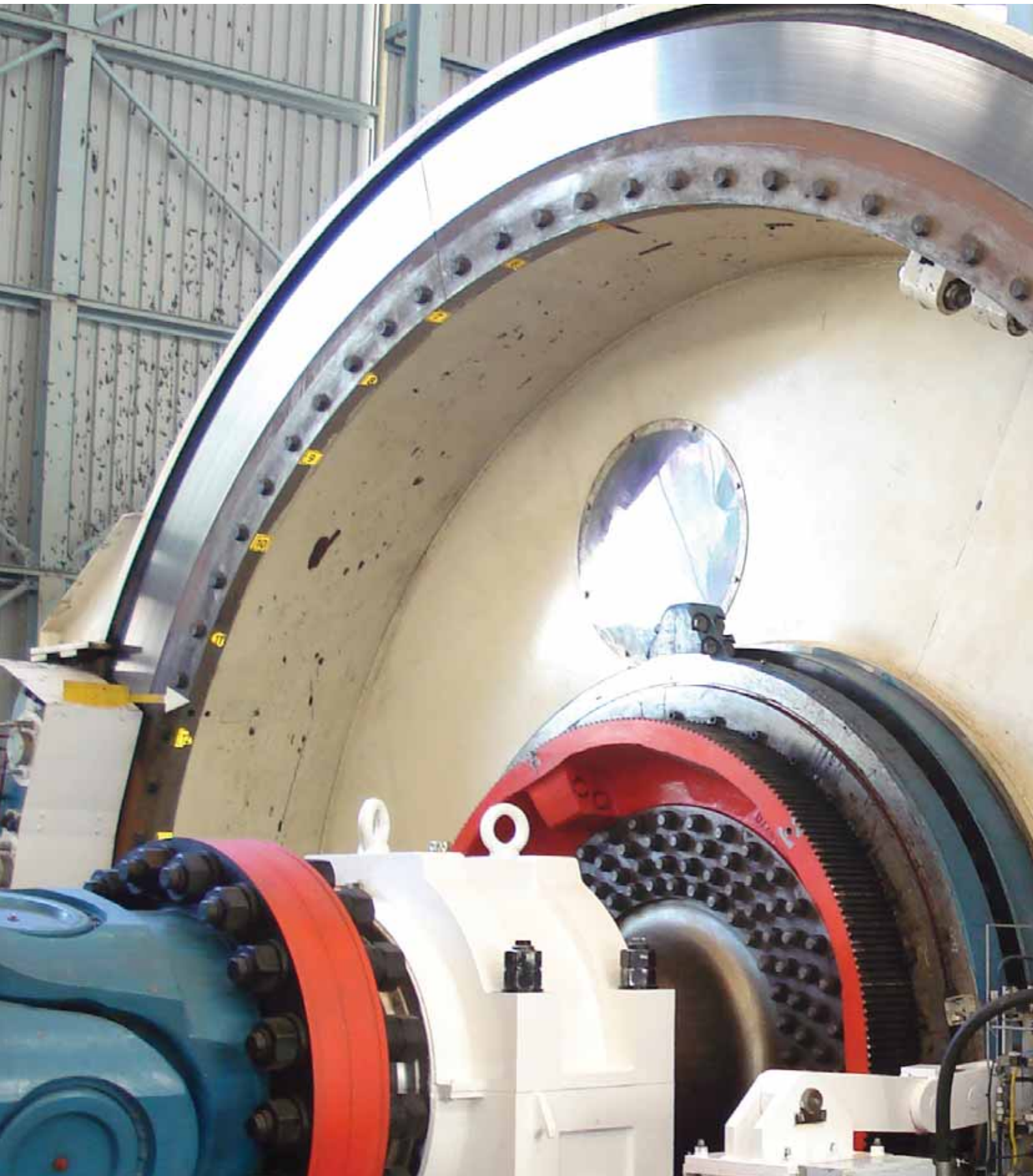
1. In terms of section 58 of the Act, No 71 of 2008, as amended (the Act):
  - A shareholder may, at any time and in accordance with the provisions of section 58 of the Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.
  - A proxy may delegate his or her authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.
  - Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 7 below).
  - Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.
  - If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by:
    - cancelling it in writing, or making a later inconsistent appointment of a proxy; and
    - delivering a copy of the revocation instrument to the proxy and to the company.
  - A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising any voting right of such shareholder without direction, except to the extent that the company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 4 below).
2. This form of proxy should only be used by certificated shareholders or shareholders who have dematerialised their shares with own name registration.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the Chairman of the Annual General Meeting"; but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to those whose names follow.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deemed fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. Dematerialised shareholders who wish to attend the annual general meeting or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary authority to attend the annual general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the member and his/her CSDP or broker.
6. Forms of proxy must be lodged at the company's transfer secretaries, Trifecta Capital Services, 31 Beacon Road, Florida North Johannesburg 1709 or P.O. Box 61272 Marshalltown, 2107) so as to be received by not later than 09:00 on Friday, 29 April 2016.
7. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of the company or waived by the Chairman of the annual general meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. The Chairman shall be entitled to reject the authority of a person signing the form of proxy:
  - 10.1 under a power of attorney, or
  - 10.2 on behalf of a company unless that person's power of attorney or authority is deposited at the registered office of the transfer secretaries of the company not less than 48 hours before the annual general meeting.
11. Where shares are held jointly, all joint holders are required to sign the form of proxy.
12. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
13. On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of shares he/she holds or represents.
14. On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
15. A vote given in accordance with this form of proxy shall be valid, notwithstanding the previous legal incapacity of the principal or revocation of this form of proxy or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such legal incapacity or transfer shall have been lodged with the transfer secretaries (at the address given at paragraph 6 above), to reach them by no later than at 09h00 on Friday, 29 April 2016.
16. A resolution put to the vote shall be decided by a show of hands, unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the annual general meeting.

## GLOSSARY OF TERMS

<IR> framework	The International Integrated Reporting Framework of the International Integrated Reporting Council
4E	The four elements: platinum, palladium, rhodium and gold
ABET	Adult basic education and training
AET	Adult education and training
AGM	Annual general meeting
AMCU	Association of Mineworkers and Construction Union
B-BBEE	Broad-based black economic empowerment
BPM	Bakubung Platinum Mine
C&I	Commercial and industrial
CADFund	China Africa Development Fund
CDB	China Development Bank
CEMP	Construction environmental management programme
DMR	Department of Mineral Resources
DWS	Department of Water and Sanitation
EE	Employment equity
EIA	Environmental impact assessments
EMP	Environmental management plan
EMS	Environmental management system
EPCM	Engineering, procurement and construction management
ERP	Enterprise resource planning
FFS	Fatality-free shifts
GHG	Greenhouse gas(es)
GRI	Global Reporting Initiative
HDSAs	Historically Disadvantaged South Africans
HPDs	Hearing protection devices
HRD	Human resource development
HSE	Health, safety and environment
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IR	Integrated report
IRAS	Integrated Reporting and Assurance Services
IRUP	Ironrich ultramafic pegmatoids
IT	Information technology
JSE	JSE Securities Exchange
KPIs	Key performance indicators
LOM Life of mine	Life of mine
LTI	Lost time injury



LTIFR	Lost-time injury frequency rate
LTIP Long-term incentive plan	Long-term incentive plan
MDDA	Media Diversity Development Agency
MHSA	Mine Health and Safety Act 29 of 1996
MHSC	Mine Health and Safety Council
MOI	Memorandum of incorporation
Moz	Million ounces (measurement)
MPRDA	Mineral and Petroleum Resources Development Act 28 of 2002
MR Merensky Reef	Merensky Reef
MTC	Medical treatment case
NEMA	National Environmental Management Act 107 of 1998
NO2	Nitrogen dioxide
NWREAD	North West Department of Agriculture Conservation, Environment and Rural Development
OMP	Occupational medical practitioner
Opex	Operational expenditure
P&Gs	Preliminary and Generals
PGE	Platinum group elements
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PM10	Particulate matter less than 10 micrometres in diameter (respirable dust)
PTM	Platinum Group Metals Limited (Toronto-listed)
SAMREC	South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SD	Sustainable development
SDTI	Sustainability Data Transparency Index developed by the IRAS consultancy
SLP	Social and labour plan, as required by the MPRDA
SMME	Small, medium and micro enterprise
SO2 Sulphur dioxide	Sulphur dioxide
SOPs	Standard operating procedures
UG2	A geological band in the Bushveld complex, often containing economic grades of PGM
USD or \$	US dollar currency
Wesizwe	The company or group depending on context
WIM	Women in mining
WUL	Water use licence
ZAR	South African rand







# Our Contacts

## **Wesizwe Platinum Limited**

Incorporated in the Republic of South Africa  
Registration number: 2003/020161/06  
Share code: WTL  
ISIN: ZAE000075859  
www.wesizwe.co.za  
Wesizwe House  
9 Autumn Road  
Sandton  
2128

## **Legal adviser**

Mkhabela Huntley Adekeye  
Incorporated  
Registration Number: 2000/029792/21  
Block C, 7 Eton Road,  
Sandhurst, Johannesburg  
P.O. Box 1049, Gallo manor,  
2052

## **Company Secretary and registered office**

Vasta Mhlongo  
Wesizwe House, Devcon  
Park, 9 Autumn Road,  
Rivonia Extension 3, 2128

## **Auditors**

KPMG Inc.  
Registration number: 1999/021543/21  
Registered Accountants and Auditors  
Chartered Accountants (SA)  
KPMG Crescent, 85 Empire Road, Parktown, 2193  
Private Bag X9, Parkview, 2122

## **Sponsor**

PSG Capital (Pty) Limited  
Registration number: 2006/015817/07  
First Floor, Building 8,  
Inanda Greens Business Park  
54 Wierda Road West,  
Wierda Valley, Sandton,  
2196  
PO Box 650957, Benmore,  
2010

## **Transfer secretaries**

Trifecta Capital Services  
Trifecta Capital House  
31 Beacon Road  
Florida North  
1709  
Postal address:  
PO Box 61272  
Marshalltown