

w e s i z w e

Integrated Annual
Report 2019



Vision

Our vision is to grow into a significant multi-commodity mining company, focused on strategic metals with sound fundamentals for sustainable demand.

Contents

Our report preparation and presentation	2
Directors' statement of accountability	3
Who we are	4
Our ore body and how we mine it	6
Our operating context and market	7
Our strategic approach	8
Our approach to sustainability	12
Compliance management	13
Risk management	14
Board of Directors	16
Our Executive team	18
Our Group structure	19
Chair's overview	20
Chief Executive Officer's review	22
Our performance highlights	25
Our performance	
Built (manufactured) capital	26
Natural capital	34
Social and relationship capital	50
Human capital	56
Intellectual capital	68
Financial capital	82
Shareholder register analysis	85
Abridged Annual Financial Statements	87
Abridged consolidated statement of financial position	88
Abridged consolidated statement of profit or loss and other comprehensive income	89
Abridged consolidated statement of changes in equity	90
Abridged consolidated statement of cash flows	91
Notes to the abridged consolidated financial statements	92
Shareholders' information	
Notice of the Annual General Meeting	98
Form of proxy	107
Annexures to the report	
Sustainability Limited Assurance Report	109
GRI G4 content index	112
Abbreviations and acronyms	117
Administration	120

The Integrated Annual Report is available on: www.wesizwe.co.za

HOW TO NAVIGATE THIS REPORT

To facilitate reading and navigating the report, we have incorporated the following symbols:

26	Built (manufactured) Capital	
34	Natural Capital	
50	Social and Relationship Capital	
56	Human Capital	
68	Intellectual Capital	
82	Financial Capital	











Our report preparation

Content and purpose of the report

Wesizwe Platinum Limited (the Company or Wesizwe) proudly presents its 2019 Integrated Annual Report (2019 IR), the seventh edition since commencing with the integrated reporting format. Wesizwe is creating a sustainable mining entity for its current and future shareholders and other stakeholders, as guided by eight key values:

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

This 2019 IR covers the period 01 January 2019 to 31 December 2019 and endeavours to present a holistic and comprehensive account to all investor and other stakeholder groups, on progress achieved that is related to economic, environmental, and social elements. It provides information on Wesizwe's strategy, corporate governance that targets ethical culture, excellent performance, and effective control. The report covers Wesizwe Platinum Limited and all its subsidiaries as shown structurally on page 19, and should be read with the Annual Financial Statements (AFS) accessible on our website www.wesizwe.co.za.

Critical to the 2019 IR is the intent to provide an overview and relevance of sustainability in the overall development strategy of the Company, with a specific focus on the full and balanced status of material aspects of the Company, their relative impact and how those are managed.

This approach is further enhanced by the general guidance from South African mining industry approaches, adapted from industry advisory notes issued periodically by the Minerals Council of South Africa to the Company as an affiliate in good standing.



Frameworks applied

The 2019 IR complies with the provisions of the South African Companies Act 71 of 2008 (Companies Act), the Johannesburg Stock Exchange (JSE) Listing Requirements, and the King IV Principles, all of which embody the Company's aspirations towards good corporate governance.

The Group AFS were prepared in accordance with the International Financial Reporting Standards (IFRS). This report is guided by the GRI Standards as issued by the Global Sustainability Standards Board (GSSB), accessible from www.globalreporting.org/standards.



Assurance

An external assurance process has been utilised for a moderate assurance, prepared in accordance with the defined reporting criteria and free of material misstatements in respect of:

- the Company adherence to the AA 1000APS principles of inclusivity, materiality and responsiveness; and
- the selected Key Performance Indicators (KPIs) as listed under assurance objectives.

The assurance engagement was performed by a registered audit firm with the Independent Regulatory Board for Auditors (IRBA) and therefore justifies the use of ISAE 3000 as the assurance standard for non-financial information.





Directors' statement of accountability

The Board of Directors acknowledges its responsibility to ensure the integrity of the Integrated Annual Report for the 2019 financial year. The Board has accordingly applied its collective mind and, in its opinion, this 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 and the Social and Ethics Committee, the Board of Directors approved the 2019 Integrated Annual Report on 28 April 2020.

Dawn Mokhobo • Chair

Zhimin Li • Chief Executive Officer





Who we are

CORPORATE PROFILE

Wesizwe is a public company incorporated in the Republic of South Africa with its shares listed on the JSE.

Our intention is to enter into Platinum Group Metals (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 our new Bakubung Platinum Mine (BPM) has the sole purpose to access one of the last remaining sizeable and viable Merensky and Upper Group 2 (UG2) Chromitite layer PGM ore bodies.

OUR STORY



Highlights for the first decade

2003 – 2009

- A feasibility study shows PGM resources over 350 koz per annum, over a 30-year life of mine
- Completed a bankable feasibility study

2010

- A term sheet with a Chinese consortium is signed

2011

- Transaction with China Africa Jinchuan Limited is concluded, with US\$227-million injected into the Group
- Wesizwe's core project is relaunched as the Bakubung Platinum Mine (BPM)

2012

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

2013

- Main shaft slow sink begins – 345 metres achieved by end December 2013
- Ventilation shaft headgear commissioned
- Ventilation shaft slow sink begins – 506 metres achieved by end December 2013
- US\$650-million facility entered into with the China Development Bank (CDB)



2014

- 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
- Project optimisation plan finalised and approved by the Board



2015

- 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



OUR BUSINESS

Our business is mainly focused on the successful development of BPM for the shareholders' benefit, and more importantly to ensure value-add towards our host communities.

The mine access is through a twin vertical shaft system, the 7.5 m diameter Main shaft for men and material logistics and 6.5 m diameter Ventilation and Services shaft. The mine will put down subsequent 6 m diameter raisebore holes (1, 2 and 3) to 72L for added ventilation. The Main shaft is intended to have a hoisting capacity of 255 000 tpm of ore and 15 000 tpm of waste per month. These are the base design parameters of the mine and after a series of business reviews by the Company in response to the prevailing market and low pricing fundamentals, the Board resolved to revise the current mine plan resulting into the development of a 1 million tons per annum (mtpa) mine with an equivalent 1 mtpa processing plant (MF2) to treat the ore. The 1 mtpa capacity mine will be operated for a period of 5 years from 2021 until 2026, thereafter it will be scaled up back to the base case 3mtpa operation. After the Merensky Reef is depleted, 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.

2016



- Shaft equipping progressed as scheduled
- Achieved zero fatalities
- Bulk services for a 50 mega liters water reservoir completed jointly with PTM Mine
- Bakubung electrical substation commissioned
- Extensive capital deferment on non-critical packages completed

2017



- Continued with annual zero fatality record since the last incident in April 2015
- Completed Main shaft equipping
- Completed connections between Service shaft and Main shaft on all levels
- Commenced work on the permanent waste pass
- Completed connection between 77 Level and 81 Level

2018



- Continued with annual zero fatality record since the last incident in April 2015
- Appointed the Capital Footprint Developer
- Main shaft licenced to transport personnel, material and rock
- Rock hoisting through Main shaft commenced
- Loading facility automation completed
- Completed 161-CV-001 surface conveyor from Main shaft headgear bin to transfer bin



2019

- Successful negotiation of a three-year wage agreement with the labour union
- Revision of the new operating structure that supports the new business model (Survival Plan)
- Development and completion of Employee Workflow process in the Human Resources Information System
- Completed meaningful stakeholder consultations for the 2019 – 2023 SLP and submitted to the DMRE
- Negotiated new Social Housing Regulatory Agency grants terms and conditions for the development of 801 units from 2020 – 2023
- Maintained a harmonious relationship with all stakeholders
- Continued with annual zero fatality record since the last incident in April 2015
- Completed and undertook cold-commissioning of the installation of substation 69 and 72 Levels
- Appointment of the EPC and building contractors for the construction of the Process Plant
- Achieved 5 760 m development against a target of 6 166 m, representing 92% delivery against target
- Intersected Merensky Reef on 69 Level
- Underground blasting achieved 109 966 m³ against a target of 104 032 m³ representing a 106% performance



On the western limb of the Bushveld Igneous Complex, north of the city of Rustenburg in the North West Province, is the Bakubung Platinum Mine

It is adjacent to the western boundary of Royal Bafokeng Platinum Limited's Styldrift project, and immediately north of Maseve Investments 11 (Pty) Limited's Project 1.

The targeted flat-lying ore body is a high-quality resource base, comprising both Merensky Reef and UG2 Reef. The reef width for a larger section of the ore body is favourable for conventional mining, with mechanisation used for development and parts of the ore body that have higher mining widths.

The flat dipping ore-body will be mined using four underground levels and declines to access steeper parts below 81 Level. A combination of conventional and mechanised mining is planned in an effort 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 a split ratio of 9:1 for Merensky to UG2 in the early years, and will swing over to 100% UG2 when Merensky is depleted.





A remarkable performance for platinum producers in 2019 renews optimism

The South African mining industry has been in a difficult situation for some years now, with macro-economic factors seriously influencing the pricing levels of all metals and minerals produced in the country. That is until the end of last year when the JSE's mining index rose to its highest level since 2008, contributing to the 38% annual increase for the sector, its best performance since 2016.

The increasing attraction and rallying for resources stocks was largely due to business re-organisation and improved productive efficiencies of most large mines led by PGM's producers in RSA. This was also buoyed by rallying in the PGM's prices due to supply demand and also increased use of Palladium (Pd) for petrol engine catalytic converters. PGMs are now worth more than Gold; just slightly below coal as the biggest income earner of all SA's mining commodities (according to Statistics SA, June 2019). It's a comfortable margin, between PGMs' 25.67% and third-placed iron ore at 13.80%.

The demand for PGMs keeps growing year on year, particularly for Palladium (Pd) and Rhodium (Rh) that is used in the manufacture of automotive catalytic converters for petrol engines. Palladium however can only be used in petrol vehicles, whereas Platinum (Pt) is more versatile in that it is also in demand for diesel vehicles. When the price of Palladium trades higher than Platinum, the trade switch to a Platinum preference drives demand which bodes well for South African producers given that the country supplies some three quarters of global production of the metal, and largely from the Bushveld Complex, where Wesizwe's BPM is being constructed.

The World Bank is predicting that PGM demand is going to further increase with wind and solar energy farms and renewable energy becoming more

popular. South Africa is currently mining at least five of the metals used in these technologies, PGMs amongst them.

With the BPM process plant under construction and to be commissioned in 2021, and production also commencing in 2021, Wesizwe will be in a position to further enhance SA's current production of more than 70% of global primary supply and more than 55% of total supply, recycling inclusive. The concern for current producers is that they can't meet medium-term supply demands because of lack of investment in the sector for expansion and green-fields projects that can bring on new ounces to the market.

The micro-environment has been very trying as a result, not helped by Eskom's inability to sustain a stable national power grid. The announcement in February by Minister of Mineral Resources and Energy, Mr Gwede Mantashe, that mining companies can now generate their own power without licences is seen as a lifesaver for existing mines.

With the BPM set to commission its process plant and also begin production in 2021, Wesizwe is in the fortunate position of being able to take time to consider the best options for self-generation of energy from renewable resources. The introduction of Carbon Tax last year will also be factored into the BPM operations from the outset.

The global focus on clean energy clearly demands that the manufacture of metal-based products be as 'clean' as possible from source, that the operational environment and people be cared for, and that mining producers are transparent about their commercial and extraction practices. Wesizwe continues to work towards these goals, embracing best practices as indicated in this IR.





Short- to Mid-term production strategy

The Company's core project, the BPM development commenced in 2011, after securing project funding and an equity injection from the China Africa Jinchuan Investment Limited (CAJIL), a major Chinese consortium comprising the China Africa Development Fund (CADFund) and Jinchuan Group Company Limited (Jinchuan) through an equity injection of US\$227-million and the facilitation of a loan from the CDB of US\$650-million. The scope of mine development comprised of: all mine surface installation; a Main shaft, Service shaft and multiple ventilation shafts system; underground flat development around stations; all shaft infrastructure; waste development, capital footprint establishment; mine production equipment; process plant; a tailings holding facility; and a housing complex, amongst others.

Recent improvements in the PGMs basket prices, driven by Palladium and Rhodium, have manifested in a number of local major producers forecasting good profits, largely as result of major producers re-structuring their businesses and/or closing down operations or loss-making shafts, which has helped in removing loss-making ounces from their operations and greatly improved margins. The focus for some major producers has shifted to lower cost shallow, mechanised mining that are in the lowest quartile of the cost curve.

Despite this, the market remains bearish for mine project development investment, and so it is that the Company continues to experience external and internal financial constraints ranging from escalating development costs, borrowing costs, PGM pricing, labour costs, operational costs and unmanageable social demands.

Within this context, the Board reviewed the Company's long-term strategy and reprioritised expenditure by curtailing all non-production expenses and allocating all necessary resources to the transition of the mine from development to production. This will enable business sustenance.

In March 2019, the Company informed shareholders of its decision to implement a new plan that will encompass the development of a 1 mtpa mine with an equivalent 1 mtpa processing plant (MF2) to treat the ore. The smaller mine will be operational for five years from 2021 until 2026. Thereafter, and subject to market conditions, the Board believes it will be able to authorise the upscaling of the mine to its original base case 3 mtpa operation. This is illustrated in the graph on page 9.

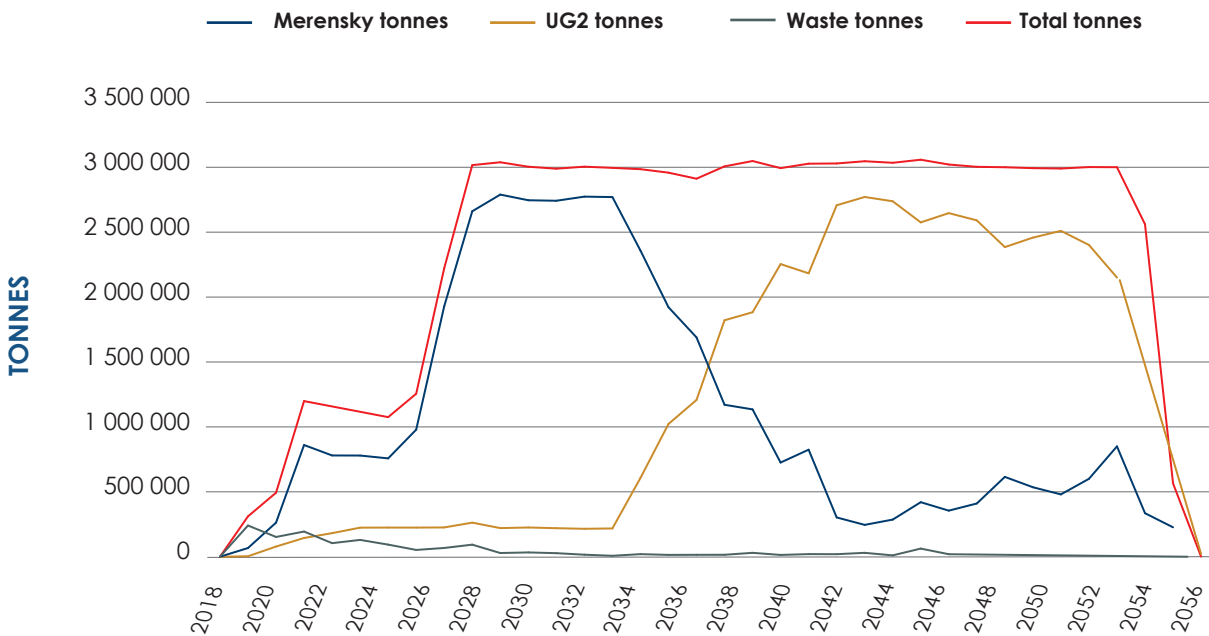
The mining approach throughout the period will remain sequential, that being the start-up with, largely, Merensky followed by the UG2. There is however an opportunity to push the UG2 mining up front given that both reefs are mined using the same infrastructure.





Figure 1: BPM Life of Mine Production Profile (Revised 2019)

Total Tonnage Profile





Safety

The Company considers as pivotal the controls and procedures aimed at minimising risks of injury. This is reflected in the mantra of outstanding performance with Zero Harm. Our goal is to ensure that every employee understands and practices a Zero Harm principle by entrenching safety procedures in all aspects of Company operations as well as increasing visibility on safety matters. Our safety management strategy is proactive with a focus on injury prevention, and aims to entrench an operational culture that positively influences safety behaviour.

Social cohesion and transformation

The Company will only survive if it continues to maintain excellent relations with its stakeholders, inclusive of meaningful consultations and transparency, and which are aligned to the Company values. We have made significant progress in this area and, although there remains room for improvement, more emphasis will be placed on nurturing the good foundation we have built to date.

The Company embraces transformation as a material aspect of its overall strategy and continues to make progress. As a new entrant within the PGM sector, and despite limited resources, the Company continues to contribute towards reversing the injustices of the past by doing the "right thing". Our obligations related to the mining right granted in terms of Section 23 of the Minerals and Petroleum Resources Development Act (MPRDA), No 28 of 2002, have been fully discharged. We have also taken into account our obligations arising from the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (Mining Charter) released by the Department of Mineral Resources and Energy (DMRE) in September 2018. We endeavour to ensure that our transformation strategy is aligned to the implementation guidelines of the Mining Charter as issued by the DMRE in December 2018.

With the exception of skills development programs, we have honoured and submitted a new proposal for the Social and Labour Plan (SLP) 2019 – 2023, currently under consideration by the DMRE. It remains our duty and will, to continue contributing towards the reversal of the scourge of poverty, unemployment and inequality. The transformation aspect is considered material and is implemented by management through the Company's Transformation Committee of the Exco and monitored and overseen at Board level by the Social and Ethics Committee.

People and union relations

A significant achievement during the reporting period included the negotiation and conclusion of a three-year wage agreement with the unions with whom we interact and which was facilitated without any external interventions. The agreement provides a solid platform for a stable operational environment and further illustrates just how seriously the Company values its relations with employees and the unions.

The Company enjoys a fairly stable industrial relations climate with only two stoppages experienced during the reporting year. This material aspect dictates that we focus further on continuous engagement with our employees through the recognised unions and management consultative processes.

It remains our aspiration to develop a mine that creates a sustainable and competitive advantage by developing an organisational culture that fosters safety, diversity and high performance led by accountable and safety-conscious leaders. We continue to ascribe to the norms and standards that respect and protect the fundamental rights of employees as accorded by and as guided by the conventions of a 100 year old institution called the International Labor Organisation (ILO).



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



BUILT (MANUFACTURED) CAPITAL

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

- buildings;
- equipment;
- infrastructure (such as roads, waste and water treatment plants);
- emphasis on capex and opex optimisation;
- infrastructure, logistics and IT systems being developed at the BPM and Wesizwe House to reduce costs;
- utilisation of partnerships and global procurement opportunities; and
- fit-for-purpose designs.



NATURAL CAPITAL

All renewable and non-renewable environmental resources and processes that provide goods or services, inclusive of air, water, land, minerals and forests, and biodiversity and eco-system health.

Our natural capital encompasses our geological setting and our much-valued mineral resources.

We further report on the environmental aspects of:

- water and electricity usage – carbon footprint;
- our monitoring programme inclusive of parameters related to dust fallout, PM10 (respirable dust), NO₂, SO₂, surface water and groundwater;
- major environmental incidents; and
- fines for environmental transgressions or non-compliance.



SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital includes:

- shared norms, values and behaviours with key stakeholders;
- meaningful engagements with external stakeholders;
- intangibles associated with the brand and reputation;
- the Company's social licence to operate;
- government, service providers, funders, and communities; and
- a workforce development and community relations strategy that encourages harmonious relationships with these vital stakeholders.



HUMAN CAPITAL

Individual competencies, capabilities and experience, and their motivations to innovate, including:

- alignment with the Company's governance framework, risk management approach, and ethical values;
- ability to understand, develop and implement the Company's strategy;
- loyalties and motivations for improving processes, goods and services, and ability to lead, manage and collaborate; and
- tacit and implicit capabilities as individual employee and collective capacities. This may entail knowledge, skills, experience, wisdom, and talent, and enabling the Company to deliver on its targets.



INTELLECTUAL CAPITAL

Organisational, knowledge-based intangibles, including:

- intellectual property, such as patents, copyrights, software, rights and licences;
- 'organisational capital' such as tacit knowledge, systems, procedures and protocols;
- brand equity, product development, market research, management expertise, efficient supply chain, and sound corporate governance; and
- local mining experience in conjunction with expertise offered by Chinese shareholders and executives.



FINANCIAL CAPITAL

The pool of funds that:

- is available to an organisation for producing goods or providing services;
- are obtained through financing (such as debt, equity or grants), or generated through operations or investments;
- offer equity and raising development capital at competitive rates;
- provide efficient expenditure of development capital; and
- building shareholder value.





The Wesizwe way to sustainable development is anchored on four pillars spearheaded by our Corporate Affairs Executive with Exco support.

1

Deliver on Wesizwe's 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 the Company on its 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.



Compliance management



Adhering to the compliance obligation relevant to the mining sector is imperative for the success of the Company, inclusive of applicable statutory, regulatory and supervisory requirements and relevant mining general codes, requirements and best practice guidelines.

We do not only apply strict legal requirements arising from laws in the mining sector but adopt a broader view and consider other relevant requirements that should be complied with. The Company is steadfast in adhering to best practices and market standards related to accountability, transparency, consistency, principles and business ethics that promote and uphold sustainability.

Negative mining effects are managed through our compliance to good governance practice, such as rolling out safety, health and environmental procedures ranging from safety training and medical screening to follow-up services, and strict waste management and scarce resource management procedures, all of which are working efficiently at the BPM site and in the surrounding community. Across all decision-making processes, the Company adheres to the principles of good governance; transparency is one such aspect to which we steadfastly abide.

The Board's strategic planning and measurement of strategic objectives adheres to the Company's governance framework. The Board has thus set up the necessary committees, each of which works within clearly defined terms of reference and which are structured to support the Company's overall purpose relating to economic, environmental and social issues.

Compliance

The Audit and Risk Committee, on behalf of the Board, provides oversight over the Company's risk and compliance obligations. This includes obtaining appropriate levels of assurance established by management, and the maintenance of an effective compliance management system (CMS).

The Company uses the CMS to monitor compliance and set its tone from senior management down, and is integrated throughout the business in a series of actions that are consistently monitored with appropriate measures in place to ensure that non-compliance is addressed accordingly.

The compliance function plays a valuable role in the implementation of a compliance risk management process. This includes assisting in facilitating and advising on the identification, assessment, management, monitoring and reporting of compliance risks that are faced by the Company.

During the year under review the Audit and Risk Committee confirms that management delivered on its responsibility to ensure that compliance

obligations were met on a day-to-day basis, and that the Company's compliance policy and framework were effectively implemented, supported and adhered to.

Currently the company is not facing any regulatory penalties, sanctions or fines for contravention of compliance.

Ethics and business conduct

The Board approved the Code of Ethics and Business Conduct Policy (the Code). The Code has been framed to align with the values of the Company and is intended as a source of direction and guidance for all actions and decisions internally, and in our interactions with stakeholders and the public.

Management aspires to create an ethical culture by conforming to its corporate values and by leading in a manner that demonstrates an ethical tone at the top. The Company is committed to maintaining a Zero Tolerance stance on fraud, corruption, misconduct and dishonesty. We expect all employees, business partners, contractors and associates to conduct themselves in accordance with the Company's Code of Ethics and Business Conduct Policy, and policies governing fraud, corruption, and whistleblowing.

Our Code of Ethics and Business Conduct Policy addresses matters relating to: conflict of interest; having a harassment-free workplace; political contributions; prevention of unauthorised dissemination of Company information; the acceptance of donations and gifts; and the protection of the Company's intellectual property and patent rights. It also prescribes that disciplinary action – including dismissal or prosecution – is administered in the event of any contravention of the Code.

The Audit and Risk Committee

The Board and the Audit and Risk Committee are responsible for administering, communicating, implementing and monitoring compliance to the Code, along with the executive management and managers. The Board delegates the day-to-day responsibility for administering and interpreting the Code to the CEO. All employees are the custodians of the Code and have a role in the monitoring and compliance of it.

The Board has also delegated to the Audit and Risk Committee, the management of tasks related to the Company's risk. Although the Board remains as overall custodian of risk, management designs, implements, and monitors the process of risk, all of which are viewed as integral to creating and maintaining value and stakeholder interests.



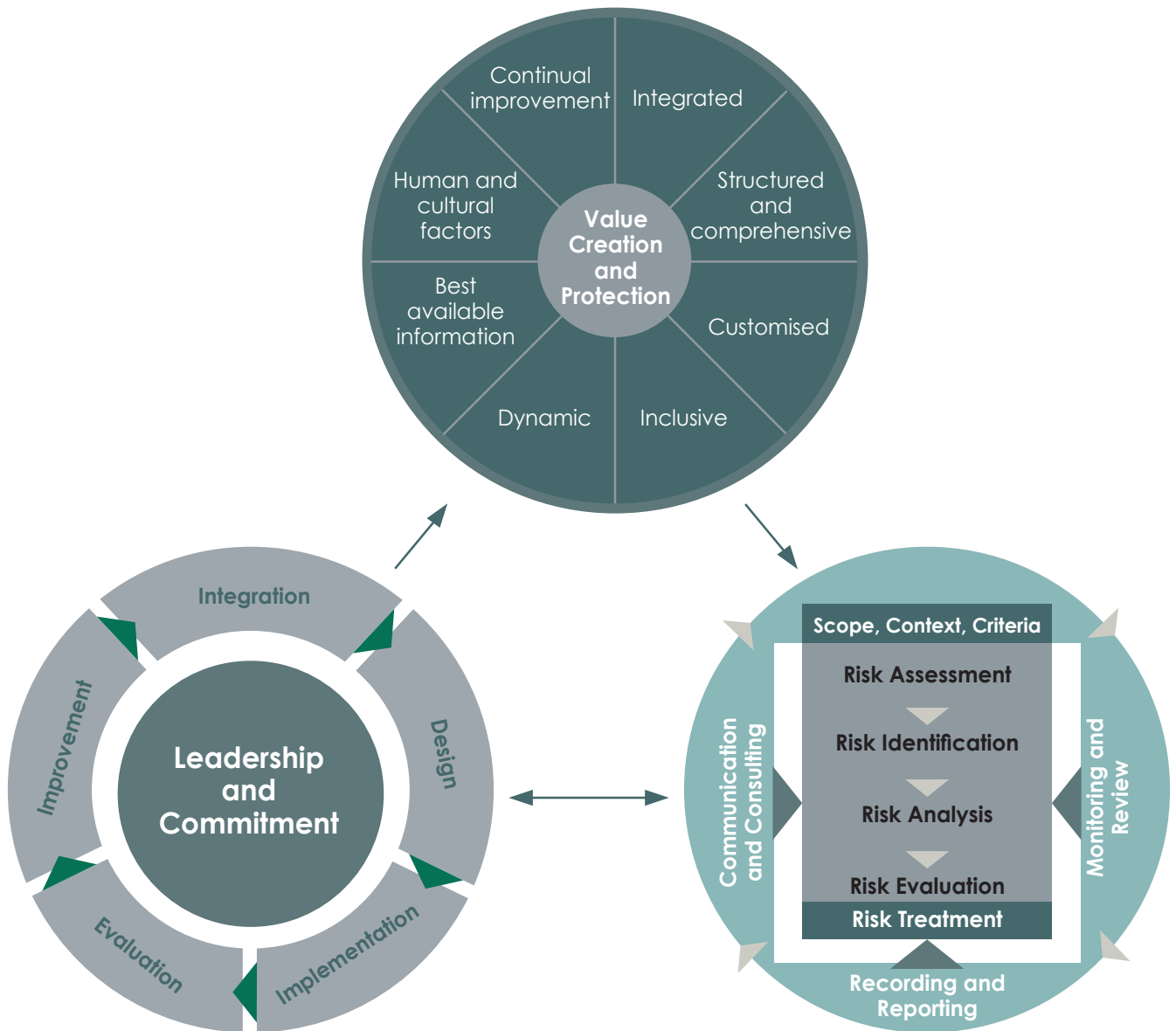
Risk management



The risk management process cascades through the Audit and Risk Committee, the Executive Committee, the risk framework and into all other business operations. An integrated risk management framework stipulates the effective governance of operational and strategic risks. The Company relies on the judgment, skill and experience of its employees to make risk management decisions within the risk management framework and to communicate those to relevant parties.

The risk management process follows four well-defined processes: identification, assessment, addressing the issue, and monitoring results. We integrate risk management approaches, methodologies and systems, which involve overseeing, advising, and diligently monitoring the application and practice of risk management at all levels, and communicating and reporting on all risk matters. The Company's enterprise risk management (ERM) is aligned with the ISO 31000 international risk management standard and follows the framework below.

Figure 2: Principles, framework and process



The table below indicates the Company's top five strategic risks, as identified by the Board in previous years, and steps adopted in the mitigation of those. In 2019 the Board did not conduct its strategic risks assessments, however management reviewed and updated the operational risks as shown in table 2. Strategic risks are to be reviewed by the Board during 2020.

Table 1: Strategic Risk Assessment

Risk	Mitigation
Inability to secure ongoing funding including shortfall funding.	Identify and present continuous improvement measures to strengthen the project's economic viability.
Inability to meet target of 26% BEE shareholding as per Mining Charter targets.	Ensure the retention of existing BEE shareholders, and implement a definitive BEE plan that is compliant with the newly reviewed Mining Charter.
Inability to repay loans due to low metal prices.	Devise strategies to ensure repayment of loans, one of which being the restructuring of the loan facility.
Delayed Flat Development Contractor (CC5C) operational commencement date.	Ensure that all challenges within the Company's control are mitigated.
Failure to meet unrealistic community expectations.	Implement community engagement strategy.

Top ten operational risks as identified in 2019, managed and monitored by the Executives and reported to the Board.

Table 2: Top Ten Operational risks

Type of risk	Type of control
Community unrest.	Direct community engagement, Seek government intervention, SAPS Intervention, court interdict.
Inability to source housing on time/Insufficient housing available.	Annual review of the housing plan, delivery of the housing units within budget and on schedule.
Non-availability of company medical facilities.	Develop a mine scope of services and go out to market to search for a suitable partner.
Unavailability of off-take agreement.	Identify a suitable partner to conclude an agreement.
Inadequate or insufficient employment of local members.	Develop community members in line with the SLP.
Capital cost overrun.	Develop a business survival plan with austerity measures. Define cost performance matrix and implement. Use costs saved in other areas to supplement areas of gaps.
Failure to achieve mine operations' KPI.	Develop performance measures and implement. Enforce and incentivise for performance. Finalise a company organogram and review roles.
Inability to attain project delivery targets.	Include project schedule and cost control measures in the contracts and enforce. Implement performance measures for project delivery teams.
Inadequate funding for critical spares.	Assign a resource to manage movement and supplier engagement. Develop a management plan and measure performance. Develop a spares list and management program.
Inadequate Crisis Communications Strategy.	Policy to be aligned and benchmarked to other mines.

The Company follows three lines of defence in managing risks:

- The first line of defense is senior management as it owns the entire process and is responsible and accountable for operational management, directly assessing, controlling and mitigating risks.
- The second line of defense is through the risk and compliance function of the Company, supported by internal audit divisions which are currently outsourced to Mazars Advisory (Pty) Ltd (Mazars) whose core role is that of internal audit related to ERM. Mazars provides objective guidance to the Board on the adequacy and effectiveness of risk management and uses the risk register as a basis for the annual internal audit mandate.
- The third is the Audit and Risk Committee of the Board, supported by an external audit firm, currently SNG Grant Thornton Inc. The Audit and Risk Committee is responsible for monitoring and overall oversight. This line of defense is independent and objective.



Board of Directors



Ms Dawn Mokhobo

Independent Non-executive Director and Chair

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

Appointed: 17 December 2009

Leadership roles: First African woman on 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 on the promotions committee for the South African Police Service in 1996.

Nominated as the Chair 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, Ford South Africa and Sabvest (Pty) Ltd.

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



Mr Huigao Guo

Non-executive Director and Deputy Chair of the Board

Masters of Mining Engineering and a Bachelor's degree from Kunming University of Science and Technology

Appointed: 1 April 2019

Skills, expertise and experience: Several years' experience in the mining field working for Jinchuan Nonferrous Metals Company and Jinchuan Group Corporation Limited. Mr Guo has won the title of "Excellent Technology Management Worker of China Nonferrous Metals Industry" issued by China Nonferrous Metals Industry Association. He has also received fourteen (14) honours issued by the State and Jinchuan Group including the Second prize of National Science and Technology Progress Awards, the first prize of science and technology award of China Nonferrous Metals Industry. He is accustomed with production and operations within the mine.



Mr Zhimin Li

Chief Executive Officer

Bachelor degree in Mining

Appointed: 15 February 2017

Skills, expertise and experience: Bachelor degree in Mining Engineering from KunMing University of Science and Technology in China.

30 years experience in mining and civil engineering construction obtained through working in China for the Jinchuan Group and in Africa including other foreign jurisdictions where he managed multi-million Rand projects.



Mr Pengfei Li

Non-executive Director and Chair of Remuneration Committee

PhD Industry Economics China Renmin University, School of Management

Appointed: 20 September 2016

Leadership roles: Executive Director of Investment in China Africa Development Fund (CADFund)

Skills, expertise and experience: Project valuation, investment instruments, business negotiation and project implementation.





Mr Sun Pingan

Non-executive Director

Master of Management, Wuhan University, Bachelor of Engineering, Kunming University of Science and Technology

Appointed: 1 February 2018

Skills, expertise and experience: Extensive experience in project financing, overseas investments, and mergers and acquisitions in the mineral resources sector within the Jinchuan group.



Mr Lincoln Vumile Ngculu

Independent Non-executive Director, Chair of Social and Ethics Committee

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

Appointed: 30 May 2011

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



Mr Victor Thembinkosi Mabuza

Independent Non-executive Director, Chair of Audit and Risk Committee

Bachelor of Commerce

Appointed: 22 August 2014

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 Feng Tao

Financial Director

MBA from Schulich School of Business, York University, Toronto, Canada and a Bachelor of Law degree from Jilin University, Changchun, China

Appointed: 1 July 2017

Other directorships and leadership roles: 15 years progressive experience as Financial Director/ CFO and Board member in various companies including listed company in Shenzhen Stock Exchange, specialising in resources and automotive industries. Expert in project finance, portfolio management and legal affairs. Experienced in fiscal financial planning and budgeting process with superior analytical aptitude for cost saving and management control of companies.

* Mr Fugui Qiao was appointed in September 2017 and resigned in March 2019.



Our Executive team



Mr Zhimin Li

Chief Executive Officer

Bachelor degree in Mining Engineering from KunMing University of Science and Technology in China.

Appointed: 15 February 2017

Other directorships and leadership roles: 30 years experience in mining and civil engineering construction obtained through working in China for the Jinchuan Group and in Africa including other foreign jurisdictions where he managed multi-million rand projects.



Mr Feng Tao

Financial Director

MBA from Schulich School of Business, York University, Toronto, Canada and a Bachelor of Law degree from Jilin University, Changchun, China

Appointed: 1 July 2017

Other directorships and leadership roles: 15 years progressive experience as Financial Director/ CFO and Board member in various companies including listed company in Shenzhen Stock Exchange, specializing in resources and automotive industries. Expert in project finance, portfolio management and legal affairs. Experienced in fiscal financial planning and budgeting process with superior analytical aptitude for cost saving and management control of companies.



Mr Jacob Mothomogolo

Executive General Manager

MBA, MEng (In Project Management), BSc Mining Engineering

Appointed: 1 May 2011

Other directorships and leadership roles: None



Ms Basetsana Ramaboa

Human Resources Executive

BA (Hons), Social Work, BA (Hons), Human Resources Development, Advanced diploma in Project and Programme Management, Programme in Advanced Labour Relations Management

Appointed: 1 May 2013

Other directorships and leadership roles: None



Mr Hamlet Morule

Corporate Affairs Executive

BJuris, Magister Legum (LLM), MSc: Project Planning & Development, Harvard Senior Executive Program

Appointed: 4 January 2012

Other directorships and leadership roles: Member of the Social and Ethics Committee of the Wesizwe Board of Directors. Member of the Purchasing and Contracts Committee of the Board of Directors of United Manganese of Kalahari. Director of HamletM Consulting (Pty) Ltd.



Ms Vasta Mhlongo

Company Secretary

Advocate of the High Court of South Africa Diploma in legislative drafting BJuris, LLB

Appointed: 2 January 2013

Other directorships and leadership roles: Non-executive Director of South African Chapter of the International Association of Women Judges and Director of Azeyech Consulting (Pty) Ltd.





Structure

China-Africa Jinchuan Limited 45%

BEE, Micawber, Anglo American Platinum, Institutional and other shareholders 55%





Dawn
Mokhobo

Value

At Wesizwe, our touchstone is "value". We believe the Company's success, be that past, present and future, is only considered worthy if achieved and measured against eight key values. It is these eight that as a Board we emphasise because in many ways they are rules for life; zero harm, ethical behaviour, accountability, respect, transparency, inclusion, perseverance and caring.

The Board and management continues to vehemently instruct management to drive these values into the bedrock of Wesizwe operations, which in turn would impact positively on our employees, who similarly act on and deliver these messages into society, inclusive of their families and friends, the BPM host community of Ledig, and even into the environment and respect thereof.

Value is also present in terms of the manner in which we embrace and comply with all the regulations and laws pertaining to the country and to mining. The Mining Charter, King IV Code, the JSE Listing Requirements, empowerment, safety and environmental standards for example, all guide us in our modus operandi, and how we participate in the economy and perform for our shareholders.

Board and governance

To ensure that we maintain the highest levels of trust between our business and the communities we serve,

we apply robust corporate governance. We have the right mix of skills, experience and diversity at the Board table to set the tone right at the top, primarily ensuring ethical and fair policies and frameworks that are driven under the leadership of the CEO.

Appropriately our Board members are exposed to all aspects of the business, inclusive of site visits to ensure their familiarisation with operational and commercial aspects of the business. They are also appraised of new legislation and the changing risks that impact on our activities, such as the transition to compliance with the Mining Charter 2018, and how the Company will proceed with challenges such as energy generation.

Power

The predominant conversation across the country last year, was power. It remains so. We all know that mining production is seriously impacted by Eskom's challenges to stabilise the national grid, this having a debilitating effect on the mining community's ability to show good returns, and ultimately this does not encourage new investment into the sector. However, with the Minister of Mineral Resources and Energy, Mr Gwede Mantashe, announcing at the 2020 Mining Indaba that the government has conceded to allow mining companies to create energies for self-use without licenses to do so, may just bring investment back into the sector, which will be good for all producers. And of course, Wesizwe.





Sustainability

During 2019 we introduced a 'smarter' approach to the environment. We thus began the process of aligning our environmental management system (EMS) to the Company's environmental policy. This means that our approach to sustainability will be a key component of how we will transform the physical manner in which we intend to mine as well as the way we continue to contribute to all aspects of society and the manner in which we conduct business. This message is also being embraced by our stakeholders and employees.

Investment into employees

Currently we provide work to some 1 100 employees, but once production starts we expect the Wesizwe family to grow to some 3 242 people. A sizeable number of our mining employees reside in the local community of Ledig, where we have entrenched ourselves as a guardian.

Host community

Key to the 30-year long-term sustainability of the BPM depends largely on the relationship we have with the host community. In demonstrating our sincere appreciation, the Company submitted its 2019 – 2023 SLP for consideration and approval by the DMRE. The SLP carries a 5-year investment of R235-million, providing for housing development, agricultural development, skills training, enterprise development, and other infrastructure projects.

Gratitude

I would like to thank all our employees, our senior management and Board, and our CEO for their hard work and determined efforts to drive the BPM ahead, on schedule and in the application of the highest standards of business practice. My sincere gratitude is also extended to the BPM host community whose continued support has allowed us to build on the momentum achieved thus far. This progress has positioned us well for the future and I believe we have all the right assets in place to deliver future strong shareholder returns and value for all.

Dawn NM Mokhobo
Chair





Zhimin
Li

What a difference a year can make!

In our 2018 Integrated Report, I highlighted the dismal plight of platinum producers; the continued low prices of all metals, and a consistent Pt price of below US\$1 000. That this trend was pervasive from 2016 seemed incredibly stubborn and depressing. But in the same vein I also stated that recovery had to come based on the cyclical ups and downs that typifies the mining industry overall. However, like many in the PGM sector, I did not anticipate the remarkable swing that turned the industry around at the end of 2019.

For the eighth consecutive year, 2019 began with forecasters predicting that global demand for PGMs would continue to outstrip supply, particularly for palladium. They were right, and with palladium moving from some US\$450/oz in 2016 to the more than US\$1 900 at the end of 2019, the metal is now worth almost double that of platinum.

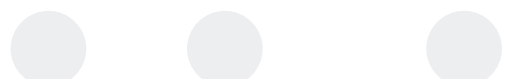
This is not really unexpected given the demand from, largely, the automotive sector for its use as a catalytic convertor for mainly petrol engines. Analysts predict a swing back to Pt-based catalytic convertors as a response to the now seemingly runaway palladium prices. An increased commitment to a greener global economy also means that there will be escalating demands for PGMs used in fuel-based vehicles.

The direction being taken by many countries, including big market players like China and India, to change to fuel cell technology is another driver of future demand for platinum. Major SA producers have also streamlined their operations and removed loss-making ounces in the market, which will further add to the sustained Pt deficit and thereby higher prices. When you add into this mix, a continued demand by Chinese and Japanese jewellery manufacturers for PGMs, one can safely predict that the future of the BPM is looking more bullish and exciting than it has over the past five years.

Local performance

From a local perspective, and what makes this industry exceptionally more exciting, is acknowledging just how well current SA PGM producers are doing. It is doubtful that anyone could have predicted a 260% and 290% share price gain for some of the local JSE-listed PGM mining companies. These results aren't singularly attributable to the platinum price rise of 22% and palladium's 60%. The entire PGM industry has basically reinvented itself in South Africa amid an incredibly poor economic outlook for the country, and it took some creative restructuring to inspire renewed investor confidence.

From our perspective, when we begin production in 2021, we won't be entering the market with a





view to compete against our counterparts because quite simply there's more than enough PGMs to meet global demand and most of it derives from the Bushveld Complex where the BPM is situated.

Project development update

It has been a very long but fruitful development journey for us and our shareholders. In 2011 the BPM project commenced pre-construction preparation focused on electricity connection, water availability, road infrastructure, and levelling of ground. In July 2012, the sinking of a twin vertical shaft system commenced and the ventilation shaft reaching bottom in October 2015. By February 2016, the Main shaft equipment installation and underground flat development commenced and by December 2017 the main and Ventilation shafts were connected on four levels (69, 72, 77 and 81 Level).

To support a production rate of 50 ktpm or 600 ktpa, the Main shaft equipping was completed in December 2019 and the system was fully commissioned and licensed during February 2018. In April 2018, the functions of material and personnel hoisting were transferred from the auxiliary shaft to the Main shaft, followed in May 2018 with the installation of the end loading conveyer system for the loading box. In June 2018 we began constructing a permanent waste ore handling system from underground to surface, which was commissioned in 2019.

This momentum of activity was sustained during the year under review, allowing us to be justifiably pleased with our operational performance. The mining method of a combination of mechanisation and conventional tactics provides the teams with the flexibility to deal with unpredictable geology.

The reef drives are mined using mechanisation, and stoping will be more of a conventional method. The choice of a standard MF2 process plant module, also as a standard concept for processing PGMs, also bears testimony to using tried and tested technology to derisk operations as much as possible.

In September 2019, the Engineering Procurement and Construction (EPC) contract with price and tripartite indenture of 1 mtpa process plant was approved by the Board. Construction activities inclusive of site borehole survey, update of design guideline, technical specifications for equipment tendering, and construction camp, removal of vegetation and decaying topsoil, were completed.

Since the commencement of the project in 2011, 10 557 m/297 381 m³ has been developed cumulatively, of which 5 670 m/109 966 m³ was completed between January and December 2019 with 71 921 tonnes of ore produced.





Continuous project optimisation

The design of the BPM Project has been continuously optimised since acquisition, with its investment budget adjusted from R6.431-billion (US\$877-million based on an exchange rate of US\$7.33) to R10.693-billion (US\$1.111-billion, exchange rate US\$9.63). This is confirmed in the Bankable Feasibility Study we completed in 2009 (BFS2009).

In March 2019 our short-term strategic focus shifted, in that the original design of 3 mtpa production capacity was split into two phases upon the approval by the Board. Phase 1 comprises of a 1 mtpa of mining and concentrating capacity that will commence in 2021. Phase 2 will produce 3 mtpa and commences in 2026. The project CBE investment is R11.79-billion (average exchange rate used is US\$13.87, equivalent to US\$850-million).

Stakeholder relations

Despite not yet formally undertaking roadshows to interact with our shareholders due to cost and austerity measures adopted by the Company, we have hosted several visits from our majority shareholders. At these events we discussed pertinent issues linked to sustainability and the future profitability of the Company; aspects that are beneficial to all shareholders.

We have also interacted with the South African President, Mr Cyril Ramaphosa, through our involvement in the Forum on China-Africa Cooperation, and I believe our journey as a company has led us to a point where we can evaluate our progress and successes, and add impetus to the areas that need further strengthening. Other parts of this report detail our reverence to the host community, and we continue to nurture that relationship, for without it, the Company is as good as non-existent.

Safety, health and environment

Our commitment to our employees and contractors' health and safety goes beyond compliance; it is driven by our passion and commitment to Zero Harm, which aims to ensure that the necessary controls and procedures are in place to support the safety and health of our workforce.

2019 has been the most trying period of the project considering the spike in the number of injuries. As at 31 December 2019, there were zero fatalities, the Company recorded 178 679 fatality free shifts and 851 795 fatality free shifts since its last fatality in 2015. We experienced a total of twenty-nine (29) injuries for the year. Ten (10) being serious (S-INJ), three (3) lost time injuries (LTI) and sixteen (16) medical treatment cases (MTC). The LTIFR is 1.53 for the year in review. Three (3) injuries and zero (0) dangerous occurrences have been reported to the DMRE.

A heightened focus on safe operations can therefore not be over-emphasised.

There are a series of safety awareness campaigns led by myself and senior management. We continue to explore close relations with the office of the DMRE and seek guidance to improve safety, all of which are spearheaded by the General Manager. I firmly believe that Zero Harm remains within reach.

Health and wellness remain a priority for the Company as they are critical to improving productivity, safety, and most of all, in ensuring a better life for our employees. The most significant proof of our focused sustainability efforts and intentions however, is that our EMS was further enforced over the past year through activities that include employees and management, and in aligning the EMS to the Company's overall environmental policy.

Similarly we continue to share our knowledge of sustainable resources with our host community; for example our staff are regular visitors at ORBIT College, providing learners with information on climate change, waste management, and engaging them in environmental-related activities that they can apply in their own lives. We are helping them, and the local community – from where we source the majority of our employees – to create voluntary yet sustainable habits that other industries only talk about.

Women and union focus

This is equally true for the women in our organisation, who over the last year have revived the fledgling BPM Women in Mining Committee. I believe management's endorsement of their efforts, and our strong relationships with other organisations like the NUM, are crucial in the BPM being seen as a guardian of the region and its inhabitants.

We must all buy into the same vision, and this is not about being entirely focused on creating shareholder value, although that is a primary goal. Our vision is to ensure that when we leave, at the end of life of mine, we will have created a footprint of value for all.

I thank the Board of Directors, our Chair, executives, management and our employees, for the incredible progress we have made over the past year. This energy and focus has kept us on track and will help us manage our assets better over the forthcoming year. If I have to single out one thing that we have proven together over the past 12 months, it's that we have what it takes to build an outstanding future for all.

Zhimin Li
Chief Executive Officer (CEO)



Our performance highlights



Safety

- Zero fatalities.



Development and equipping

- Completed and undertook cold-commissioning of the installation of substation 69 and 72 Levels.
- Appointment of the EPC and building contractors for the construction of the Process Plant.
- Achieved 5 760 m development against a target of 6 166 m, representing 92% delivery against target.
- Intersected Merensky Reef on 69 and 72 Levels.
- Underground blasting achieved 109 966 m³ against a target of 104 032 m³ representing a 106% performance.



Human Resources management

- Successful negotiation of a three-year wage agreement with the labour union.
- Successful review of the new operating structure that supports the new business model (Survival Plan).
- Development and completion of Employee Workflow process in the Human Resources Information System.



Stakeholder relations

- Completed meaningful stakeholder consultations for the 2019 – 2023 SLP and submitted to the DMRE.
- Negotiated new Social Housing Regulatory Agency grants terms and conditions for the development of 801 units from 2020 – 2023.
- There was a successful conclusion to the 2014 – 2018 SLP as approved by the DMRE.



Built (manufactured) capital

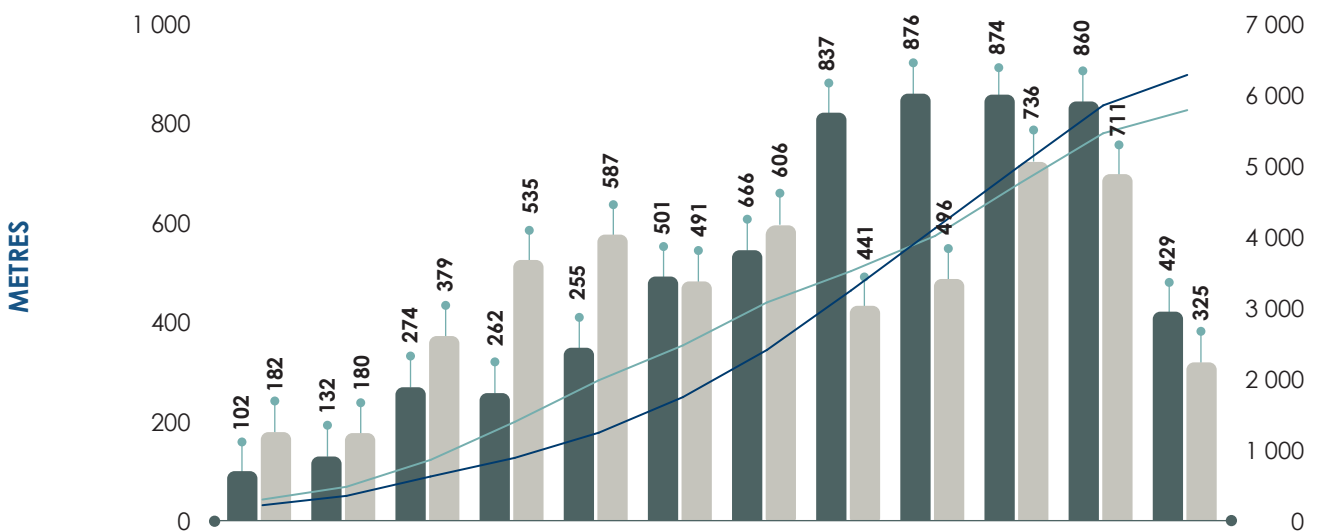


Mr Jacob Mothomogolo
Executive General Manager

Development progress

The project achieved a total 5 670 m development metres versus a plan of 6 166 m. This represents a 92% achievement. The 8% variance in development metres was largely attributed to slow progress while developing through the highly jointed and flammable gas bearing shaft fault on 69 and 72 Level. The time delays incurred while developing through the shaft fault was spent on installing the additional secondary support and drilling more cover holes for bleeding out the flammable gases. A total of 109 966 m³ was blasted versus a plan of 104 032 m³. What is significant is the 71 921 reef tonnes that were developed on 69 and 72 Levels. The run chart figures that follow, illustrate the progress:

Figure 3: Total development metres: plan vs actual



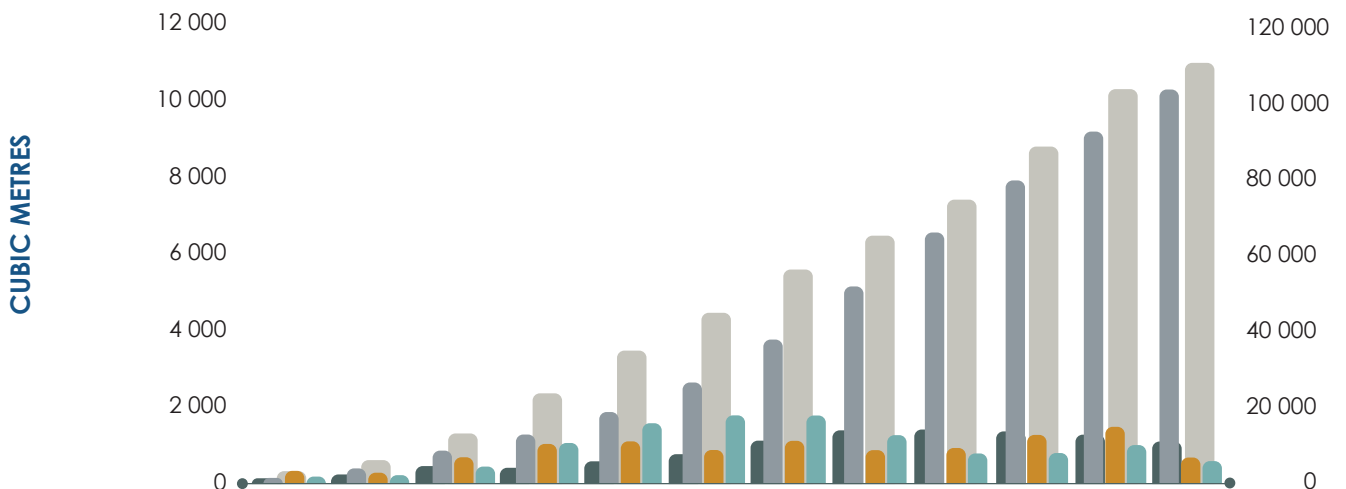
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Work Plan (m)	102	132	274	262	355	501	666	837	876	874	860	429
Total (m) Incl. Equivalent	182	180	379	535	587	491	606	441	496	736	711	325
Cum Variance (m)	81	128	234	507	739	729	670	274	(107)	(244)	(393)	(497)
Work Plan Cum (m)	102	234	507	769	1 124	1 625	2 290	3 128	4 004	4 878	5 737	6 166
Actual Cum (m) Incl. Equivalent (m)	182	362	741	1 276	1 863	2 354	2 960	3 401	3 897	4 634	5 344	5 670





The progress for the year is shown in the graphic on the previous page and it indicates an achievement of 92% of the total target has been achieved. This is the highest tally of metres developed by the mine in a single year since its inception and it indicates the stated objective and effort to develop and commission the mine as per the new business plan to deliver stakeholder value. The aim is to create enough face length of about 1 500 m to support production rate of 1 mtpa from 2021.

Figure 4: Total development cubic metres: plan vs actual



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Work Plan (m)	1 510	2 506	4 693	4 248	5 939	7 797	11 333	14 024	14 238	13 746	12 894	11 105
Actual Cum (m³) Incl. Equivalent (m³)	3 369	6 250	13 208	23 685	34 838	44 712	56 007	64 846	75 250	88 110	103 103	109 966
Work Plan Cum (m³)	1 510	4 017	8 710	12 957	18 896	26 693	38 026	52 050	66 288	80 034	92 928	104 032
Total (m³) Incl. Equivalent	3 369	2 881	6 958	10 477	11 153	9 874	11 295	8 839	9 404	13 860	14 993	6 863
Cum Variance (m³)	1 859	2 233	4 498	10 727	15 942	18 018	17 981	12 796	7 962	8 076	10 176	5 934



Built (manufactured) capital continued



The cubic metres and tonnage developed this year is slightly higher than planned and this is due to the development of workshops and material bays near the shaft stations and inside workings. The ore handling system has been commissioned and has more than enough capacity to handle these volumes.

Figure 5: Total development tonnes: plan vs actual

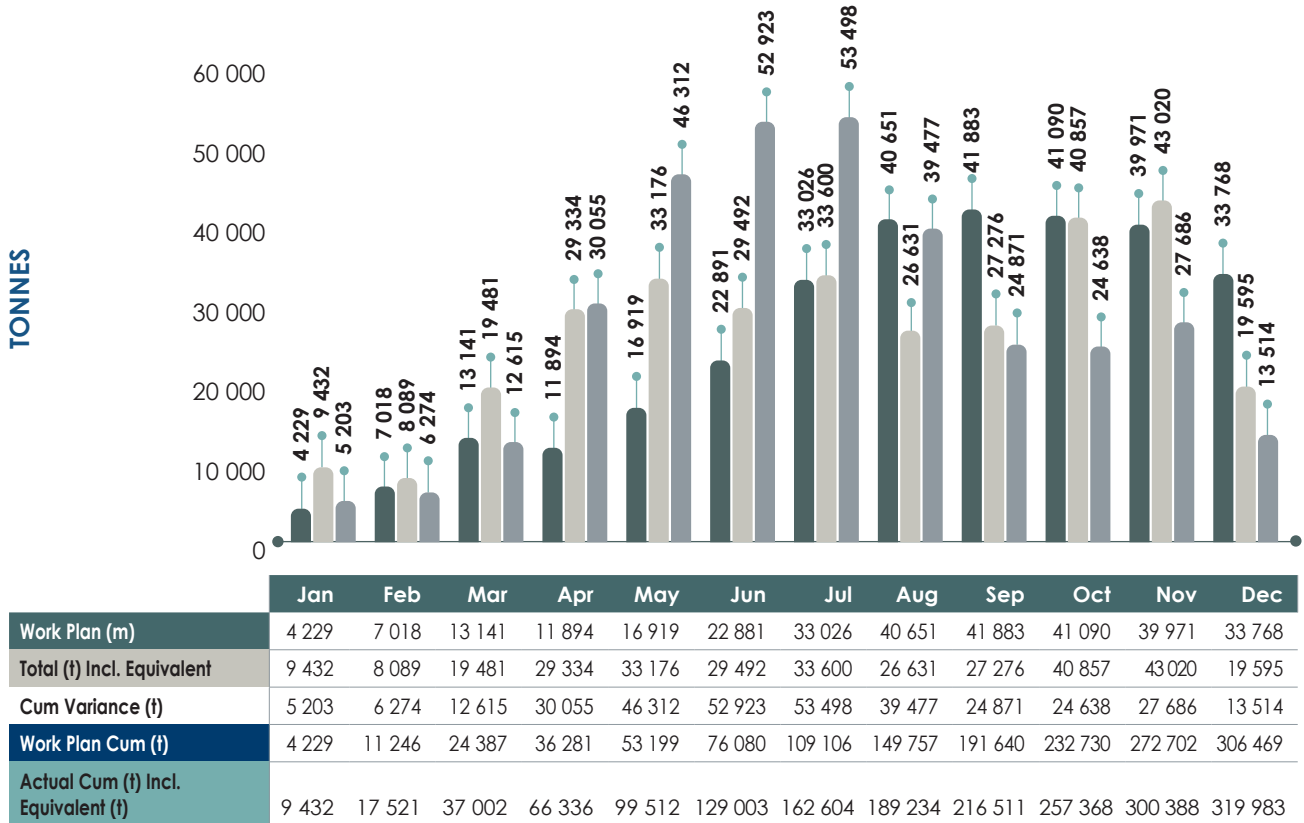
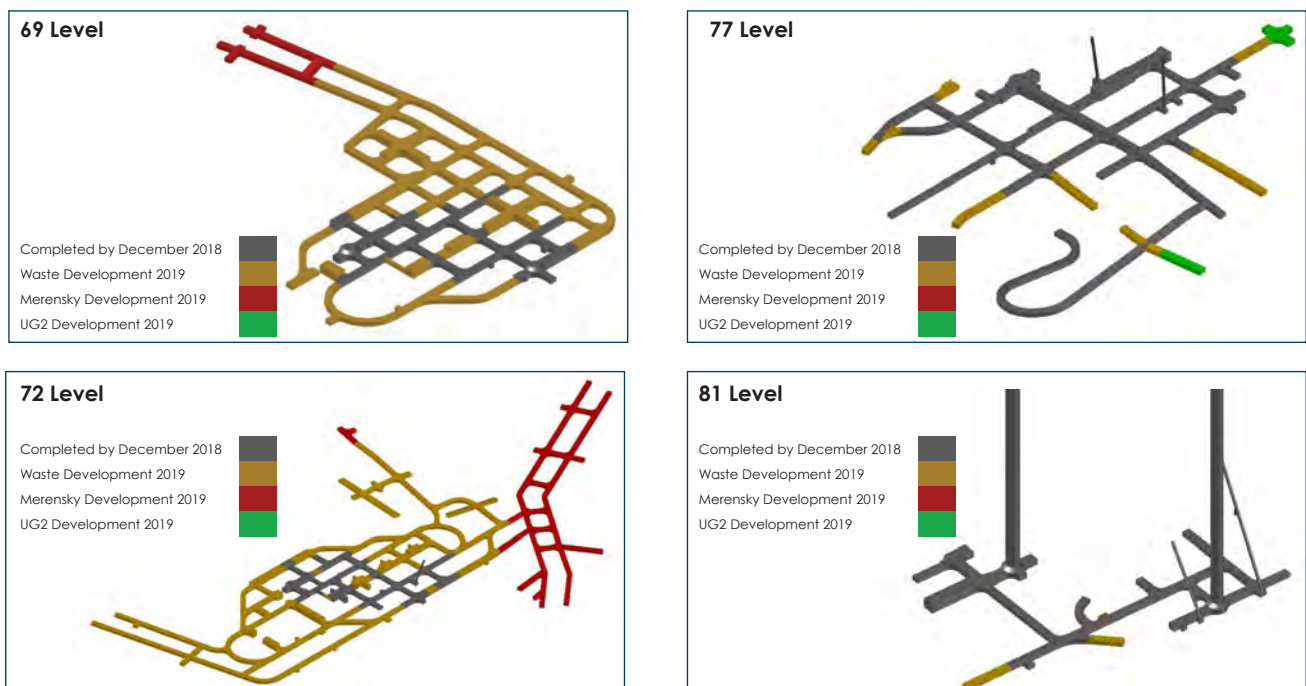


Figure 6: The capital footprint development for the entire mine on all levels



BPM Capital footprint development 2019

Shafts and logistics

The main focus for this year was to ensure that the rock hoisting infrastructure is tested to its nameplate potential. This quest was fulfilled through various interventions, which included the design modifications amongst others. The rock hoisting system achieved about 310 000 tonnes for the year. This achievement points in the right direction as the mine is currently ramping up to produce one-million tonnes per year by 2021. The challenges faced in 2019 assisted in fine-tuning the hoisting system and ensuring that the short-, medium- and long-term interventions were implemented and projected for execution, respectively.

The rock hoisting system nameplate design is 3 mtpa. This past year has proven that this design capacity is achievable. The major focus for 2020 will be to

establish the infrastructure to feed the rock hoisting system i.e. conveyor-belt installations, orepasses, commissioning of the Merensky Ore pass, Silo, in-stope reef and waste passes.

Bulk services

Electricity demand

The figure depicted below presents the overall power consumption of the mining complex. The entire complex has consumed about 25 000 MWh for the 12 months under review, at an average of 2 100 MWh per month. Electricity is a critical resource within the mining sector and across other relative sectors, therefore the use thereof has to be structured in a manner which ensures that the mine supports Eskom demand periods. The figure below also indicates that on average 14% of the total consumption is during peak period, 48% during off-peak and 38% during the standard tariff period. Not only does this reduce the Company's power bill, but it also removes strain from the national grid.

Figure 7: Low demand season

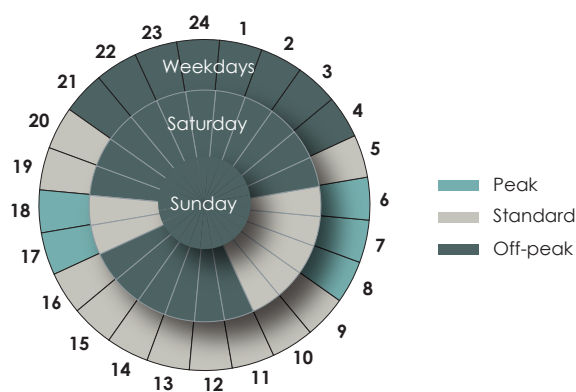


Figure 8: High demand season

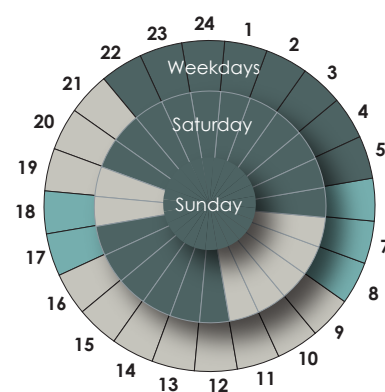
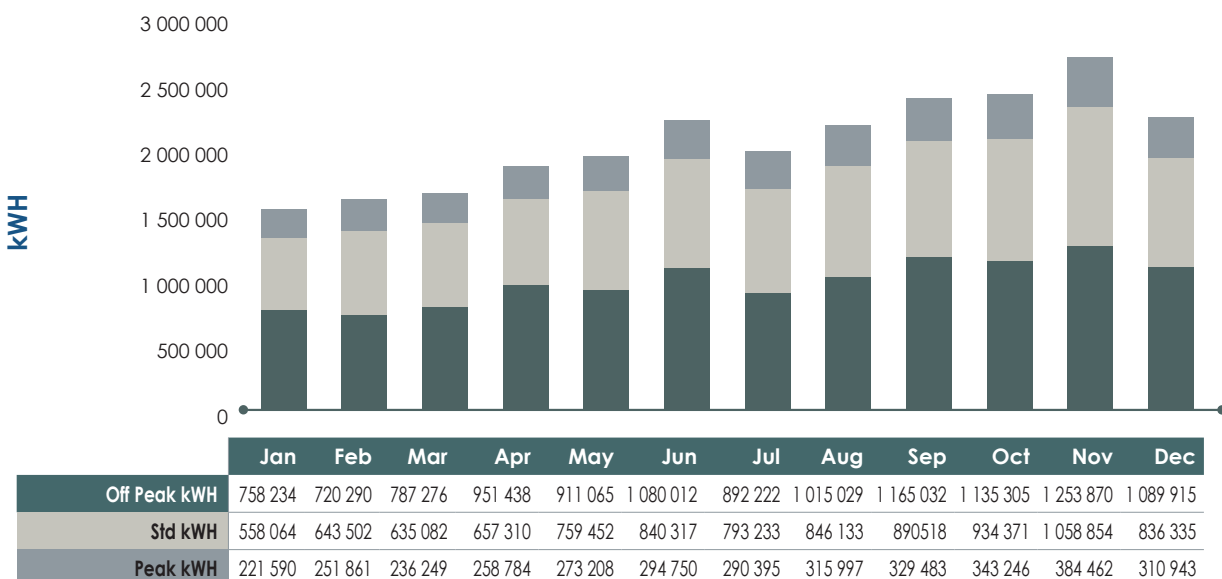


Figure 9: Power consumption



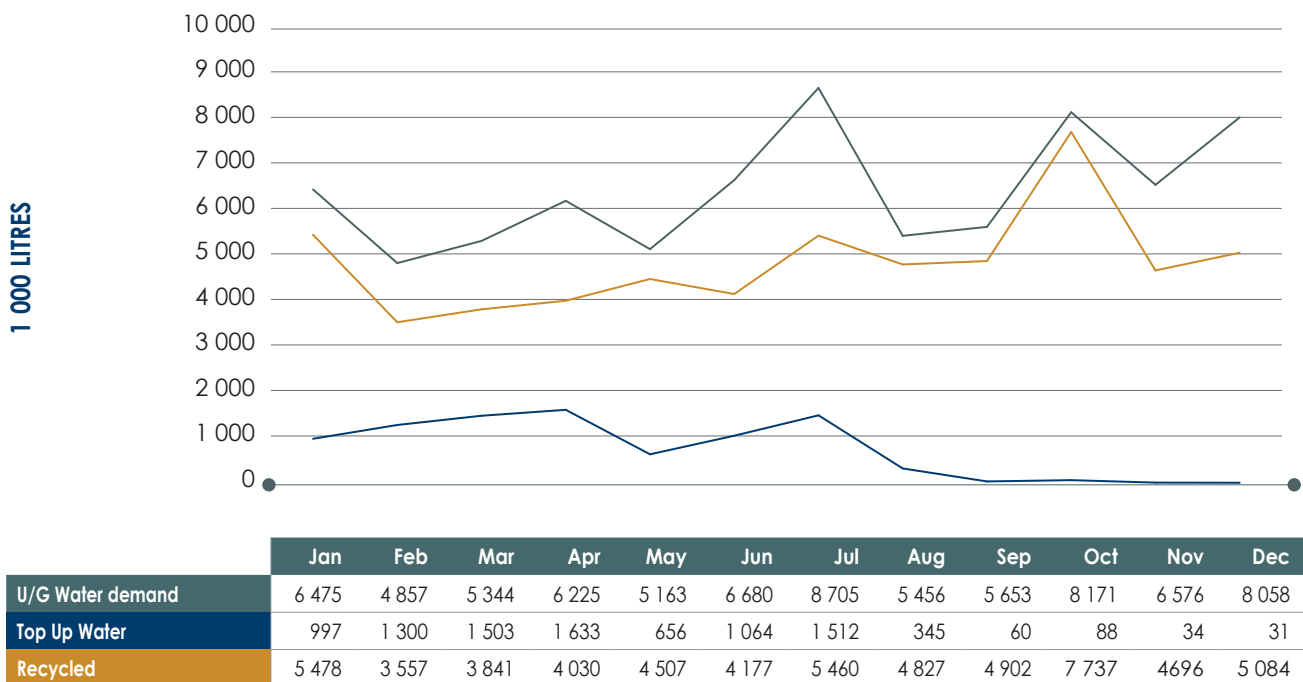


Water demand

The graph below shows the actual underground water usage for the year under review. The mine recycles its mining water for drilling and face preparation purposes. Top-up water is for potable use and also for assisting with increased demand. The ideal is to maintain the difference between

recycled and demand water within 15%, as this difference is attributed to moisture in the rock hoisted and the water loss through cracks and fissures underground. The average difference for 2019 was in the region of 25%, suggesting that water control needs to be enforced to bridge the gap.

Figure 10: Water demand



Projects

Surface

The critical surface infrastructure project for 2019 was the main surface fan construction and installation. Civil construction has commenced and will be completed in the first quarter of 2020, followed by the mechanical and electrical installation. This package is critical in enabling the mine to commence stoping.

Underground

The installation of the substation on 69 and 72 Level was another of the critical packages achieved this year. The appointed team has completed the cold commissioning of the sub-station and will complete the hot commissioning in the first quarter of 2020.

Having commissioned the waste handling system, the establishment of the construction phase of the Reef handling system was also of paramount importance. The access dates for the start of construction on 69 and 72 Level have been met. On 77 Level the access for construction will commence

in the first quarter of 2020. All the designs for these infrastructures were finalised and all mechanicals and structural components have been procured with 60% delivered to site.

Dirty water handling infrastructure will ensure that essential mining production milestones are met. The designs of high rate clarifiers, and dirty and clear water dams including hot and cold wells, have been designed and procurement has commenced. The commissioning of the dirty water handling system will be commissioned during the last quarter of 2020.

Process plant

At a Board meeting in Q1 of 2019, the BPM Survival Plan was ratified and this included construction of the concentrator plant in two modules. The ore-receiving crusher section will be built during the first module construction phase, along with a crusher plant to process 1 mtpa. Module 1 will be a MF2 hybrid, processing 1 mtpa for MR and/or UG2. Module 2 will be a 2 mtpa MF2 hybrid, for MR and/or UG2 plant. The crusher plant will be extended to process 3 mtpa as part of Module 2's construction.





Table 3: Summary of the construction plan for the process plant

Date	Action	Description
2019 Aug – 2021 April	EPC Start – Module 1 – 83 KTPM (MF2)	83 KTPM Module 1 FEED and Construct – 18 months duration
2019 Aug – 2020 Aug	Upfront Ore Handling Construction	Earthworks, conveyors installations and stockpad
2020 Aug – 2021 Jan	Tailings Dam	Detail Design and Construction at NEAR PLANT
2021 Apr	Module 1 – 83 KTPM Hot Commissioning	Stockpad Tons – 269k; 4 months build-up
2024 Jul – 2025 Dec	EPC Start – Module 2 – 167 KTPM	167 KTPM Module 2 – FEED and Construct – 18 months duration
2024 Sep – 2025 Oct	Tailings Dam Construction	Detail Design and Construction at AT MIMOSA
2025 Dec	Module 2 – 167 KTPM Hot Commissioning	Stockpad Tons – 363k; 10 months build-up

The EPC process plant contract was signed on 25 September 2019 with Sinosteel that will be responsible for the engineering and procurement portion, whilst CBMI will be responsible for the construction portion. The front-end engineering for the plant commenced on 01 October 2019. Long lead items such as mills and flotation cells were

specified before the end of December 2019, and all are due for delivery by end October 2020. A Module 1 kick-off meeting was held on 30 October 2019 and attended by the owner's team (inclusive of COENG personnel), Sinosteel, and CBMI representatives. The high level schedule for the project is indicated in the table below.

Table 4: High Level Schedule for The Bakubung Concentrator Plant Module 1

500 – Concentrator Plant	Start	Finish
Owner' Team	15 Feb '19	07 Jun '21
Stockpad Correction	22 Feb '19	10 May '19
EIA and Wula Amendment	14 Mar '19	24 Jun '20
Power (Plant Substation)	14 June '19	06 Jun '21
Water Supply	01 Jul '19	09 Jun '20
Tailings Facility (TF)	18 Feb '19	05 Aril '21
Upfront Ore Handling	11 Jun '19	07 Jun '21
Operational Readiness Activitiea	15 Feb '19	04 Dec '20
Sinosteel – EP Execution	28 Oct '19	28 Aug '20
CBMI – C Execution	01 Jul '19	30 April '21





Optimisation

The following optimised aspects are included in the design of Module 1:

- The crusher plant is capable of handling 1 mtpa throughput (belts and bins) but equipment such as two tertiary crushers and a screen as well the third silo will not be included, but provision of space for them has been accommodated. These will only be required once Module 2 has been constructed.
- The underground rail receiving bins have been reduced from five to three.
- Common reagent receiving, mixing and distribution, compressors, tailings and concentrate handling sections and process water have been designed for 1 mtpa with space provided for the 2mtpa equipment. An engineering workshop, process laboratory, control room, offices and change houses will be shared facilities.

- The mine pollution control dam will be used and a no-pollution control dam will be constructed for Module 1. A process water tank of 600 m³ will be constructed instead of a pond.
- Tailings will be filtered for Module 1 and must be binned for conveyance to the tailings dams adjacent to the plant.

The tailings dam for Module 1 is to be constructed on a 21 hectare area adjacent to the concentrator plant and to the west of it. Tailings will be filtered because of the limited space in that area. The dam will cost 35% less than the original planned dam at Mimosa farm, but will only have an eight-year lifespan in comparison to the originally planned 30-years. At the end of eight years, the dam at Mimosa Farm will have been constructed and commissioned to handle tailings from Module 1 combined with Module 2 tailings. Figure 1 below represents the filtered dam for Module 1.

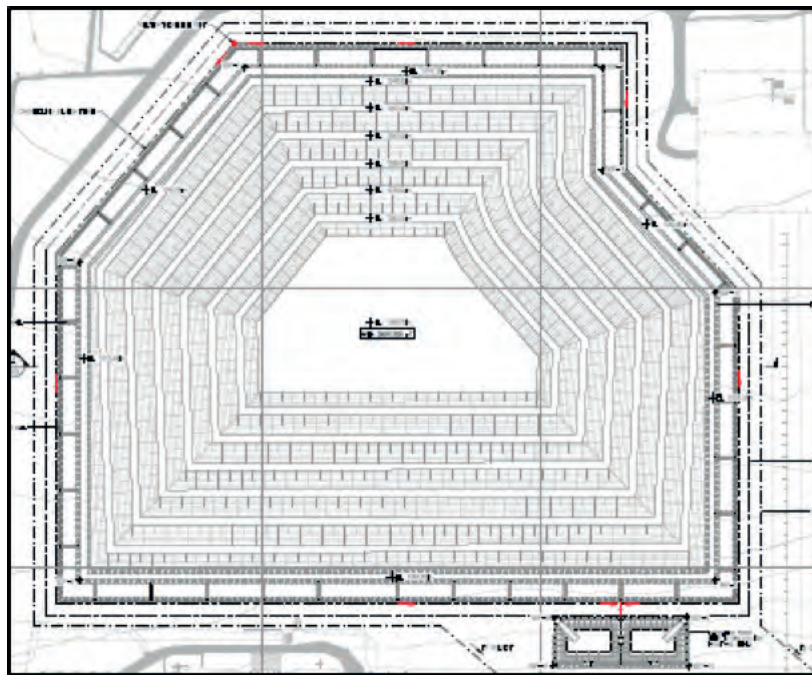


Figure 11: Filtered Tailings Dam for Module 1

Knight Piesold was appointed to do preliminary designs and will prepare detailed designs prior to site handover for construction to the relevant company, yet to be appointed in July 2020.

Both the Water Use License and the Environmental Impact Assessment Licenses must be amended for changes in throughput capacity, but more specifically for the relocated tailings dam. The reef stockpile material used in construction will also be changed from concrete-lined to G-material and HDPE-lined layers that are capable of storing Class-C classified waste.

In 2020 the following activities will take place:

- Front-end design will be completed before June 2020;
- The ore-handling system delivering ore to the plant stockpad will be constructed and commissioned in August 2020;
- The reef stockpad will be completed in April 2020;
- Earthworks and civils for the plant and the tailings dam will be completed; and
- Mechanical equipment will be +90% installed.

The plant will be hot commissioned in April 2021.



Health and safety

Healthy and safe work conditions are recognised as a human right and addressed in authoritative intergovernmental instruments, including those of the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD), and the World Health Organisation (WHO). Health and safety is a material aspect of the Company, which is monitored by the Social and Ethics Committee of the Board. Our daily mantra is Zero Harm to all, we drive this culture through our endeavour to make every employee have a personal understanding of, and respect for, the importance of safety in the workplace through entrenching safety principles in the organisation and increasing visibility on safety matters. We have prioritised prevention of fatalities and all other forms of injuries, whilst also driving high productivity that is strictly driven by safety principles and standards embedded in our daily use of standard operational procedures.

We will continue to consult and work closely with our recognised union NUM, all other registered unions, and the employees in general across the organisation, in the prevention of physical and mental harm, and promotion of workers' health. This we do through the implementation of health and safety policies and our standard operational procedures. Our safety monitoring systems are based and driven through proactive identification of hazards and risks, continuous review and development of standard operational procedures and policies, periodic workers training and key to all of this is incident identification and mitigation for future potential incidents. This we do from lessons learned using findings and causes from thorough incident and accident investigations involving all persons involved then reporting this to the DMRE as per the regulatory requirements. We will continue to roll out our proximity detection systems, new and proven technology for safe operation of equipment and machinery and conduct compliance audits on contractors and contractor management. For us safety is not a compliance issue but a norm.

2019 has been the most trying period of the project considering the spike in the number of injuries. As at 31 December 2019, there were zero fatalities, the Company also recorded 178 679 fatality free shifts and 851 795 fatality free shifts since its last fatality in 2015. We experienced a total of 29 injuries for the year. 10 being serious (S-INJ), three lost time injuries (LTI) and 16 medical treatment cases (MTC). The LTIFR for 2019 progressively is 1.53 for the year in review. No dangerous occurrences were reported to the DMRE, however, three injuries were reported during the reporting period. Our readiness and compliance levels have proven to be satisfactory because out

of 23 inspections from the DMRE, only four statutory instructions were issued; one of the four being in terms of Section 54; and the remaining three were related to Section 55 of the Mine Health and Safety Act.

We have adopted a proactive health management system that is embedded in medical screening prior and post-employment. We have intensified our focus on health issues through direct employee engagement. During the period under review, 2 660 employees were subjected to a medical screening, 928 of which underwent initial screenings and 440 exit medical screenings. In order to encourage reduction of AIDS related illnesses, voluntary HIV and counselling is provided for all employees, 35 new cases of HIV were recorded during this period. This is related to a total of almost 340 new employees entering the system in the reporting period.

Given our focus on prevention, a hearing conservation program was rolled-out to meet the 2024 dust and noise related milestones as set by the Mine Health and Safety Council, no noise-induced hearing loss cases presented and one new TB case was identified. We also monitor our exposure to harmful gases and platinum mine dust and for this period our exposure was within acceptable safe limits. We also periodically conducted thermal stress monitoring for the winter and summer seasons, issuing employees with necessary protective clothing.

Security aspects

The Company achieved outstanding security performance levels during the period under review. No violations of human rights were recorded, matched by a positive decline in the number of security-related incidents compared to previous years. There were a few minor incidents recorded, but related to personal and external elements.

The Company achieved its set security target for 2019, which was to ensure the safety of its employees, and protection of its assets. The Company achieved zero losses of assets during high peak periods (Easter and Christmas), and sustained minimum losses of assets during off-peak periods.

The strenuous efforts by BPM management to ensure a safe environment for employees and the protection of assets have resulted in impressive advances. However, there were eight incidents of perimeter fence pole theft, which have been placed under investigation by the South African Police Service.

Various departmental incidents of misconduct related to working under the influence of alcohol, and failure to comply with procedures were addressed. The Company experienced no community protest action and no employee Industrial protest action.





Natural capital



Our approach to environmental aspects

It is important that the Company demonstrate responsible stewardship of the resources it shares with the communities within which it operates. As construction progresses, greater quantities of energy and water will be consumed, therefore it is vital that the Company introduces measures to address security-of-resource supply while simultaneously minimising impacts on natural resources and surrounding societies.

An integrated management approach is applied in support of the Company's strategy to environmental management, and is incorporated into an ISO 14001 EMS, with the sustainability component of the EMS, included during 2018. During the year under review the EMS was enforced by procedural implementation, awareness training, and monthly environmental talk topics, facilitated by an environmental specialist. Management was also visibly supportive at such events.

Our ultimate goal is to fully align the EMS to the Company's environmental policy, the intended outcomes of which include: enhancement of environmental performance; fulfilment of compliance obligations; and achievement of environmental objectives.

The Waste and Water Committee's commitment for the year under review was to follow up on the initiatives undertaken in 2019, which included reducing potable water and replacing it with grey water, and recycling more waste instead of disposing at the landfill site.

Performance monitoring of environmental aspects

Materials

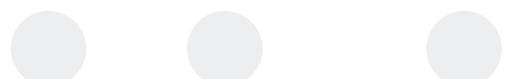
The mine is reliant on non-renewable resources to facilitate its intensive construction activities on site, inclusive of development, operations and surface construction. Our current material usage is formwork, reinforcing steel, structural steel, concrete, aggregate material, and cabling. The responsibility for recording the quantities of materials used and reporting those to the Company's management, falls to individual contractors.

Measuring such materials, from a cost and consumption perspective, is essential to ensure the project is completed on time and within budget. Further, the Company relies on access to water and fuel to provide energy. A baseline for monitoring energy was initiated in 2012 and has progressed steadily since.

The total volume or weight material for the organisation that is measured and monitored on a monthly basis, is for non-renewable materials. Given proposed increases in energy costs and the introduction of the Carbon Tax in 2019, the Company continues to focus its efforts on investigating alternative energy sources in the form of renewables.

Table 5: Externally assured materials used

Material used	Volume
Oxygen	453.63 KG
Acetylene	1 896.8 KG
Oil	2 479 710.55 L
Explosives	16 466.00 KG





Arbor tree planting celebration at BPM. From the left: Ms Nametsegang Mocwane, Ms Keneilwe Mntambo, Mr Guangyin Chen and Ms Busisiwe Sedikwe.

Energy consumption

Mine energy consumption is determined from utility bills and the Company's SAP system. The data is captured manually by the organisation's environmental data capture team, who track consumption patterns. This is internally and externally audited on an annual basis to ensure accuracy and the manner in which such data is communicated within the business.

During the reporting year, the following energy sources were consumed at our four operational sites, being the BPM project site: the regional office situated in Rustenburg, Wesizwe Platinum Limited Office in Rivonia, Zwarkoppies farm (used for the SLP project) and our information center in Ledig:

Table 6: Externally assured energy consumed

Material used	Volume
Electricity	90 132.18 GJ
Diesel	109 283.8177 GJ
Petrol	70.495 GJ

Continual energy saving initiatives adopted and fully implemented by BPM include the replacement of standard office lightbulbs with energy saving LED bulbs, and the automation of external mine lights for day/night usage.

Water

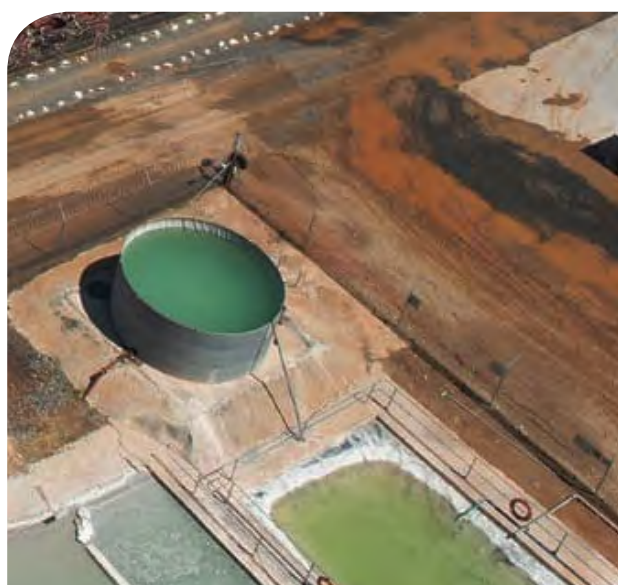
Water consumption

The Company does not extract or withdraw water from surface sources, be those wetlands, rivers, lakes and oceans, nor from waste, groundwater or a third party. Since 2016 the Company has been measuring rainwater and conceptually calculates water balance.

Water to the mine site and the information centre is supplied by Magalies Water and distributed by the Vaalkop Dam purification plant. Johannesburg Water supplies municipal drinking water to our head office situated in Rivonia.

Water consumption is measured on a daily basis and reported to the environmental department on a monthly basis. On-site water is recycled for re-use underground, or for dust suppression.

Consumption figures indicate that Magalies Water supplied the mine site and information centre with 141 595 kl, and temporary housing received 12 020 kl. Johannesburg Water supplied 1 260 kl to head office bringing the total water consumption to 154 875 kl.



Settling Ponds.





Water quality

The Elands River, which traverses through the site, is still experiencing similar drought conditions that prevailed in the North West Province during 2019.

Seasonal flows and lack of permanent flow continuity largely constrains and shapes the aquatic communities present at the respective monitoring points. In addition, lack of diversity of habitat cover and depth profiles also define the aquatic communities and is considered the key ecological constraint which shapes the biotic response of the system. Results from our surface water and groundwater sampling and monitoring programme indicate that most of the determinants present fell within the SANS 241:2015 – Drinking Water Quality Standards.

Flow variability and lack of flow result in long-term variability in Electrical Conductivity (EC) and Dissolved Oxygen (DO), and hence will likely also result in variability in macro-invertebrate integrity. Further details for the respective systems assessed are provided below.

The Elands River:

Assessments undertaken took into account that the Elands River was in a largely modified condition prior to any potential impact of the BPM. During the 2019 winter biomonitoring assessment, only site SW3 was sampled given that the two upstream SW1 and SW2 sites were dry at that time.



Storm water channel at Bakubung Platinum Mine.

The water quality of the Elands River was considered as acceptable at the time of the assessment, with 'ideal' (< 30 mS/m) dissolved salt concentrations at site SW3 inclusive of a largely natural pH value. The DO concentration however, was rather low and under-saturated (< 80%), which was likely due to the then stagnant conditions of the site.

The macro-invertebrate community of the Elands River is considered seriously modified with a Category E/F classification at SW3 according to the SASS5 scores classification method by Dallas (2007). Recorded in the diatom analysis at SW3 is the dominant taxon *Cymbella turgid*; a species that has been found in abundance in standing and slow flowing, oligo- to mesotrophic, alkaline waters with moderate electrolyte content. The diatom taxa recorded suggests modified water quality conditions with inferred ecological status equivalent to a Category B/C – weakly to moderately polluted - classification.

Any changes in the condition of the Elands River are thus considered as unlikely to have been caused by the activities of the BPM, but rather as a result of catchment-wide impacts associated with cattle farming activities and rural settlements in the greater North West Province, as well as seasonal variability resulting from the ecological drivers discussed previously.

The aquatic resources in the vicinity of the proposed Bakubung tailings pipeline:

It is evident from our tests, prior to the proposed tailings pipeline construction, that the aquatic system in the region is in a moderately modified to largely modified condition. Water quality appears to vary in a downstream direction on the Sandspruit, with the dissolved salts remaining within the tolerable (< 85mS/m) conditions. The pH values negligibly improve in a downstream direction while DO concentrations have been found to be variable but acceptable in supporting diverse aquatic life.

The macro-invertebrate community integrity is however considered as serious according to the Dallas classification method (Dallas,2007), which indicates critical modification (Category E/F) at both BK1 and BK2 sites on the Sandspruit. The decrease registered is likely due to habitat availability and suitability, as well as elevated dissolved salt concentrations at the two Sandspruit sites.

It is likely that extremely shallow low flow conditions during the assessment resulted in increased evaporation and concentration of salts, compounded by impacts from agricultural activities as also indicated by diatom analyses. Further assessment and monitoring of trends are needed to clarify sources of impact.



Iron, manganese, nickel and E.coli concentrations were, on average, elevated and exceeded SANS standards, a result of the underlying geology activities upstream or upslope of the mine, or the borehole casings rusting, indicating that there is no impact from the mine site.

Water movement is channelled along a stormwater system to prevent contamination of soil and water. All dirty water from the site is collected by the Pollution Control Dam, which complies to conditions stipulated in the approved licence.

The Company does not discharge any water into the environment, hence discharge accountability is not relevant for this reporting period.

Carbon emissions

With the introduction of the Carbon Tax, the Company's emissions have become important material aspects. We have provided data on all emissions scopes 1 and 2 for the project site, head office, regional office and information center. The formula used is based on the World Business Council for Sustainable Development/World Resources Institute (WBCSD/WRI) Greenhouse Gas (GHG) Protocol.

Air travel and accommodation factors have been excluded for 2019. Published emissions factors have been applied to direct energy measurements taken at the site. The 2019 Department for Environment, Food and Rural Affairs, United Kingdom (DEFRA) conversion factors have been used for emissions measurement. The Company also used the 2019 published Eskom Factor for electricity.

As part of an environmental awareness campaign on carbon emissions and climate change, the Company engages with the host community to share emissions information and how we can together reduce the environmental impacts.

Scope 1: 183 603.1948 t CO₂e

Scope 2: 26 038.184 t CO₂e

In 2019 BPM, together with the Moses Kotane Local Municipality (MKLM), we undertook an environmental awareness campaign at ORBIT College, providing learners with training on climate change and waste management.

Mrs Keneilwe Mntambo, Environmental Specialist for BPM, encouraged learners to engage deeper with the environmental-related activities around their schools and homes.

Waste management

The Company does not discharge nor release polluted water into the environment. Two pollution control dams are located downslope of construction

activities, and the mine has settling ponds that are used to contain water from underground and treated at the Vent Shaft dam before being recycled back to the mine. All dirty water on site is channelled to the dams via concrete lined V-drains.

Waste rock mined during the construction phases is stored on the waste rock dump. From 2015, waste rock has been used during road construction. As a result, the volume of the dump has decreased and there are plans to continue using such waste rock during ongoing construction of the housing development and concentrator plant, all of which will further reduce the volume of the dump.

The selling of waste rock as aggregate was included in the EIA amendment so that should the need arise, it can be sold to an off-site third party, which would further reduce the dump's footprint and mine's closure liability.

During the year under review, the mine has identified housekeeping as a key area for improvement. An action plan was introduced with the input of environmental assistants who aid in site housekeeping. The team is focused on improving compliance to the Environmental Management Plan and Water Use Licence conditions.

In previous years the mine has disclosed on waste management. In 2019 waste management data is not being disclosed due to continual and ongoing revision and implementation of waste management strategies and principles. Disclosure will however be reported in future.



Awareness session for climate change.





Environmental audits

In Q1 of 2019, the Department of Water and Sanitation (DWS) undertook an external audit on the approved Water Use Licences to verify compliance. As at the end of the reporting period, the Company had not received the feedback report from the DWS.

During the reporting period the Company showed no major non-compliance during the internal and external audits, and no significant spills into the environment. All environmental spillages are audited as part of the external water use.

Land leased or owned

The mining lease covers an area of 4 941 461 hectares across two farms, Frischgewaagd and Mimosa. During the year in review an average area of 34 732m² at the depth of 0.18m was removed at the concentrator plant, as part of the construction phase. In 2019 fewer activities had no impact on the land and topography.

Soil management is one of the monitoring elements that BPM undertakes on a regular basis to ensure cultivation of a healthy crop and improvement of mine biodiversity management.

Biodiversity

In compliance with EIA and Water Use Licence amendments, the design of infrastructure located within sensitive areas has been optimised to ensure minimal impacts on sensitive areas. Infrastructure construction in some sensitive areas has commenced and is being closely monitored.

During the first phase of construction at the concentrator plant, the Company CEO, Mr Zhimin Li, together with Mrs Keneilwe Mntambo, visited the site to identify the plants and trees that will be replanted to increase biodiversity on the mine.

Flora and fauna surveys, conducted by the environmental department, all ensured monitoring and tracking of positive biodiversity targets. The next phase aims to improve alien eradication.

Air quality monitoring

Dust fall-out

16 dust buckets are located on the BPM site, and within and beyond the host community environs. Monthly sampling is in accordance with the American Society of Testing and Materials Standard method for the collection and analysis of dust fall (ASTM D1739). Results are analysed against the National Environmental Management: Air Quality Act, 2004; and National Dust Control Regulations (2013).

The 2019 monitoring programme results indicated that 100% of the samples received fell below the SANS 1929:2005 target value of 300 mg/m³/day, with a limited number below the residential limit of 00 mg/m³/day. All results measured were below the 600 mg/m³/day threshold during the year under review, indicating that dust control measures and dust generated on site are effective and well managed.



Mr Zhimin Li (CEO) and Mrs Keneilwe Mntambo (Environmental Specialist).



Passives

Four passive samplers are located within the monitoring network. Samples are analysed against the National Ambient Air Quality Standards of 24 December 2009. The recorded levels of nitrogen dioxide (NO₂) and sulphur dioxide (SO₂) continue to maintain well below the target values set in the guidelines.

PM10

A PM10 E-Sampler is installed on site. Results are well within the target values set in the National Ambient Air Quality Standards of 24 December 2009 guidelines.

Auditing

The Company remains committed to responsible self-regulation, continual monitoring and compliance, and on-site contractor audits are undertaken biannually. Internal audits have however been increased to ensure visible on-site leadership by the environmental team.

The BPM Executive General Manager has continued to undertake weekly senior manager environmental inspections, inclusive of engagements with employees related to environmental aspects. These walkabouts have motivated change in terms of compliance, and fast-tracked outcomes.

During the reporting period, the Company was not sanctioned administratively nor judicially for failure to comply with environmental laws and/or regulations. In 2019, internal and external Water Use License audits were undertaken. An assurance process is also facilitated annually prior to the finalisation of the Integrated and Sustainability reports to ensure that figures reported are accurate and verifiable.

Environmental expenditure, rehabilitation and closure plan

As required by the DMRE, a financial guarantee payment of R36.2-million was deposited and submitted to the DMRE. This deposit is held by a financial institution to ensure that sufficient funds are available for rehabilitation and closure, should this be necessary. The organisation has submitted mine closure and rehabilitation costs as calculated according to the quantum format.



Water Use license audit by the Department of Water and Sanitation.



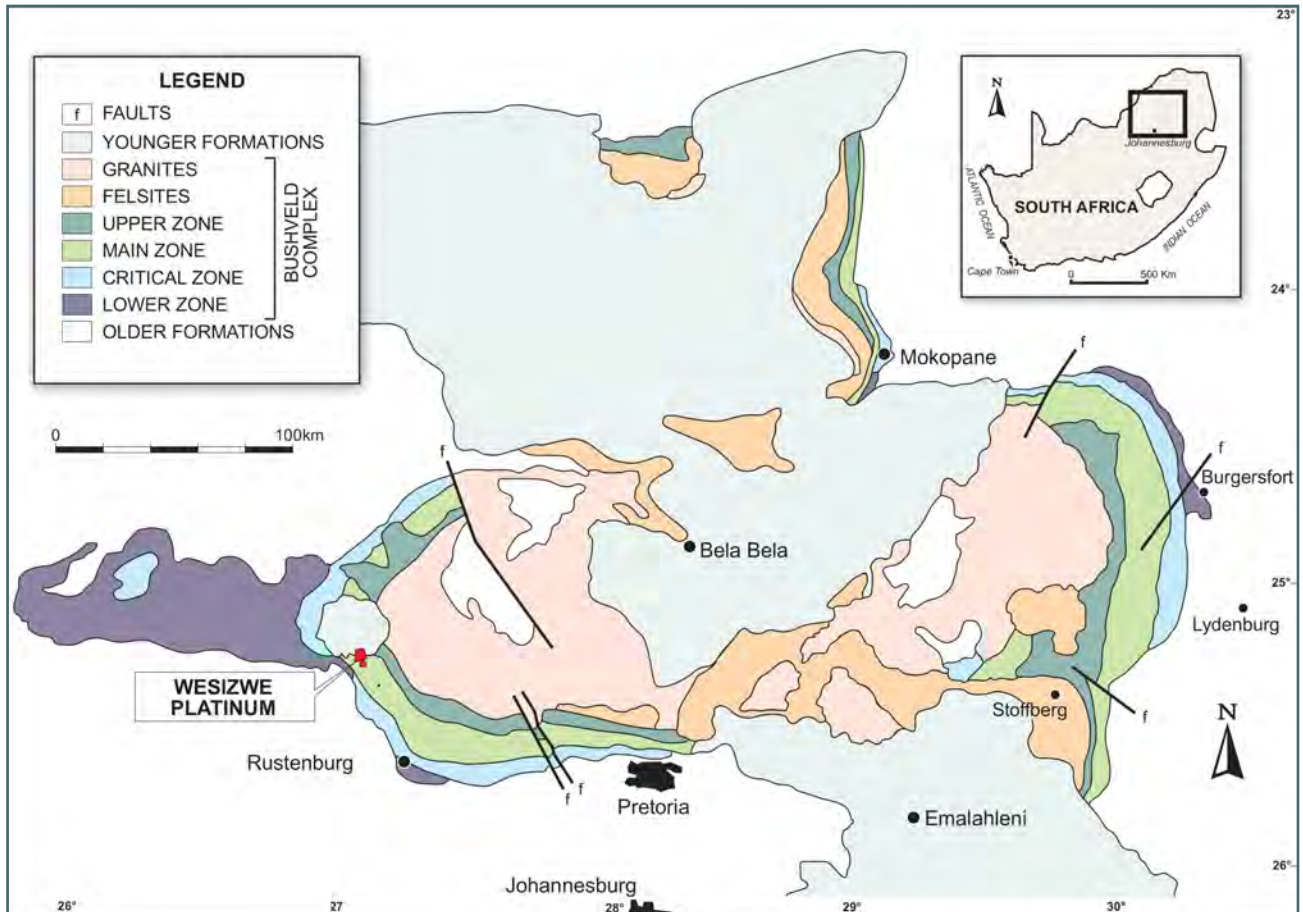


MINERAL RESOURCES AND MINERAL RESERVES

Geological setting

BPM is situated on the western limb of the Bushveld Complex, immediately south of the Pilanesberg Complex, and 50 km north of Rustenburg. BPM is immediately adjacent (west) to the Royal Bafokeng Styldrift Mine.

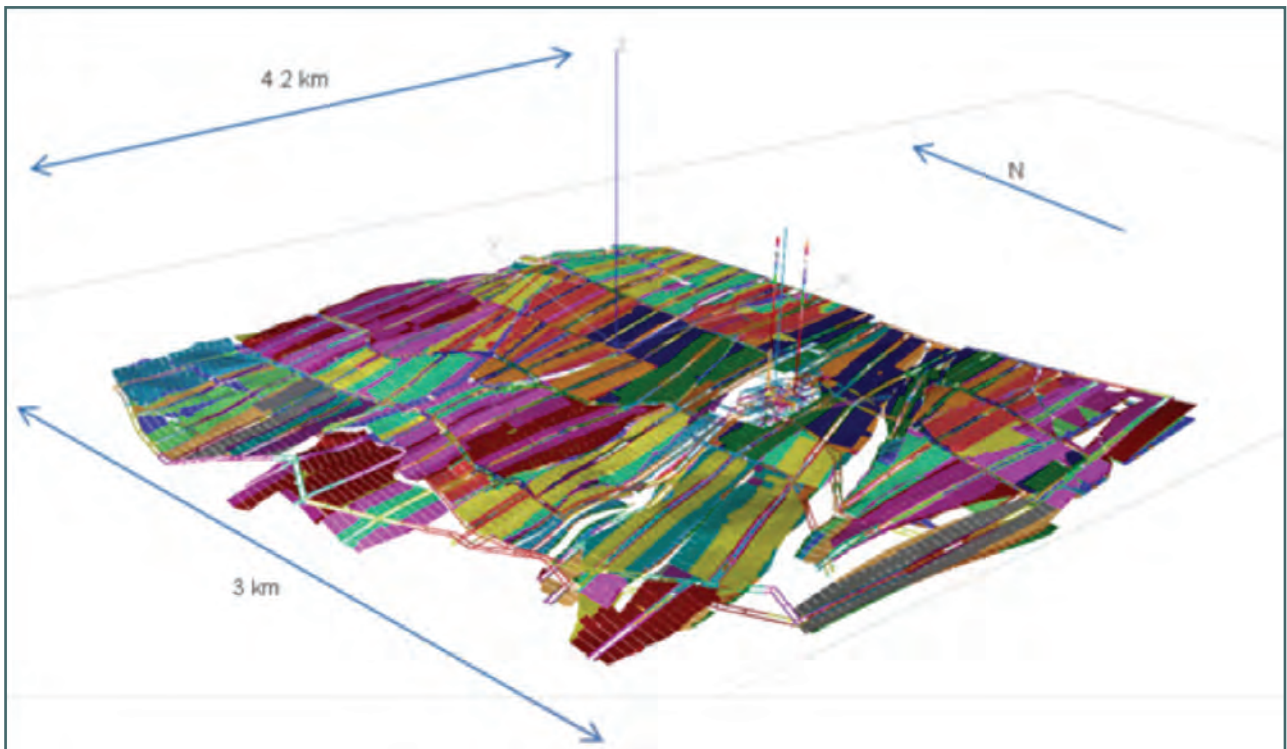
Figure 13: Geological setting



Both the Merensky and the UG2 Chromitite Layer (UG2), which dip gently (50), are well developed on the property with the middling between the two economic horizons being sufficient to enable the extraction of both horizons over the majority of the lease area. These horizons occur at depths ranging from 650 – 850 mbs. The position and nature of structural discontinuities (faults, dykes, IRUP, sills, potholes) have been delineated based on the intersections from 173 drill holes and a detailed 3D-Seismic survey. These holes were drilled on a 250m grid spacing with limited infill of 125m. The intersections have been corrected for dip in the primary database and proper QA/QC procedures were implemented to ensure compliance to international standards in terms of precision and accuracy. The positions of discontinuities are thus accurately known and have been included in the mine design.

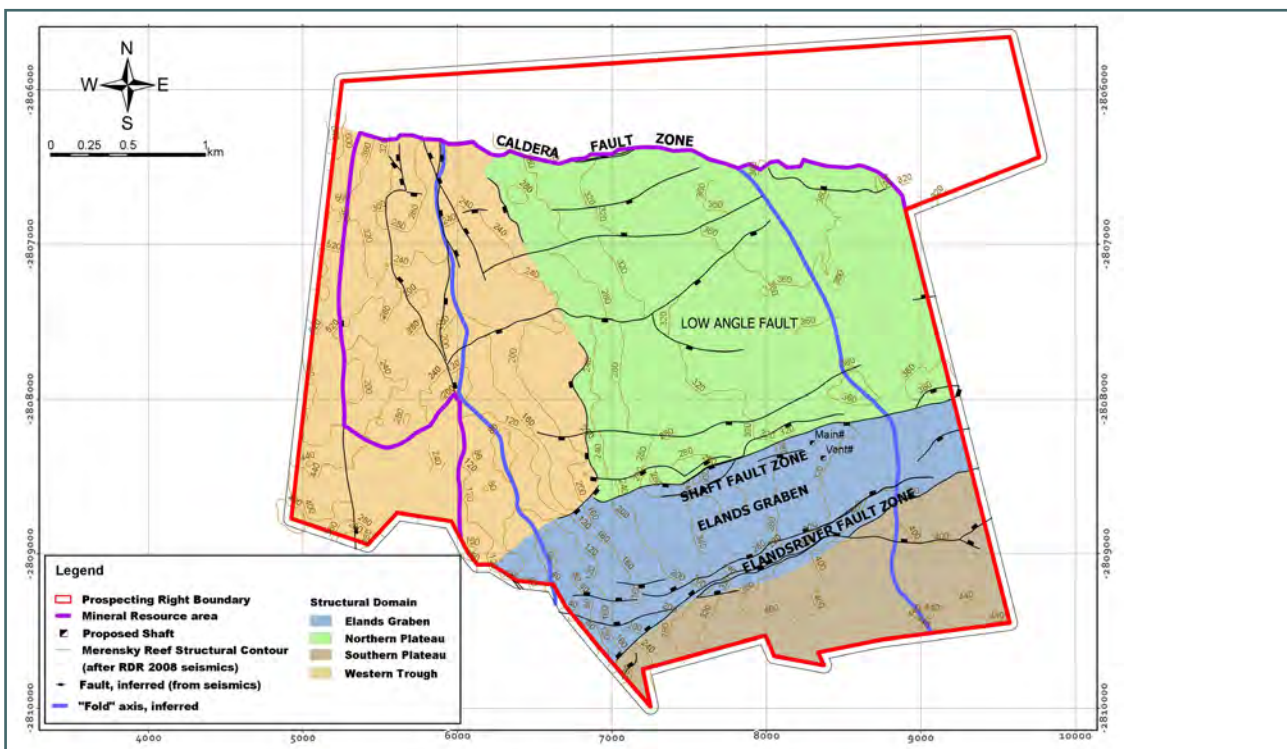


Figure 14: Isometric view of the ore body



The mining lease area is characterised by four domains namely the Western, Northern, Southern and Graben territories. BPM shafts are positioned on the north-central portion of the Graben domain, which is bounded by two sub-vertical fault zones: the Shaft fault zone situated some 50m north of the main shaft and the Elands River fault zone that is some 350m south of the shaft complex. These two faults have a 075° strike orientation and variable fault throws. See figure below:

Figure 15: Structural domains

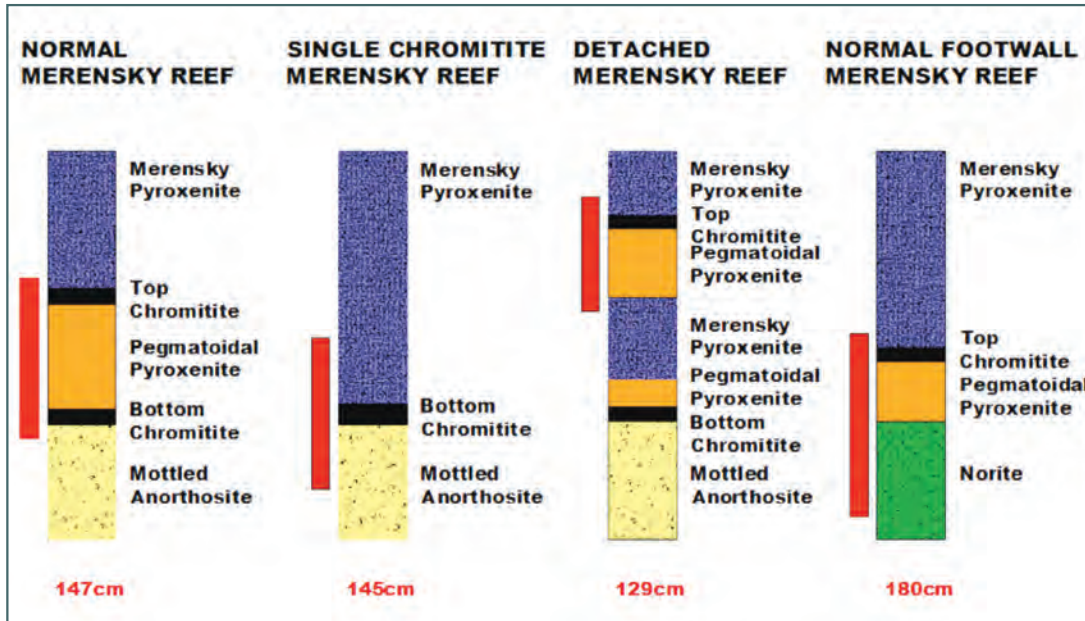




Merensky Reef

The Merensky Reef has been subdivided into four distinct facies types, ranging from thin single chromitite to wide 'detached' pyroxenitic reefs, and normal and normal footwall facies, all of which are extractable at an average width of 1.45m. Typical Merensky Reef facies and average resource cuts per facies are depicted below (the red bar indicates location of mineralisation).

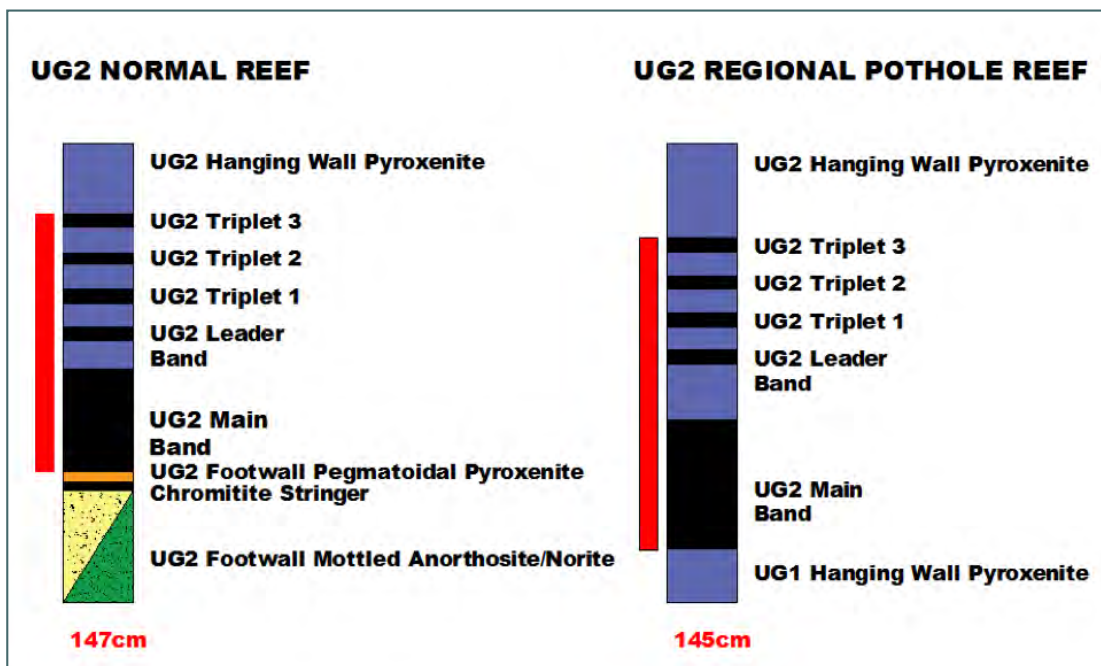
Figure 16: Merensky Reef facies types



UG2 Chromitite Reef

The UG2 Chromitite Layer 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. Typical UG2 reef facies (normal and regional pothole) and resource cuts are depicted below (the red bar indicates location of mineralisation).

Figure 17: UG2 Chromitite Reef facies types



Reporting is subject to the following key criteria:

- No further exploration was undertaken during the year and no expenditure was incurred for prospective activities. There is no further exploration planned except for underground prospecting holes to assist with fine tuning the geological model.
- There are no legal proceedings or material conditions that will impact on the reporting of the Mineral Resource and Mineral Reserve for 2019 or the BPM's ability to continue with mining activities.
- The Mineral Resource and Mineral Reserve Statement is valid for 31 December 2019. The Mineral Resource Statement has not changed since the Competent Person's Report of September 2009 as no new or material geological information has been gathered to justify such a change.
- The Mineral Reserve Statement has not changed since February 2014, when an Optimisation Feasibility Study was completed. The Mineral Reserve Statement as was published for 2015, 2016, 2017 and 2018, and will stay the same for 2019 given continued development of the mine infrastructure.
- Wesizwe holds the legal Mining Right to the properties and minerals as described in the Mining Right with reference number NW 30/5/1/2/2/339MR. There are no known impediments to this Mining Right.

Mineral Resource

The following considerations have been employed in the final classification of the Mineral Resource:

Evaluation cuts

The cuts were composited over the geological package utilizing DATAMINE software and a minimum cut width of 100cm, which considered the minimum mining width. The selected cut width for a drillhole and its deflections is scrutinised, and if necessary,

adjusted to ensure that geological consistency is maintained within each cluster. Composite samples for the PGE (4) (the accumulated Platinum (Pt), Palladium (Pd), Rhodium (Rh), Gold (Au), Copper (Cu) and Nickel (Ni)) are weighted by both the intersection length and the density.

Structure

The structural model and subsequent 3D seismic survey of the mine has identified a structurally complex area in the south-western corner of the mine. Further, a number of drill holes in the extreme west of the mine area have not had acceptable intersections of Merensky or UG2 Chromitite Layer as a result of IRUPs or faulting.

The area to the southwest has been interpreted as a basement high of older Transvaal age lithologies, into which the RLS was intruded and against which these lithologies now abut. Both the Merensky and UG2 Chromitite Layer on-lap against this basement high and thus are absent in this region.

The area to the far west of Ledig, which abuts against the farm Koedoesfontein 94JQ, has a number of faults, intrusives and IRUPs, and identified as an "Exclusion Zone" as a the number of drill holes did not intersect reliable and identifiable intersections of either the Merensky or UG2 Chromitite Layer.

Classification process

Kriging Efficiency has been chosen as the guideline for Mineral Resource classification.

Geological losses

A geological loss estimated by considering the geological losses encountered while drilling, has been applied to the tonnage estimate for each block. The geological losses represent faulting, intrusive activity, IRUPs, and potholing. A geological loss of 25% is applied for the Merensky, and 27,5% for the UG2 Chromitite Layer.

Bakubung Platinum Mine Mineral Resource Statement

The table below summarises the Mineral Resource Statement for BPM for 31 December 2019 in accordance with the guidelines of the SAMREC Code (2009).

Table 7: Merensky Reef Mineral Resource Statement			Total			
Geological loss 25%			Reef	Mt	4E g/t	4E Moz
Mineral Resource	Measured	Merensky	6.698	6.27	1.351	
	Indicated		18.093	6.08	3.535	
	Inferred		11.242	5.88	2.124	
	Total		36.033	6.05	7.010	





Table 8: UG2 Chromitite Reef Mineral Resource Statement			Total			
Geological loss 27.5%			Reef	Mt	4E g/t	4E Moz
Mineral Resource	Measured	UG 2				
	Indicated		32.894	4.63	4.901	
	Inferred		10.078	4.16	1.349	
	Total		42.972	4.52	6.250	

Table 9: Combined Mineral Resource Statement			Total			
			Reef	Mt	4E g/t	4E Moz
Mineral Resource	Measured	Merensky + UG 2		6.698	6.27	1.351
	Indicated		50.987	5.15	8.436	
	Inferred		21.32	5.07	3.473	
	Total		79.005	5.22	13.260	

Notes on the BPM Mineral Resource Statement

1. The Mineral Resource is quoted inclusive of the Mineral Reserve.
2. No Mineral Resource is excluded due to cut-off grade (pay limit) considerations.
3. The Mineral Resource is quoted as 4E (Pt, Pd, Rh, Au) unless otherwise stated.
4. There were no changes in the Mineral Resource Statement from 2018 to 2019.

The following graphs depict the breakdown in Mineral Resource type for the Merensky, UG2 and total BPM.

Figure 18: BPM Mineral Resource Classification: MR

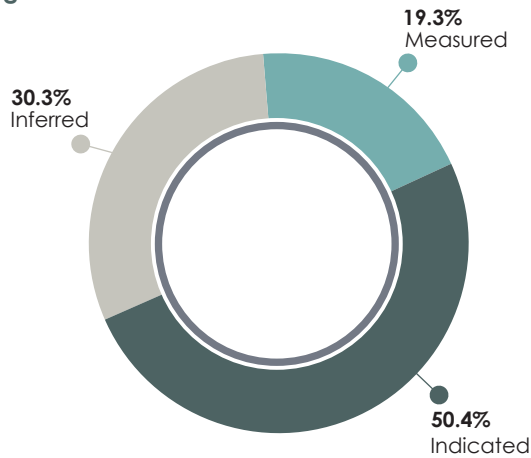


Figure 20: BPM Mineral Resource Classification: Total

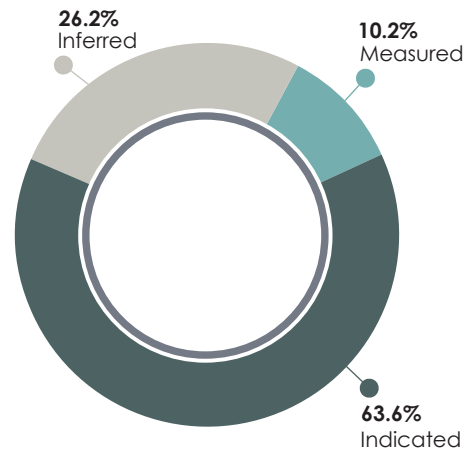


Figure 19: BPM Mineral Resource Classification: UG2

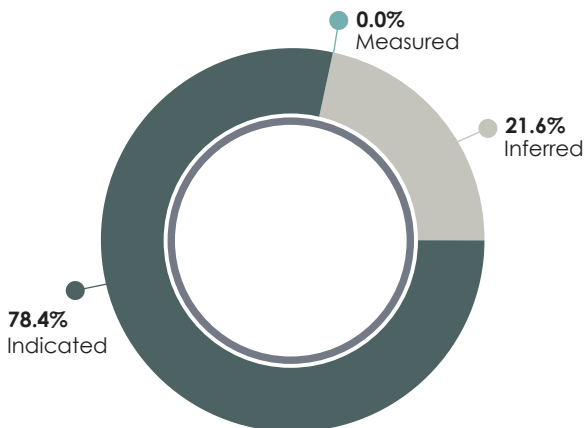


Figure 21: Merensky Reef facies delineation and Mineral Resource classification

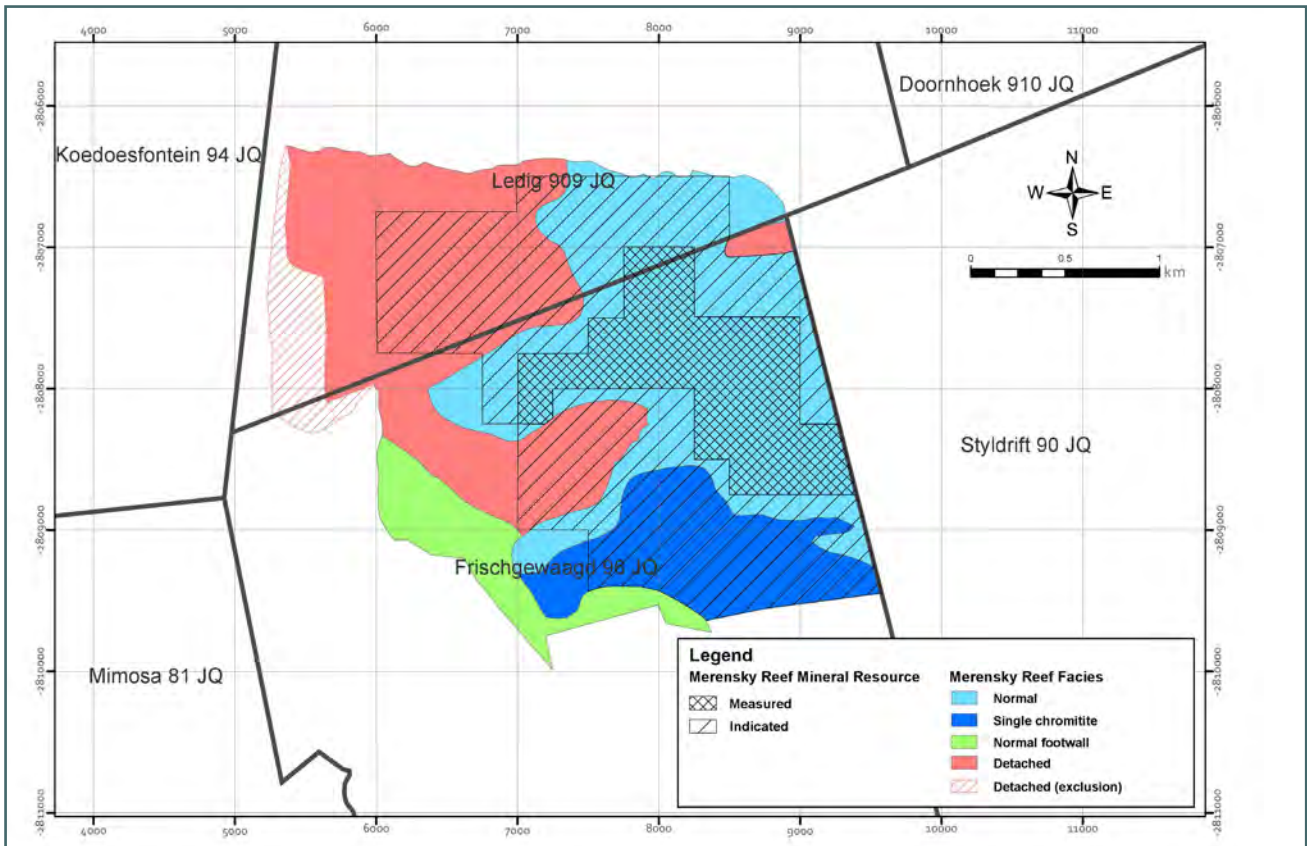
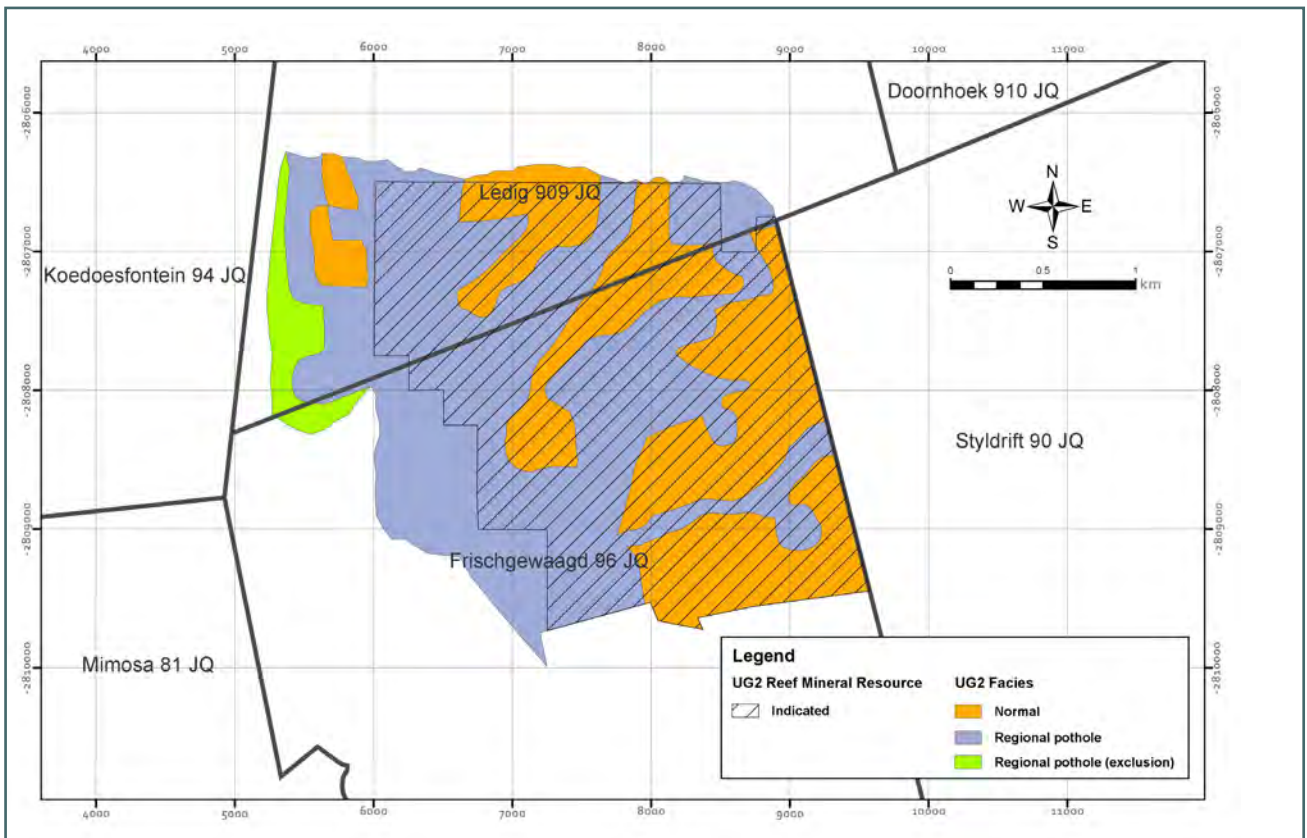


Figure 22: UG2 Chromitite Reef facies delineation and Mineral Resource classification





A mine design and schedule have been completed. Various modifying factors have been applied to estimate the Mineral Reserve.

Table 10: Discussion of Merensky Reef Modifying Factors

1. Planned waste dilution	The planned waste dilution accounts for the waste generated from the development of reef access drive (RADs), reef raises, ASGs, and the blasting of winch beds and will be hauled by truck directly to the shaft waste rock passes.
2. Planned and unplanned over-break	The planned overbreak considers the relatively thick Merensky Reef and is benchmarked against similar operations.
3. Pillar losses	An extensive rock engineering study has been conducted utilising cores from over 53 drill holes and information gathered from operations in the area. The key elements were utilised to design the various pillar support requirements. The pillar designs were then integrated in to the physical mine model for scheduling purposes.
4. Gulley pillar losses	Merensky Reef gully pillar losses account for the in-stope panel crush pillars and benchmarked against general industry practice.
5. Regional pillar losses	The Merensky Reef regional pillar losses account for the pillars required between the RADs in addition to the 5m bracket pillars allowed for on either side of the various geological structures (faults and dykes) identified in the structural model.
6. Boundary pillar losses	A 9m boundary pillar on the Merensky Reef has been designed as per legal requirements to isolate the BPM from its surrounding mines (Styl drift, WBJV Project 1 Platinum Mine and BRPM).
7. Reef left in the footwall/hangingwall	The allowance for reef losses considers the Merensky Reef width and is benchmarked with industry practice.
8. Mine call factor (MCF)	The mine call factor (MCF) applied, of 95%, is in line with industry performance.
9. Grade dilution	The total planned grade dilution for the Merensky Reef is 16,6%, but will require controls to be implemented to manage it.

Table 11: Discussion of UG2 Chromitite Layer Modifying Factors

1. Planned waste dilution	The planned waste dilution accounts for the waste generated from the development of reef access drive (RADs), reef raises, ASGs and the blasting of winch beds and will be hauled by truck directly to the shaft waste rock passes.
2. Planned and unplanned over-break	Taking into account the relatively thick ore-body width and benchmarked against similar operations, the levels of the over-break planned, appears reasonable.
3. Pillar losses	An extensive rock engineering study has been concluded for the Bakubung mining operation. The pillar designs from this study were integrated into the physical mine model for scheduling purposes.
4. Gulley pillar losses	The UG2 Chromitite Layer gully pillar losses are accounted for the in-stope panel crush pillars and the pillars required between the RADs.
5. Regional pillar losses	The UG2 Chromitite Layer regional pillar losses account for the pillars required between twin RADs in addition to the 5m bracket pillars allowed for on either side of the various geological structures.
6. Boundary pillar losses	A 9m boundary pillar on the UG2 Chromitite Layer has been designed as per legal requirements to isolate the Bakubung mining operation from surrounding mines.
7. Reef in the footwall/hangingwall	The allowance for reef losses considers the UG2 width and is benchmarked with industry practice.
8. Mine call factor	The mine call factor (MCF) applied, of 95%, is in line with industry performance.
9. Grade dilution	The total planned grade dilution for the UG2 Chromitite Layer is 17,9%, however, this will require controls to be implemented to manage it.



Further assumptions for the Mineral Reserve conversion

Operating cost: The following mining methods have been applied:

- The majority of development will be mined using mechanised equipment, including single boom jumbos, 30 ton trucks, LHD's and an explosive vehicle amongst the low bed cassettes.
- Both the Merensky and UG2 Chromitite Layer, as well as the portion of the development that are not mineable with mechanised equipment, will be mined using conventional equipment and methods, including hand-held pneumatic drills and electric scraper winches. The ore from the Merensky and UG2 Chromitite Layer will be pulled from the face to the advanced strike gullies and loaded by a LHD.
- All broken ore will be trammed, using diesel-powered trucks, to ore passes with impact breaker mounted ore passes. The ore passes will feed conveyors which will convey ore to the loading box close to the shaft. The ore and waste rock will then be hoisted to surface and transported by means of a conveyor to the ore stockpiles and waste dumps respectively.

Table 12: Key metallurgical factors

Description	Design
Final Grind	(80% – 75µm)
% 3E + Au Recovery	88% Merensky 78% UG2

Mineral Reserve Statement

After applying the modifying factors to the Mineral Resource, a total of 61,12-million tonnes of ore is estimated to be delivered to the plant. This equates to 8,338 Moz of 4E content averaging at 4,24g/t, including both Merensky and UG2. This is unchanged from 2018 to 2019.

The following tables show the BPM Mineral Reserve Statement:

Table 13: Total Proved Mineral Reserve (4E)				
	Tons (m)	Grade (g/t)	Metal content (kg)	Metal content (moz)
Merensky	7.052	5.08	35 800	1.151
UG2	0	0	0	0
Total	7.052	5.08	35 800	1.151

Table 14: Total Probable Mineral Reserve (4E)

	Tons (m)	Grade (g/t)	Metal content (kg)	Metal content (moz)
Merensky	19.050	4.92	93 674	3.012
UG2	35.020	3.71	129 871	4.175
Total	54.070	4.13	223 545	7.187

Table 15: Merensky + UG2 Mineral Reserve (4E)

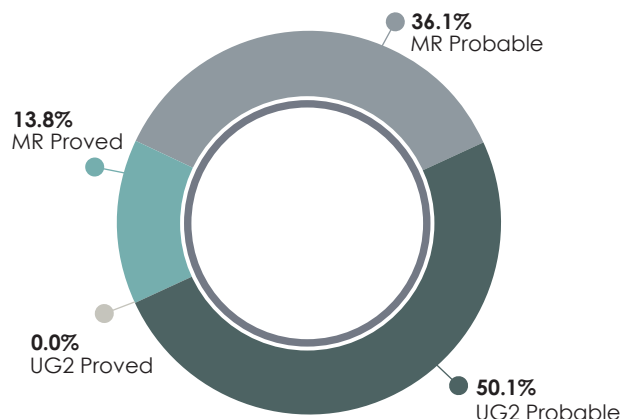
	Tons (m)	Grade (g/t)	Metal content (kg)	Metal content (moz)
Proved	7.050	5.08	35 800	1.151
Probable	54.070	4.13	223 545	7.187
Total	61.120	4.24	259 345	8.338

Notes on the BPM Mineral Reserve Statement

1. The Mineral Reserve is quoted as fully diluted delivered to the plant.
2. The Mineral Reserve is quoted as 4E (Pt, Pd, Rh, Au).
3. There were no changes in the Mineral Reserve Statement from 2018 to 2019.
4. The Mineral Resource to Mineral Reserve conversion was undertaken by applying technical and economic modifying factors.
5. 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.
6. Rounding off of numbers may result in insignificant computational discrepancies.

The graph below depicts the breakdown in Mineral Reserve type for the Merensky and UG2.

Figure 23: BPM total 4E Mineral Reserve





Prills

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

Figure 24: MR 4E Prill Split

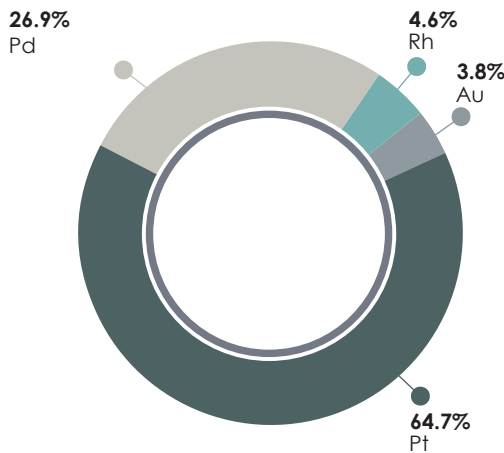


Figure 25: UG2 4E Prill Split

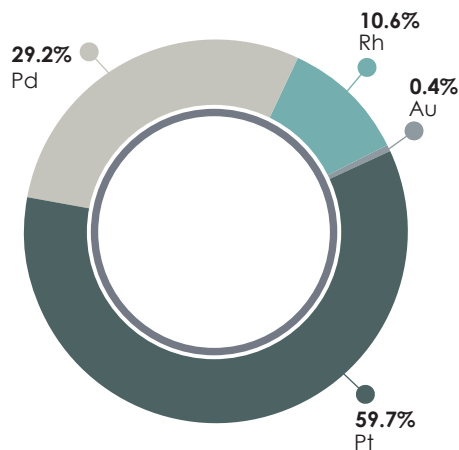
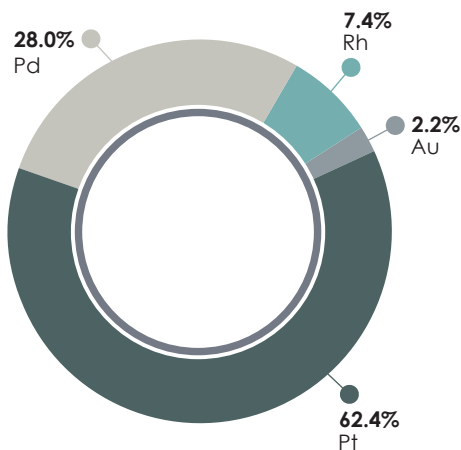


Figure 26: Combined life of mine 4E Prill Split



Note to the Natural Resources section

The Mineral Resource Statement has not changed since it was confirmed and signed-off to be compliant with SAMREC Code (2007, amended 2009) in September 2009. An optimisation study was conducted and the shareholders were informed through a SENS, issued on 13 March 2014. There has been virtually no depletion after the Optimisation Study was completed in 2014 as the mine is in its construction and development phase.

The Mineral Resource and Mineral Reserve Statement has been published year-on-year as originally ratified by the CPR in 2014, as per the circulated SENS on the 13 March 2014. The following competent persons approved the findings of the 2014 Optimisation Study insofar as it relates to the:

1. Mineral Resource:

The Mineral Resource inputs to the Mineral Reserve estimates were the responsibility of Stewart Nupen and the modifying factors used in the Mineral Resource to Mineral Reserve conversion were the responsibility of Jonathan Buckley.

Mr Stewart Robert Quentin Nupen, BSc. (Hons), GDE, MBA, FGSSA, Pr. Sci. Nat 8 Devondale Place, Hurlingham Manor, 2196, South African Council for Natural Scientific Professionals (400174/07). At that time, Mr Nupen had seven-years experience in the evaluation of Mineral Resources on the Bushveld Complex, as well as related mining and evaluation experience on narrow tabular (Wits-type) gold deposits.

Mr Jonathan Anthony Buckley BEng (Mining), MSc (Eng), ACSM, MDP(USB), CPIR, MSAIMM, Pr.Eng 383 Paarl Close, Boskruin, 2154, Engineering Council of SA (20090049). At that time, Mr Buckley had 30-years of professional experience, including extensive operational and Mineral Reserve-related experience on the Bushveld Complex.

2. Mineral Reserve:

Mr Johann Christian Lamprecht (HND Economic Geology), held a SACNASP membership number 400019/07. Mr Lamprecht was, at that time, a qualified competent person for the purposes of the SAMREC Code.

3. Mine Design and Mine Plan:

Mr Noel E Williams (B. tech. degree from the University of Johannesburg and a Mine Managers certificate of competency) at that time, had 44 years-experience in underground mining, of which 32 years was in senior management positions. Altogether Mr Williams has 20-years of platinum mining experience and served for 10 years as a General Manager of large platinum mines. He had extensive experience in strategic planning and mine design. He had also served in the position as head of mining for a major platinum mining house.

4. Bakubung Platinum mine BFS Financial model update:

The updated Wesizwe financial model was prepared by Michael Sean Golding. Mr Golding, B. Com, B. Acc, CA (SA), was, at that time, an MBL Member of the South African Institute of Chartered Accountants (00153738), based at 81 Epsom Chase, Saddlebrook Estate, 100 Rose Road, Bridle Park AH, 1682. Mr Golding had 21-years experience in corporate and project finance, the majority of which was spent in the evaluation of metals and mining operations and projects in various geographic locations.

This note also serves as a corrective statement to previous Integrated Report disclosures, which erroneously and without any malicious intent stated that The Mineral Corporation, Mr D R Young and Mr J. Buckley were acting as Competent Persons for the Mineral Resources and Mineral Reserves in the 2015, 2016, 2017 and 2018 Annual Integrated Reports. The correct facts are as contained in this note to the Natural Resource Section.



The Board approved a further Optimisation Study conducted between the years 2017 and 2019, which were intended to review the mining plan and to ameliorate the dire financial constraints experienced by the Company. A Competent Person's review of this optimised plan has been initiated and comprises of a full and comprehensive assessment of the Mineral Resources and Mineral Reserves, which will include a new Competent Person's Report that is compliant with the SAMREC Code (2016). An independent valuation of the project will be part of this review.

The Service Provider for this review has been selected and the work has already commenced. It is envisaged that this process will be concluded by end of June 2020, at which point we will duly announce and publicise the findings of this review. This will include the updated Mineral Resource and Mineral Reserve Statement compliant with the SAMREC Code (2016).

On successful completion of this process, the Competent Person's Report will be signed off by two Competent Persons and the Competent Valuator. The Competent Person and Competent Valuator who carry this mandate are:

- Ken Lomborg – Competent Person Mineral Resource
- Jaco Lothringen – Competent Person Mineral Reserve
- Alan Clegg – Competent Valuator

Risk Management

The following is a summary of potential risks that could impact on the Mineral Resource and Mineral Reserve Statement, bearing in mind that the BPM is currently not producing ore:

Table 16: Potential risks

Risk description	Mitigation strategy
Changes in the understanding of the ore-body as new geological information is gathered from opening up the ore-body.	Continuous underground exploration strategy in place for Competent Person reviews.
Inaccurate modifying factors assumed in the Mineral Reserve conversion resulting in poor ore reconciliation.	Continuous internal and external benchmarking. Proper ore flow management and ore reconciliation.
Inaccuracies with respect to estimations of grade, contents and reef facies types.	Systems in place to verify and fine tune estimations.





Social and relationship capital



Mr Hamlet Morule
Corporate Affairs Executive

Our approach

The Company strongly believes that to survive and prosper, our stakeholders are crucial and inclusive companions as we approach the completion of the development and commencement phases of production. We commit to these alliances through strategic partnerships, aligned to company goals, to ensure their trust in our endeavours is justified. All stakeholder engagement, inclusive of the host community, suppliers, NGO's, and government departments, is guided by our values, which in some instances even exceeds our social and legal license to operate.

During the period under review, we meaningfully engaged with the host community, holding four successful forum meetings, one of which provided them with an opportunity to dialogue and consult on the Company's 2019 – 2023 SLP before its submission to the DMRE.

We are delighted that despite financial constraints, the Company has been able to propose and

adopt an ambitious SLP that in our opinion pushes the boundaries in an effort to positively contribute towards the reduction of poverty and unemployment. We believe that this approach will enhance trust within our stakeholders.

Although much progress was made during the implementation of the 2014 – 2018 SLP, we identified a need to improve capacity and capability within a constrained budget for the 2019 – 2023 SLP. To ensure we maintain an enjoyable relationship with our host community and to eliminate any potential social instability, in 2020 we will be addressing the misnomer that employment and business opportunities for the host community and local entrepreneurs is limited.

Prioritising the material interests of our stakeholders and resolving issues is a key component of the Company's stakeholder relations strategy and requires a collaborative approach. We meet these challenges through scheduled, proactive and meaningful engagements that are colour-flashed as indicated in the table that follows:



Standing from left: Sediko Rakolote (BPM), Abe Mogashoa (MKLM), Florah Mbuqe (BPM), Rose Lukhele (MKLM), Hamlet Morule (BPM), Obbrey Motswana (BPM), Davis Mthethwa (BPM), Hilda Salamba (BPM), Mduduzi Mtshali (BPM). Seated from left: Ms Bafedile Moselane (MKLM), Mr Mokopane Letsoalo (MKLM) and Tryphosa Botlhokwane (MKLM).





Table 17: Measure for stakeholder engagement

RED – Improvement required	When an engagement has failed and requires urgent and decisive intervention by the Company.
AMBER – Good	When the Company considers engagements as adequate and beneficial to both parties, but with room for improvement.
GREEN – Excellent	When the Company considers engagements as progressive and meaningful to the full satisfaction of the stakeholder.

Table 18: Stakeholder engagements during the year under review

Stakeholder Group	Engagement method	Material stakeholder interest	Frequency of engagements	Effectiveness of engagement
HOST COMMUNITY				
Kgosi M. Monnakgotla, (Chief of the Bakubung Ba Ratheo)	One-on-one	SLP consultations	2	
Stakeholder Engagement Forum	Quarterly forum meetings	Engagement and Transparency on: <ul style="list-style-type: none"> • Project progress update • Procurement opportunities • Employment opportunities • SLP implementation feedback • SLP 2019 – 2023 consultation 	4	
Khuduthamaga of the Bakubung Ba Ratheo	One-on-one	2019 – 2023 SLP consultation	1	
Mphuphuthu Primary School	Event	Hand-over of Community Sports Centre	1	



Social and relationship capital continued



Stakeholder Group	Engagement method	Material stakeholder interest	Frequency of engagements	Effectiveness of engagement
LOCAL ORGANISED BUSINESS				
Ledig Business Forum	Business breakfast event and one-on-one meetings	Business opportunities	4	
Bakubung Chamber of Mines	Business breakfast event and one-on-one meetings	Business opportunities	4	
GOVERNMENT				
Presidency	Events	State of the Nation Address	2	
North West Premier	Events	State of the Province Address	1	
Department of Mineral Resources and Energy	One-on-one meetings and audits	Statutory Audits	23	
		Procurement Audits	1	
		Consultations with Minister	1	
		Amendment of Environmental Authorisation	1	
Department of Water and Sanitation (DWS)	One-on-one meetings and audits	Updates on Water Use Licence amendments and an audit conducted by DWS	2	
Social Housing Regulatory Authority	One-on-one meetings	Employees Housing Development Project	4	
North West Department of Cooperative Governance, Human Settlements and Traditional Affairs	Project Steering Committee meetings	Employee Housing Development Project & management of Housing Grants	3	
Bojanala Platinum District Municipality	One-on-one meetings	Employment opportunities	2	
Moses Kotane Local Municipality	One-on-one meetings and MKLM events	Integrated Development Plan consultations	2	
		SLP 2019 – 2023 consultations	2	
		Water delivery trucks donation by BPM	3	
		Environmental projects	3	
Rustenburg Local Municipality	One-on-one	SLP Consultations	2	



Social and Labour Plan

Introduction

Our vision is to excel in contributing towards sustainable prosperity within our host communities. Part of how we deliver on this is, through the implementation of the SLP.

The year under review was the first year of the Company's SLP, thus we concentrated largely on communicating to the MKLM IDP and the host community, the details of the Plan to ensure their buy-in and to demonstrate transparency.

Relevant to our 2019 – 2023 SLP, we implemented the following commitments:

Host community daily water delivery

Given that water scarcity is a national challenge, the Company had been trucking water to the host community over the past few years. MKLM took over this responsibility in October 2019, and to ensure a smooth transition, the Company donated three water trucks to MKLM.

Total spend: R5 415 145.95

Bulk water infrastructure

Water trucking is considered an interim solution. Long-term, the Company, in collaboration with MKLM, aims to deliver on their joint commitment to construct bulk water infrastructure in Ledig. In 2019 we undertook construction of the pump station following the completion in 2018, of the 3.5 km pipeline.

Total spend: R5 431 592.15

Community Multi-Purpose Sport Court Project

"Sport has the power to change the world. It has the power to inspire. It has the power to unite people in a way that little else does. It speaks to youth in a language they understand", said Nelson Mandela.

The Company endorsed Mr Mandela's belief by partnering with the Sports Trust to build a Community Multi-Purpose Sports Centre adjacent to Mphuphuthu Primary School. The project intends to use sport and recreation as a catalyst for social cohesion, as a platform to fight crime, and to promote a healthier community. The project was completed and handed over on the 4th October 2019.

**Total Company contribution:
R690 000.00**



Handing over ceremony of the Community Multi Purpose Sports centre to the community of Ledig.



Handing over ceremony of water trucks to the Moses Kotane Local Municipality.



Zwartkoppies Farm project

The Company maintained its support of the Zwartkoppies Farm project. The objective of the project is to ultimately drive sustainable agricultural programmes that have the potential to mitigate the impact of poverty and unemployment. During 2019 the Company focused on supporting related cooperatives through financial grants directed at operational budgets, and further donated a bakkie to lessen the mobility challenges.

The total grant: R1 116 231.82

Gabonewe Housing Estate Development

The Gabonewe Housing Estate Development gained momentum with the appointment in 2019, of a professional team that will oversee the construction of the planned 144 units. The team is led by GT Chaane Quantity Surveyors and Project Managers. Johannes Ranala STEFSTOCKS JV was the successful bidder for top structure development, which will commence early in 2020.

The project is rolled-out through grant support from the Social Housing Regulatory Agency, a social housing agent of the National Department of Human Settlements.

Total expenditure: R3 647 501.30

Enterprise and Supplier Development

In recognition of statutory obligations and in demonstrating its role as a good corporate citizen, the BPM has prioritised Enterprise and Supplier Development of Historically Disadvantaged Persons Owned and Controlled Companies as a catalyst to achieve economic growth and development. The BPM has thus taken the responsibility and lead in implementing supportive programmes aimed at development and sustainability of BEE entrepreneurs to ensure that adequate financial and non-financial assistance is provided to Mining BEE Entrepreneurs. The project is managed jointly with the National Empowerment Fund (NEF), with the NEF matching the BPM seed capital Rand-for-Rand.

BPM Contribution – R3 000 000.00



Donation of a bakkie to the Company-sponsored cooperatives.



On Mandela Day 2019, Bidvest Security demonstrated its support of Zwartkoppies Farm with the donation of a trailer, tractor, borehole, seedlings, and Personal Protection Equipment (PPE) uniforms as part of their CSI Programme.







Human capital



Ms Basetsana Ramaboa
Human Resources Executive

Approach to human capital management

The Company remains committed to the promotion of human rights, freedom of association, and holds a vision for a safe and conducive environment that promotes individual and Company growth. We embrace human capital through a multi-dimensional approach where value is added to employees and shareholders and, as far as possible, the impacts it has on the communities that are dependent on the Company's activities.

Our employee Value Proposition, which was approved in 2015 by Exco and the Board for the period 2015 – 2018, was updated and revised to be in line with the year under review. We remain a progressive mining company that:

- Continues to promote a high-performing, inclusive culture. Research has consistently demonstrated that when employees are engaged, they are more productive and more committed. Promoting a high-performing, inclusive culture requires careful attention to employee participation forums and processes, which feature prominently among the initiatives in the HR strategy;
- Aspires to recruit a highly-skilled workforce so as to be a preferred employer to the highest-skilled mining workforce in the country. The Company has set aside a budget to train potential employees from our host community to enhance their

participation within our operations. This strategy motivates for a multi-skilling programme that will enrich jobs and facilitate employee flexibility, which we believe will further encourage our employees to do more and go an extra mile;

- Aspires to a lower wage gap than its competitors. Globally, the gap between the highest and lowest paid is increasing in many sectors and becoming a source of social discontent. This is particularly problematic in South Africa where inequality is especially stark, resulting in aggravating perceptions and experiences of relative deprivation, and is a key driver of industrial unrest. Committing to narrowing the wage gap makes a powerful statement but the challenge remains to achieve this goal without inflating lower level payroll costs to unsustainable levels, and without reducing pay at senior levels of the organisation to the point where the Company is unable to attract and retain scarce and critical skills. We are exploring innovative ways of rewarding performance to address this issue;
- Aspires to match the market on pay and benefits, and pay a premium for scarce skills, and within five years. Currently our fixed pay matches the market, but its housing and health insurance schemes are less generous. The premium for scarce skills need not expand the wage gap if it takes the form of sign-on/retention bonuses linked to performance, or other incentive measures;





- Fosters sound relationships between employees and their line managers. This is a critical success factor in promoting employee engagement given that most employees leave their line managers, not their companies. Several initiatives have been introduced inclusive of a Leadership Charter, and an alignment of the performance management system to include HR measures; and
- Invests in communities and is a socially responsible employer. Our SLP takes care of this aspect of the employee value proposition.

Our people

The Company is focused on being employee-centric and is cognisant of national economic conditions that affect the quality of lives of its employees.

Our workforce compliment has decreased from 247 to 180 employees. 48.33 % are permanent employees and the balance comprises of fixed-term contracts and limited duration contracts. We comply with the Employment Equity Act 55 of 1998 (EEA) and the basic tenets of our Company, which demand that we drive transformation in general and ensure that we meet or surpass set targets.



Employee partaking in the HR Wellness campaign.





Table 19: EE Scorecard aligned to the 2018 Mining Charter:

Element description	Compliance target (%)					Measure	
						(Compliance Target by 2023) (%)	Performance (%)
	Blacks	Indians	Coloureds	Whites	Foreign Nationals		
BOARD (Non-executive Directors)							
Total number of Directors	6						
Total representation	3	3	0	0	0	3	50%
Female representation	1	1	0	0	0	0	20%
							50.00%
							16.67%
BOARD (Executive Directors)							
Total number of employees	2						
Total representation	0	0	0	0	0	2	50%
Female representation	0	0	0	0	0	0	20%
							0.00%
							0.00%
SENIOR MANAGEMENT							
Total number of employees	11						
Total representation	7	7	0	0	2	2	60%
Female representation	2	2	0	0	0	0	25%
							63.64%
							18.18%
MIDDLE MANAGEMENT							
Total number of employees	31						
Total representation	18	17	0	1	6	7	70%
Female representation	5	4	0	0	1	0	25%
							58.10%
							16.13%
JUNIOR MANAGEMENT							
Total number of employees	70						
Total representation	46	42	1	3	24	0	70%
Female representation	16	14	0	0	2	0	30%
							63.88%
							22.22%
EMPLOYEES WITH DISABILITIES							
Total number of employees	180	0	0	0	0	0	
Total representation	1	1	0	0	0	0	1.50%
Female representation	0	0	0	0	0	0	
							0.55%
							0%
CORE AND CRITICAL SKILLS							
Total number of employees	79						
Total representation	40	36	1	3	29	10	60%
							50.63%

* Core and Critical Skills is part of the total number of employees.



Table 20: Employment equity status aligned to the EEA

Occupational Levels	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management (Board)	2	0	0	0	1	0	0	0	5	0	8
Senior management	5	0	0	2	2	0	0	0	2	0	11
Professionally qualified and experienced specialists and mid-management	14	1	0	5	4	0	0	1	6	0	31
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	28	3	1	24	14	0	0	2	0	0	72
Semi-skilled and discretionary decision making	21	0	0	1	10	0	0	0	0	0	32
Unskilled and defined decision making	24	0	0	0	2	0	0	0	0	0	26
Total	94	4	1	32	33	0	0	3	13	0	180

Employment equity statistics as at 31 December 2019

The Company delivers its mine development targets via a number of contracting companies, similarly, we encourage diversity and transformation within our major contractors.

Table 21: Employment equity status of our Contractors

Contractor	Male				Female				Foreign Nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
CC5C	105	1	0	12	18	2	0	2	65	0	205
Gears Technologies	31	1	0	5	8	0	0	0	0	0	45
Bidvest Protea Security	57	0	0	0	24	0	0	0	0	0	81
Jaira Construction and Projects	156	0	0	0	35	0	0	0	0	0	191
Contractors total	349	2	0	17	85	2	0	2	65	0	522



Due to cost-cutting measures, the Company only hired 19 new employees, and replaced previously occupied positions.

Table 22: Recruitment, retention and scarce skills

African females	between ages 0 – 35	3
	between 35 – 50	3
	aged 50 and above	0
African males	between ages 0 – 35	2
	between 35 – 50	9
	aged 50 and above	0
Coloured males	between age 35 – 50	0
White males	between ages 35 – 50	0
Asian males	between ages 35 – 50	2

Women in Mining

The recruitment of highly-sought after skilled Historically Disadvantaged South Africans (HDSAs), particularly women, is an ongoing challenge which has resulted in an industry-wide competition for suitable candidates. Mining is traditionally considered a physically challenging, dangerous, and dirty profession and as such has been largely dominated

by men. The BPM Women in Mining Committee (BPM WiM) was established in 2017 to address the challenges that women in the mining industry face on a daily basis, with a strong focus on health and safety.

It was largely inactive, that is until March 2019 when five members, inclusive of senior management, representing the female workforce across the Company re-energised the Committee and appointed the national Women in Mining Council as its guardian. The BPM WiM Committee endorses the slogan "WE ARE ONE" translating it by recognising that although women are all different; be that in race, shape, position, or as a permanent, temporary, or contractor employee, they are united as one.

The BPM WiM Committee attended the annual WiM conference in August, and in October attended an awareness workshop, facilitated by the Chair of the Women in Mining Rustenburg Tripartite Forum (WIMRTF), to acquire knowledge of the background, fundamentals and constitution of Woman in Mining. The result is a commitment by the BPM WiM to support all safety measures at the BPM and the adoption of its own slogan: **"Nothing about us, without us."**



Committee members at the inaugural meeting of the Women In Mining Forum.





Women in Mining Forum Committee and its broad membership.

Our employee relationship

The Company's efforts and endeavours to maintain and enhance positive relations with its employees, has translated into no legal strikes, or lockouts, however we had two illegal stoppages during the reporting period. Currently The National Union of Mineworkers (NUM), as a critical stakeholder, represents 52.6% of the Company's bargaining level employees.

Quarterly meetings between employees, the NUM and management provide project, and related, status updates. Management also hosts monthly meetings with the NUM that in turn holds meetings with its members as and when the need arises.

All notable and material issues are communicated to employees via email and noticeboards, and material operational changes and notification timelines are governed by the Company's policies and procedures as well as, importantly, the Labour Relations Act 66 of 1995, (LRA), as contained in the Company's collective agreement.

Critical policies are reviewed and updated regularly as and when legislation and operational requirements change. Employees are informed of all critical policies and procedures related to discipline, grievances, and harassment, and supervisors have been trained in disciplinary hearing procedures.

A Relationship by Objectives (RBO) forum was held between management and employee representatives. The RBO is an issues-oriented approach used to redesign labour and management engagements. It is an in-depth, conflict resolution process that brings opposing parties together to:

- Analyse their current relationship;
- Reach agreement on problems and challenges; and
- Jointly develop common objectives to build more productive and constructive relationships.

RBO programmes help parties to move from a competitive win-lose power struggle to a mutual problem-solving orientation in which they are enabled to identify joint problems and maximise gains from solving them. The parties in attendance at the Wesizwe forum agreed on an action plan and assigned specific responsibilities to implement and achieve the objectives set for their future relationship.

During the year under review, the Company continued to oversee all aspects of disciplinary processes to ensure proper handling of alleged violations and in the application of the disciplinary procedures to promote justice and fairness, and improve conduct. NUM shop stewards were thus invited to attend a collective agreement workshop following a relationship-building workshop to ensure understanding of the disciplinary processes of the Company.





For the year under review the Company experienced no incidents of discrimination, nor human rights violations and there were no clashes associated to human rights clauses.

In the best interests of the employees, an induction video was developed related to the Company's harassment policy. No child labour is practiced by the Company nor forced or compulsory labour. Only one African female required maternity leave.

Considering the Company's emphasis of the importance of wellness for its people, employee assistance programmes continue to be directed through an external medical assessment partner, and we hosted a Wellness Day during December to coincide with World Aids Day.

Operational changes

Except for the approval of the Survival Plan as reported in other parts of this IR, there were no HR-related operational changes during the year under review.

Our approach to remuneration

In this reporting period a total of R160.4-million was paid to employees, including wages and benefits. The remuneration structure has a guaranteed total cost to Company, and a variable pay for performance, which includes an annual cash incentive bonus and deferred bonus plan, the latter having a long-term component. The remuneration for Non-executive Directors has not changed, comprising as it does, a monthly retainer fee and a meeting fee for meetings attended.

The principles that reflect and drive the Company's reward practices are as follows:

- **Competitive pay levels:** The Company 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 Company's success.
- **Internal equity and parity:** Remuneration differentiation between employees will be based on criteria that are fair and objective.
- **Cost management:** The Company will manage the total cost of employment for all employees, particularly during the shaft-sinking phase.
- **Holistic approach:** The Company has chosen to adopt an integrated approach to its reward strategy, encompassing a balanced design and pay mix that includes:
 - Guaranteed pay
 - Performance management
 - Annual incentive pay for rewarding business performance and individual/team performance
 - Deferred based incentives for key executives and senior managers
 - Non-financial rewards
 - Employee benefits.

The remuneration and reward policy has been created to ensure that employees are remunerated in an equitable and fair manner in recognition of the Company's reward policy that has a direct impact on operational expenditure, Company culture, employee behaviour and ultimately, with correct alignment, and on the Company's ongoing strategic sustainability. As such, the reward policy is defined, monitored and managed over time, to ensure sustained effectiveness. It is also consistent with the Company's business objectives and its strategic value drivers. This philosophy is implemented by the Human Resources Executive with oversight by the Remunerations Committee of the Board (REMCO).



Management and the NUM leadership; building relations through a "Relationship by Objective workshop".



Remuneration mix

Although the Company is not yet in a steady-state operating environment, its pay mix is aligned with the overall reward strategy considerations and Company objectives. The pay-mix relationship is regularly reviewed in the context of the Company's specific circumstances. Remuneration is comprised of guaranteed pay and variable pay. Each component of the remuneration package has a different set of applicable rules and guidelines.

The remuneration mix reflects the relative proportion of each component of remuneration in the package, which is linked to the job family role, grade, and level. The remuneration mix varies at each level/grade in the Company. As a guideline more senior employees have a higher proportion of variable pay in their remuneration mix as they have the ability to influence the financial performance and strategic outcomes of the Company's success.

The guaranteed and variable pay components of the remuneration mix are set out on pages 63 – 64. Other forms of reward may be introduced in the future to recognise outstanding achievement in key performance areas as determined.

Guaranteed pay

Guaranteed pay is reviewed annually and benchmarked to appropriate market data but takes into account the size and financial affordability of the Company. REMCO maintains a consistent approach in setting remuneration, in line with the guidelines indicated on pages 74 – 75, to assist the Company to mitigate any internal wage gap concerns. The Company has established, and continues to maintain, integrated pay in accordance with pay levels that ensure it remains competitive, whilst managing costs.

The following rules and guidelines apply in setting guaranteed pay:

Job levels and internal equity

- All jobs are documented in the form of a job description.
- Positions are graded by an external service provider. The Paterson Grading system is used to determine the size, weight and level of each job.
- Jobs are matched to a relevant remuneration survey to determine appropriate remuneration benchmarks.

Establishing a target market

In order to compete effectively for skills in a competitive labour market, the Company remunerates its employees according to job families and scarce skills. A job family is a broad grouping of jobs or positions with a common skill that typically has a common labour market, whereas a scarce

skill is more specific and either a critical resource or requires extensive training. A premium above-the-market median may be considered in order to attract scarce skills.

Managing the total employment cost

The total employment cost, of which guaranteed pay is the major component, forms a significant portion of total operating costs. It is therefore imperative that guaranteed pay is managed efficiently and wisely in terms of a single entity, namely Total Cost To Company (TCTC).

We also manage total employment cost by ensuring:

- (a) that the cost of the total remuneration package paid to employees is controlled by the Company (and does not include open-ended liabilities where the cost of a benefit is determined either by levels of utilisation or by external pricing factors such as Medical Aid and a Retirement Fund); and
- (b) the remuneration package levels of employees are commensurate with their worth to the business, i.e. pay a market rate for a job.

Market data sources

The Company compares to the general market, as reflected by the relevant market data survey, but primarily to mining and resources surveys. The general job families of information technology (IT), finance, and HR are however relative to the national market where necessary.

Appropriate job family premia is applied if necessary and in the case of the pay levels of top executive positions, the Company may, in future, be benchmarked against national market executive remuneration surveys.

Specific premia is determined for Hot skills, to enable the Company to pay a fair market price and to be competitive in attracting and retaining skills that are critical to its success.

Percentile within market data

For all positions other than scarce skills, the Company is positioned midpoint of pay scales for TCTC guaranteed pay by excluding short- and long-term incentives. Scarce skills are relative to the upper quartile of pay scales, or a specific premium is applied to the median.

Annual salary reviews

As reflected in our AFS, our annual salary bill increased from R143.3-million to R160.4-million. Annual increases are processed during January and based on cost of living (COL). The funds available for the salary increases are relative to TCTC and other economic indicators inclusive of the potential performance of the Company.





Positioning newly promoted individuals

During the period under review three (3) employees were promoted; two of which are male and one is female. As a guideline, the Company typically promotes (internally to a new position) an individual at the pay scale minimum (lower quartile) unless a premium in accordance with the scarce skills matrix needs to be applied in order to attract the individual to the position.

Employee benefits

Employee benefits are market-related and offered as an additional measure of attracting and retaining employees, and in pursuit of the Company achieving employer-of-choice status. These are offered in line with statutory requirements and as part of the remuneration packages.

Employee benefits are only applicable to permanent employees of the Company, and are:

- Guaranteed pay – TCTC;
- Variable pay – short-term, in the form of Annual Cash Incentives; and long-term Deferred Cash Bonus-Based Incentive pay for executives and senior managers;
- Allowances, inclusive of mobile phone, housing, night shift hours, relocation and standby;
- Travel reimbursement and transport benefit for employees working night shift.;
- Sign-on bonus, applicable only if the prospective employee provides proof of forfeiture of any bonus with their current employer and within three months of joining the Company;
- Guaranteed bonus applicable only if the prospective employee shows proof of forfeiture of any bonus with a current employer and within six months of joining the Company;
- Medical Aid Allowance Employer Contribution, which is part of the TCTC and is a compulsory benefit granted to all permanent employees;
- Retirement Fund, which is a compulsory permanent employees' pension fund. The Umbrella Pension Fund is a Defined Contribution Plan administered by Momentum FundsAtWork. The employer contribution is 11.5% and the employee contribution is 5%;
- Risk cover is a compulsory benefit for all foreign national employees; and
- Leave entitlement includes annual above-statutory leave and that related to illness, family responsibility, study and maternity.

Variable Pay

Variable pay relates to short-term incentives (STIs) and long-term incentives (LTIs), linked to Company and individual performance. We are guided to take an integrated and balanced approach to

reward and remuneration, with a pay mix that includes annual incentives based on: business and/or individual/team performances; and long-term incentives for key executives and senior managers, the latter at the discretion of the CEO and/or Chair of the Board.

Given the Company is still at a development stage and not yet profitable, the offer and payment of STI is entirely at the discretion of the Board, but working to a formal performance management framework. The framework and rating scale lends itself to performance assessments of individuals against the "stretch targets" that are generally defined as those that are only attainable if the individual/team/business addresses more than merely the requirements of the job.

Under-performance is managed in accordance with the Performance Management guidelines and in compliance with disciplinary policy and the LRA. Overriding conditions for the award of bonuses are set Company and individual performance targets for the year, and requires the employee to be in the employ of the Company by 30 September of any given year, and on the actual date of the bonus payment. Employees that have not completed a full year of service receive a bonus on a pro-rata basis. Payroll employees and fixed-term contractors are eligible, with payment made each April in alignment with the Company's annual results and report. Only employees with agreed individual or group-based KPAs may participate in the scheme.

The LTI is intended to attract, retain, motivate and reward executives and senior managers who are able to influence the performance of the Company on a basis that aligns their interests with those of the Company's shareholders. Offers are governed by the Company's reward philosophy and strategy (pay mix), in which, inter alia, the "target reward" of the incentive reward is set for defined categories of executives and senior managers (Grades F and E). The combined weighted implementation of incentive elements allows the Company to remain competitive in annual and long-term incentives, rewards sustainable Company performance, and acts as a retention tool.

The Board is responsible for the administration of the Deferred Bonus Plan (DBP) but may delegate to the HR Department and/or the CEO. Any executive or senior manager of the Company or its subsidiaries may be selected by the CEO to participate in the DBP. During the reporting period four (4) employees were eligible for the DBP as reported on page 65 of this report. Rewards will differ from year to year, based on an individual's prior year performance against targets, behavioural competence, and technical competence at the discretion of the CEO.



Table 23: Remuneration for Executive Directors

Name of Executive	Number of months	2019				2018			
		Salary R'000	Bonuses R'000	DBP Vested R'000	Total	Salary R'000	Bonuses R'000	DBP Vested R'000	Total
Z Li	12	3 744	1 032	–	4 776	3 231	985	–	4 216
F Tao*	12	3 400	–	–	3 400	3 400	–	–	3 400
Total Executive Directors		7 144	1 032	–	8 176	6 631	985	–	7 616

* Mr Feng Tao (Financial Director) is a foreign seconded employee whose fees are governed by the service level agreement between Wesizwe and the CADFund.

Table 24: Remuneration for Non-executive Directors

Executive Manager	2019			2018		
	Directors fees R'000	Attendance R'000	Total R'000	Directors fees R'000	Attendance R'000	Total R'000
DNM Mokhobo	337	980	1 317	337	675	1 012
LV Ngculu	141	708	849	141	590	731
VT Mabuza	141	640	781	141	693	834
I Pillay	–	–	–	45	79	124
Total	619	2 328	2 947	664	2 037	2 701

Table 25: Remuneration for Executive Management

Name of Executive	Number of months	2019				2018			
		Salary R'000	Bonuses R'000	DBP Vested R'000	Total	Salary R'000	Bonuses R'000	DBP Vested R'000	Total
B Ramaboa	12	2 307	525	243	3 075	2 206	511	209	2 926
V Mhlongo	12	2 186	516	–	2 702	1 937	328	–	2 265
J Mothomogolo	12	3 042	802	486	4 330	2 700	878	576	4 154
H Morule	12	2 469	584	328	3 381	2 694	570	372	3 636
Total Executive Directors		10 004	2 427	1 057	13 488	9 537	2 287	1 157	12 981





Termination of employment

The employee turnover rate for the period under review was 87, of those, 53 employees were transferred to a contractor, 23 employees received a no-fault termination and 11 employees received a fault termination, of these only 1 resulted from old age retirement. Termination of employment is based on the definition of no-fault termination versus that of fault termination. No-fault termination is the termination of employment of a participant by the Company through incidences such as: death; certified injury, disability or ill-health; and dismissals based on operational requirements, retirement, mutual agreement and cessation of employment within the Company subsidiary companies. Fault termination involves a dismissal for misconduct, poor performance or a resignation by the participant.

Our approach to transformation, cultural integration and diversity

The Company views transformation as an ongoing journey and is committed to the employ of a diverse and competent workforce, as demonstrated in our employment equity plan. We constantly encourage a workplace that respects and embraces differences, with transformation monitored by the Social and Ethics Committee.

Recruitment and selection and human resources development is in line with the BBBEE framework,

Mining Charter, Employment Equity Act 55 of 1998 (EEA) and the Code of Good Practice on Employment Equity. The Mines Qualification Authority (MQA), and other similar statutory bodies are also consulted to assist in formulating skills development strategies inclusive of a skills audit for permanent staff.

A diverse Employment Equity (EE) Committee ensures effective consultation with HDSA groups inclusive of black people, women, and those with disabilities who meet the inherent requirements in line with the Mining Charter EE criteria.

Targets are set in conjunction with appointed contractors and reported annually to the Department of Labour that has confirmed the Company is compliant with its reporting obligations.

Training & Education

Community Portable Skills

Post the extension of application for portable skills program of 2017 performance, which commenced in 2017 until 2018, the Company held the Certificate Ceremony for the host community members in May 2019. 155 learners received their certificate in five key technical areas: 21 bricklaying; 14 painting; 7 tiling, 56 plumbing and 57 welding. The portable skills program for 2019 was not performed.



The CEO and HR Team attending a career expo organised by the Embassy of the People's Republic of China in South Africa.



Wesizwe CEO, Mr Zhimin Li, with the Minister of Basic Education, Ms Angie Motshekga.



Employee training

Training and education is considered indispensable in terms of the Company's personnel policy. However, due to financial constraints during the reporting year, the training of personnel was limited to only core and critical skills. Two middle management employees were assisted, one through a study loan.

Upgrade of employee skills

Management approach

During the year under review, the Company began implementing the 2019 – 2023 SLP programmes. Since the plan was completed in the middle of the year, the Company initiated the process in a small scale manner in that it recruited one intern and one learnership. However, compliance training was offered across all employment categories including the contractors as depicted below.

Table 26: Employees training

Type of training offered	Total number of employees trained
Induction	577
Blasting	11
Trackless Mobile Machine U/G	115
Trackless Mobile Machine Surface	17
Drill Rig	33
UV Operator	3
LHD	20
Dozer Operator	3
Dump Truck	18
Tipper	4
TLB	5
Manitou/Forklift	8
Competent B – Skills programme from MQA	404
Competent A – Skills programme from MQA	50
Rock drill operator	15
Total number of interventions	1 283

Core business skills training

Employee training included health and safety, leadership, process, mining and engineering, systems and software technical services. Values awareness training was also provided to all employees and was undertaken in an inclusive environment hosted by contractors, expatriates, and the local workforce. Despite efforts certain expatriate specialised skills were difficult to source through local and national workforces.

Total cost: R2 644 790.31

Bursaries

For the period under review, one bursary was awarded to an employee but no bursaries were awarded to members of the community as the SLP for the period 2019 – 2023 was finalised in the middle of the 2019 academic year.





Intellectual capital – Corporate Governance



Ms Vasta Mhlongo
Company Secretary

In order to create shareholder value in the short, medium and long-term, the Company continued to embed sound corporate governance and practices that promotes high levels of compliance and transparency.

The Board assumes ultimate responsibility and accountability for the protection and responsible use of the Company's stock of financial, human, social and relationship, intellectual, and natural capital. This includes ensuring that the Company maintains an effective, efficient, and transparent risk management process, framing of the Company's risk appetite and tolerance, and monitoring of the Company's risk and opportunity performances.

Statement of compliance

The Board has shown commitment to the highest standards of corporate practice and conduct, which are to a large extent enunciated in King IV Code. The Company has endeavoured to implement the best processes and principles of good corporate governance to assist its Directors and management in discharging their duties and responsibilities with integrity, while simultaneously striving towards excellent ethical leadership for the benefit of all stakeholders.

The Company is subject to, and remains compliant with the Listings Requirements of the JSE as amended, and has taken the necessary steps to ensure legislative and regulatory compliance. The Company has defined and approved a legislative and compliance universe through a function that reports to the Corporate Affairs Executive.

King IV Code application

The Company duly reviewed the King IV Code, aligned its policies, principles and also applied a large percentage of the King IV Code as best as it can, the report on the application and disclosure on the seventeen King IV principles can be accessed on the website: www.wesizwe.co.za.

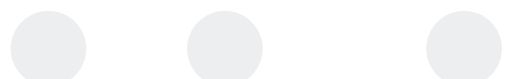
Board of Directors

The Board continues to be the custodian of the Group's corporate governance and acts in the best interests of the Company and its stakeholders. It is the Board's responsibility promoting the long-term success of the Company, and for setting the Company's vision, strategy and values. This is achieved through a unitary structure that allows for the exercising of full and effective control over the Group within a clearly defined governance framework of policies and controls, which are aligned with our enterprise risk management framework and policy, and provides effective risk assessment and management of economic, environmental and social performance.

The Board considered the following key areas during the year under review:

Strategy

In response to the prevailing market conditions and low pricing fundamentals, the Board considered and approved a revised mining plan, the new plan entails the development of a 1 mtpa mine with an equivalent 1 mtpa processing plant (MF2) to treat the ore. The 1 mtpa capacity mine will be operated for a period of 5 years from 2021 until 2026, thereafter it will be scaled up back to the base case 3 mtpa operation.





The Board also considered and approved the appointment of key contractors to implement the completion of mine development in accordance with the Survival Plan.

Operational performance

The Board reviewed the Company's operational performance relative to budget and forecasts, considered the quarterly production reports, and reviewed the Company's safety performance.

Financial performance

- The Board considered the viability, financial performance, going concern of the business and reviewed the half-year and full-year results, approved the 2019 IR inclusive of the sustainability aspects.
- The Board considered the Company's shortfall funding requirements and related options.

Stakeholder engagement

The Board considered and approved the efforts and investments made by management to continue nurturing and solidifying the Company's ongoing relationships with various stakeholders.

Governance

For the year under review, the Board:

- Reviewed the effectiveness of the systems of internal control environment and risk management;
- Received regular updates from the Chairs of the Audit and Risk Committee, Remuneration Committee, Social and Ethics Committee and Technical Committee;
- Discussed the outcome of the Board and Committees' effectiveness reviews;
- Discussed changes to the Board Charter and reviewed Committees' terms of reference; and

- Considered and approved strategic policies of the Company.

Directors' rotation and re-election

In terms of the Company's MOI one third of the Non-executive Directors are expected to retire from the Board at the Company's AGM. The Board considered and recommended shareholder approval of Mr Lincoln Ngculu and Mr Victor Mabuza, both being eligible for re-election as Directors.

Gender and Race Board Diversity Policy

A diverse Board recognises and includes a balance of knowledge, range of skills and experience, age, culture, race, gender and other distinctive merits between Directors. The Board approved a Gender and Race Board Diversity policy that outlines the target for gender representation that was met during this reporting period. This policy will be amended during 2020 to promote all aspects of diversity at board level including targets to be achieved.

Balance and Directors' independence

The Board is satisfied that it and its Committees are appropriately composed and members have required skills, experience, and personal attributes to discharge their duties effectively.

The Board is satisfied that all Directors have sufficient time to devote to their roles and undue reliance is not placed on any single individual.

The Board considers Non-executive Directors, Ms Dawn Mokhobo and Mr Lincoln Ngculu, to be independent, notwithstanding that they have served on the Board for more than nine years.





The Company endeavours to apply a governance practice that states the Board should comprise a majority of Non-executive Directors, of which a majority are independent.

Succession planning

The Board has appointed a Deputy Chair of the Board and introduced regular REMCO reviews, and recommends the appointment of both Board and Committee members to ensure succession.

Governance of ethics

During this reporting period, the Board provided effective ethical leadership characterised by the values of responsibility, accountability, fairness and transparency. The fundamental objective being to conduct business ethically while building a sustainable company that recognises the short- and long-term impacts of its activities on the economy, society and the environment.

On the recommendation of the Social and Ethics Committee, the Board reviewed, and approved the Company's new Code of Ethics and Business Conduct, which replaces the Code of Conduct and Ethics Policy. The new Code better underpins and entrenches the Company's commitment to the highest level of ethical standards. This key business principle requires a top-down approach, with examples set by the Board and individual Directors, and which is considered as crucial to the buy-in of all stakeholders involved in the affairs of the Company. The new code was summarized and communicated to all employees through the employee quarterly newsletter.

In implementing its responsibilities for monitoring the Company's conduct, ethical standards and their proper enforcement, the Board expects the Directors, management, employees, outsourced functional support teams/companies and suppliers to act in accordance with the Company's Code of Ethics and Business Conduct.

The Directors have highlighted that the new Company policy entrenches complete intolerance of corruption, fraud, dishonest and criminal behaviour, and any employee found guilty of acting contrary to the Code, will face strong repercussions and the enforcement of disciplinary measures should non-compliance be proved.

The Company has not engaged in, or accepted illegal acts in the conduct of its business. The Code allows for the active pursuit and prosecution of perpetrators of fraudulent or other illegal activities, however no fraudulent behaviour or corrupt practices were reported during the period under review.

The Company maintains an ethics hotline, an independent and confidential system that allows stakeholders to report unethical, dishonest, or improper behaviour, including non-compliance with Company policies, as well as corruption and fraud. All reported incidents are investigated by management and when required, action is taken.

The hotline reporting service is outsourced to an independent service provider. In line with legislation, the Company's well-communicated commitment not to victimise whistle-blowers ensures transparency and promotes ethical conduct. The identities of whistle-blowers are protected by the independent service provider. Nothing was reported via whistle-blowing during the reporting period.

Relationship with stakeholders

The Board encourages shareholders to attend the AGM, notice of which is published in this IR. Shareholders have the opportunity to pose questions to the Board, and the Chairs of the Audit and Risk Committee and the Social and Ethics Committee. Further details regarding the Company's approach to stakeholder engagement, the issues raised by stakeholders, and the Company's responses, are provided on pages 51 – 52 of this report.

Conflict of interest

The Board recognises the importance of acting in the best interests of the Company and protecting the legitimate interests and expectations of its stakeholders. The Board consistently applies the provisions of the Companies Act in disclosing or avoiding conflict of interest. Directors are required to declare their interests in terms of, and in accordance with, the requirements of the Company's Act. No conflict of interest were declared during the reporting period.

Statutory and regulatory compliance management

The Company believes that regulatory compliance is an ethical imperative and is thus committed to complying with all applicable laws, rules, codes, and standards. The Board is responsible to ensure such compliance but also considers adherence to non-binding rules, codes and standards. The Board therefore ensures through appropriate checks and balances, that systems are established to help the Company discharge its legal responsibilities and oversee legal compliance through the Audit and Risk Committee and Social and Ethics Committee.

Compliance risk has been entrenched as an integral part of the Company's risk management process and the Board delegated to management, the task



of implementing an effective compliance framework and related processes. The Board regularly received reports from the Social and Ethics Committee and Audit and Risk Committee related to compliance with laws, rules, codes, and standards as a part of its meetings.

Regulatory and statutory compliance risks that may result from the Company's business activities were continuously assessed, managed, and reported to internal and external stakeholders. The Company sought to maintain honest, transparent and trustworthy relationships with regulatory bodies.

Share dealing and insider trading

The Company Policy on dealings in the Company's securities was approved in 2013 by the Board and is reviewed regularly. The Policy provides guidance to Board Directors and staff members on trading and restrictions on dealing in the Company's listed shares during closed and prohibited periods, as per the provisions of the JSE Listings Requirements.

The Directors, affected employees as defined in the Policy, and the Company Secretary (including their associates), may not trade during a prohibited period. All employees of the Group are also prohibited from trading in the listed Company's shares during closed periods unless clearance to trade has been obtained from the Company Secretary under the direction of the Chair of the Board. This Policy has been widely distributed within the Company to ensure that Directors and employees are familiar with its content.

Delegation of authority

The Board has delegated authority for the management of the Group to the CEO by way of a Delegation of Authority Framework, which comes with certain restrictions, conditions, and limits that the Board believes appropriate for the effective exercise of such delegated powers. In turn, the CEO has sub-delegated authority to the Executive Committee (Exco) members.

The Board had a formal schedule of matters reserved for its consideration and decision that included the approval of:

- Strategy;
- Business plans and budgets;
- Financial statements;
- Significant acquisition and disposal of assets;
- Executive Directors' appointment and remuneration; and
- The IR.

External Board evaluation

The Board is subject to an independent external performance evaluation every two years. The Company engaged the CGF Research Institute (CGF) to undertake the review. The evaluation covered a broad range of areas in relation to the Board as a whole, individual Director, Board Chair, Board sub-Committees and the Company Secretary. CGF interviewed Directors individually and provided commentary on the Chair and fellow Directors' performance. Individual feedback was shared with individual Director's by the Chair of the Board.

Performance evaluation and succession planning for the CEO

The Board will, in 2020, enhance the current performance evaluation process of the CEO and ensure executive succession planning is appropriate for transition processes.

Board structure and composition

The overall findings of the 2019 external evaluation indicated that the Board and its sub-Committees, the Board Chair and the Company Secretary are effective in discharging their duties.

The Board is to review the independence of its Non-executive Directors and consider increasing their number as one of its key directives for 2020.

Composition of the Board

The Chair of the Board is an independent Non-executive Director, and is free from conflict of interest. In addition, the Company has appointed a Deputy Chair to the Board who is not an independent Non-executive Director. The strategic operational role of the CEO is separate from that of the Chair of the Board. The Board of Directors comprises an appropriate mix of individuals to ensure an adequate spread and level of knowledge, skills, expertise, diversity and independence, with a division of responsibilities and accountability, as outlined in the Board Charter.

The Board has eight Directors: three independent, three non-independent and two Executives.

Board appointment process

The Board has approved a policy to provide principles, criteria, and procedure for appointment to the Board of Directors.

Director changes

The Directors serving at the end of the year are under review, and their biographical details are set out on pages 16 – 17. Mr Fugui Qiao resigned and the Board recommended the appointment of Mr Huigao Guo for shareholder approval at the next AGM.





The Board also accepted the resignation of Mr Feng Tao (the Financial Director) with effect from 31 March 2020 and welcomes Mr Jianguo Liu as Financial Director and Executive Director with effect from 1 April 2020.

Director's development and training

Directors were appraised of relevant new legislation and changing risks that may affect the Company. The Board supports the development of Directors and when applicable, training is provided depending on individual Director's requirements and the quality and relevance of training available. The majority of Directors have been trained on King IV Code of Governance offered by the Institute of Directors Southern Africa (IoDSA).

The Chair and CEO

No individual has unfettered powers of decision-making. The responsibility for running the Board and executive responsibility for conducting the business are differentiated. The roles of the Chair, Ms Dawn Mokhobo and CEO, Mr Zhimin Li, are thus separate and clearly defined. The Chair is responsible for

leading the Board, ensuring its effectiveness and setting its agenda. The CEO leads the executive team in running the business and coordinates proposals for consideration by the Board.

Board meetings

All Board meetings were convened by formal notice, incorporating a detailed agenda and relevant written proposals and reports. Information was distributed in good time before the date of the Board meetings, to enable adequate preparation by the Board to allow for the Directors to discharge their fiduciary duties. There were eight (8) meetings during the year, of which four (4) were scheduled.

When Directors were unable to attend meetings in person, teleconferencing facilities were available to allow for their participation. The Board and all Board Committees met as scheduled and, where necessary, special meetings were held to deal with specific matters.

The Board and all Board Committees met as scheduled and, where necessary, special meetings were held to deal with specific matters.

Table 27: Board meetings attendance

Director	Number of meetings
Dawn Mokhobo	7 of 8
Fugui Qiao*	1/8
Huigao Guo**	2/8
Lincoln Vumile Ngculu	8/8
Victor Mabuza	8/8
Pengfei Li	8/8
Zhimin Li	7/8
Sun Pingan	3/8
Feng Tao	4/8

* Resigned during March 2019

** Appointed to the Board during April 2019

Board Committees

The Board established two statutory committees, the Audit and Risk Committee and the Social and Ethics Committee in addition to Remuneration Committee as recommended by King IV, as well as the Technical Committee. Each Committee operates in terms of an approved terms of reference, which is reviewed annually as are work plans.

The Chairs of the Committees provide feedback at all Board meetings and minutes of the Committees' meetings are made available to all Directors. The Chair of the Audit and Risk Committee and the Social and Ethics Committee attend the AGM to answer any questions on activities of the Committees.

Meeting attendance of all Committees are summarised in Table 28 on page 73. All the committee reports summarising the performance of all committees are on pages 74 to 81.



Table 28: Committees' meetings attendance

Non-executive Directors	Audit & Risk	Social & Ethics	Remuneration	Technical
Dawn Mokhobo	5/6	4/4	4/4	–
Fugui Qiao*	–	–	–	1/4
Huigao Guo **	–	–	2/4	2/4
Lincoln Vumile Ngculu	6/6	4/4	4/4	4/4
Victor Mabuza	6/6	–	4/4	–
Pengfei Li	–	–	4/4	–
Sun Pingan	–	–	–	–
Executive Directors				
Zhimin Li	5/6	3/4	4/4	4/4
Feng Tao	3/6	3/4	4/4	1/4
Executive Committee member				
Hamlet Morule	–	4/4	–	–

* Resigned during March 2019

** Appointed during April 2019



Executive Committee

The Executive Committee (Exco) comprises the Company's two Executive Directors and senior executive management as disclosed on page 18 of this report. Exco meets monthly and on an ad-hoc basis to implement the Board-approved strategy for the Company. In addition, Exco assists the CEO to guide and control the overall direction of the Company, monitor business performance and act 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, whilst in other cases Exco exercises its power to make decisions as delegated in terms of the Board-approved mandate.

Company Secretary

The Company Secretary played a vital role in ensuring that the Company adheres to good corporate governance and is responsible for ensuring compliance by the Company and the Board with statutory and regulatory requirements.

The Company Secretary has ensured compliance with the JSE Listings Requirements and applicable legislation, and is responsible for the submission of the annual compliance certificate to the JSE. The Company Secretary has provided the Board, as a whole, and the individual Directors, with guidance on discharging their responsibilities and duties.

The Company Secretary is not a Director of the Company and only has a working relationship with the Board, acting as a primary link between the Board and management.

The Company Secretary has ensured that, in accordance with pertinent laws and regulatory frameworks, the proceedings and affairs of the Board and its members, the Company and, where appropriate, the holders of securities in the Company, are properly administered.

The Company Secretary has performed the role of Secretary for all the meetings of the Board and its sub-Committees. The Board conducted a formal evaluation of the Company Secretary assisted by an external service provider (CFG Research Institution) and has satisfied itself that the Company Secretary is suitably qualified, experienced, and competent to carry out the designated duties and responsibilities.



Remuneration Committee Report

The Remuneration Committee is pleased to present the Wesizwe remuneration report for the year ended 31 December 2019.

The Committee has an independent role to oversee the remuneration process and consider and approve remuneration-related issues. The Committee assists in setting the Company's remuneration policy as well as remuneration for Directors and executive management.

Composition

The Committee, below, comprises of a majority of independent Non-executive Directors:

- Mr Pengfei Li (Non-independent, Non-executive Director);
- Mr Huigao Guo (Non-independent, Non-executive Director);
- Mr Fugui Qiao (Non-independent, Non-executive Director);
- Ms Dawn Mokhobo (independent Non-executive Director);
- Mr Lincoln Vumile Ngculu (independent Non-executive Director);
- Mr Victor Mabuza (independent Non-executive Director);
- Mr Fugui Qiao resigned from the Board and the Committee during March 2019 and Mr Huigao Guo was appointed to replace him effective from 1 April 2019.

The Committee undertook its mandate in accordance with the written terms of reference as approved by the Board as well as its annual plan.

The Committee held four (4) scheduled and one special meeting during the period under review, the attendance of which is reflected on page 73.

Summary of material activities of the Committee during the year under review

- Ensured that Wesizwe adhered to fair and responsible remuneration across the Company, specifically in terms of annual increases, bonuses, and long-term incentive payments;
- Reviewed the overall level of variable remuneration in the Company versus the market;
- Reviewed and approved 2019 Company Scorecard;

- Recommended Board approval for payment of vested DBP to three executives;
- Ratified the three-year wage agreement signed with NUM; and
- Reported quarterly to the Board on its activities.

In line with the King IV Code, and the JSE Listings Requirements, the report is presented in three parts: background statement; the Company-wide remuneration philosophy and policy with specific focus on the policy as it applies to executive management; and implementation of the policy for the 12 months from 1 January 2019 to 31 December 2019.

Background statement

No changes have been enacted since we last presented the Remuneration Policy to shareholders although enhancements have been made to the variable pay disclosure.

The Committee believes that the key performance objectives, which are used for the measurement and determination of short- and deferred-bonus incentive awards, are aligned with the Company goals and strategies. At the 2019 AGM the Committee presented its remuneration report, which was voted on in sections, namely:

Section 1: Endorsement of the remuneration policy – endorsed by 75% of voting shareholders.

Section 2: Endorsement of the remuneration implementation report – endorsed by 75% of voting shareholders.

Remuneration policy

The remuneration and reward policy was created to ensure that employees are remunerated in an equitable and fair manner. This is in recognition of the Company's reward policy which has a direct impact on operational expenditure, company culture, employee behaviour and ultimately, on the Company's ongoing strategic sustainability programme. As such, the reward policy is defined, monitored, and managed to ensure sustained effectiveness. It is also consistent with the Company's business objectives and its strategic value drivers. This philosophy is implemented by the Human Resources Executive with oversight by the Remuneration Committee of the Board (REMCO). For further details, refer to the Human capital section of the report on pages 56 – 67.



Report on implementation of the policy

The policy is implemented using a remuneration mix comprising of guaranteed pay, variable pay, allowance, travel re-imbursement, sign-on bonus, guaranteed bonus, medical aid allowance, retirement fund and employee/employer contributions etc. Details are provided in the Human capital report on pages 56 – 67.

Voting at the upcoming AGM

King IV recommendations, as well as the JSE Listings Requirements require a listed company to table its remuneration policy and implementation report for separate non-binding advisory votes by shareholders at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

The remuneration policy and its implementation report will be presented to shareholders for separate non-binding advisory votes thereon at the Company's upcoming AGM to be held on 10 July 2020.

In the event that 25% or more of shareholders vote against either the remuneration policy or the implementation report at the meeting, the Company will engage with shareholders through dialogue, requesting written submissions or otherwise, in order to address shareholder concerns, always with due regard to meeting stated business objectives while being fair and responsible toward both employees and shareholders.

I am pleased to report that shareholders did not vote against the remuneration policy and the implementation report at the AGM held on 3 May 2019.



Mr Pengfei Li
Chair



Arbour day – relocation of protected flora and fauna.





Technical Committee Report

The Committee is pleased to present its report for the financial year ended 31 December 2019. The Committee performed its work in accordance with the written terms of reference approved by the Board as well as its annual plan.

The Committee's primary objective is to create long-term value for stakeholders by assisting the Board to adopt sound principles in the management of safety, health, environmental in building the BPM in addition to any technical matters beyond the statutory requirements.

Composition

The Committee comprises of a majority Non-executive Directors, who are:

- Mr Fugui Qiao (Non-independent, Non-executive Director);
- Mr Huigao Guo (Non-independent, Non-executive Director);
- Mr Lincoln Vumile Ngculu (Independent Non-executive Director); and
- Mr Zhimin Li (Executive Director and CEO).

The Committee held three scheduled and one special meeting during the period under review, the attendance of which is reflected on page 73.

The Committee, in fulfilling its mandate:

- Oversees statutory and regulatory compliance relating to the development of the BPM;

- Assists the Board in discharging its responsibility towards operational risk related to mine construction; and
- Oversees the technical aspects of design and development of the BPM.

Summary of material activities of the Committee during the year under review

In addition to its usual work, the Committee was tasked with the review of the mine works plan based on the new mine operational plan (Survival Plan). The Committee also:

- Considered technical reports in relation to mine project development;
- Considered safety, health and environment reports including project-related compliance reports;
- Recommended Board approval of the new mine operating plan (Survival Plan) to build a 1 mtpa capacity mine by 2021 and ramp up to a 3 mtpa mine capacity by 2027, with a 2 module MF2 processing plant introduced to lessen the impact of financial constraints coupled with low global metal prices; and
- Reported quarterly to the Board on its activities.

Mr Huigao Guo
Chair



Our dedicated employees working underground.





Social and Ethics Committee Report

In line with the requirements of the Companies Act, Wesizwe 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 is comprised of three members with the majority being independent Non-executive Directors. Other attendees include subject-matter experts on each of the disciplines or areas falling within its mandate, as specified in Regulation 43(5) of the Companies Act.

The Committee met four (4) times during the period under review, the attendance of such meetings is reflected on page 73.

The Committee is pleased to present its report for the financial year ended 31 December 2019.

The Committee conducted its work in accordance with the written terms of reference approved by the Board, as well as a detailed annual work plan that includes both its statutory duties and those assigned by the Board.

The Social and Ethics Committee is a critical governance panel that plays a crucial role in ensuring the Company complies with, and follows applicable and proper corporate governance. It draws its mandate from three key aspects:

- Monitoring the Company's activities with due regard given to applicable legislative and regulatory requirements;
- Drawing matters within its mandate to the attention of the Board; and
- Reporting to the shareholders during AGMs.

The Committee is responsible for maintaining the overall direction and control of social responsibility performance, mainly within four thematic areas:

- Social and economic development of all stakeholders;
- Good corporate citizenship;
- Safety, Health and Environment (SHE); and
- Labour and employment.

Composition

The Committee comprises two independent Non-executive Directors and a member of the Executive Committee. The CEO and FD are standing invitees to Committee meetings, while the Mine General Manager and the Executive responsible for Human Resources attend meetings to present their respective reports at the request of the Chair.

The members of the Social and Ethics Committee are:

- Mr Lincoln Vumile Ngculu (independent Non-executive Director);
- Ms Dawn Mokhobo (independent Non-executive Director); and
- Mr Hamlet Morule (Corporate Affairs Executive and member of Exco).

Summary of activities of the Committee during the year under review

Health and safety

Health and safety reviews were conducted on a continuous basis resulting in improved safety record and true to our value of Zero Harm to people and the environment.

2019 has been the most trying period of the project considering the spike in the number of injuries. As at 31 December 2019, there were zero fatalities, the Company recorded 178 679 fatality free shifts and 851 795 fatality free shifts since its last fatality in 2015. We experienced a total of twenty-nine (29) injuries for the year. Ten (10) being serious (S-INJ), three (3) lost time injuries (LTI) and sixteen (16) medical treatment cases (MTC). The LTIFR for 2019 progressively is 1.53. Three (3) injuries and zero (0) dangerous occurrences have been reported to the DMRE.

Management tabled safety hazards, including a detailed analysis of factors that contributed to incidents and the corrective and preventative measures taken to prevent recurrence.

Health and safety reviews were undertaken continuously, resulting in an improved safety record, and which aligns to the Company tenet to aim for zero harm to people and the environment.

Environment

In an attempt to minimise the environmental impacts of our mining activities, the Committee took the approach to work 'smarter' towards improved efficiency and cost-reductions.

The Committee thus comprehensively reviewed management reports on environmental incidents and those related to environmental compliance, it monitored environmental awareness campaigns by management, and management engagement with relevant government departments on environmental permits and licences.





Governance, regulation and reporting thereof

The Committee, in compliance with its mandate:

- Reviewed the 2019 IR and recommended it for Board approval;
- Considered compliance and risk management reports;
- Received management progress reports towards achieving the Mining Charter requirements;
- Considered the implications of the Mining Charter; and
- Reported quarterly to the Board on its activities.

Stakeholder engagement

The Committee received stakeholder engagement reports from management, a full report of which is available on pages 50 – 54.

Ethics management

The Committee applied itself to the reviewed Code of Conduct and Ethics policy, now called the Code of Ethics and Business Conduct.

The Code of Ethics and Business Conduct guides employees on the practical implementation of Wesizwe's core business principles and key policies, and directs them to more detailed policy standards and guidelines for business behaviour. Whilst the Committee cannot anticipate specific incidents, it assures Wesizwe stakeholders that the business principles are designed to ensure responsible decision-making by all.

Reports of alleged unethical behaviour are received through an anonymous reporting hotline. No such incidents were reported during the period under review.

The Committee undertook its duties and responsibilities as stipulated in the Companies Act and regulations, and terms of reference. Areas not attended to during the review period will receive attention in 2020.

Mr Lincoln Vumile Ngculu
Chair



Our dedicated employees working underground.





Audit and Risk Committee Report

The Audit and Risk committee (the Committee) is pleased to present its report in terms of the Companies Act and the JSE Listings Requirements for the financial year ended 31 December 2019. The Committee conducted its work in accordance with the written terms of reference as approved by the Board, information.

The Audit and Risk Committee is an independent statutory committee appointed by the shareholders. The Committee executes all statutory duties in terms of Section 94 of the Companies Act 71 of 2008 in addition to those that are delegated by the Board.

Composition

The composition of the Committee remained unchanged during 2019.

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 chair)
- Mr Lincoln Vumile Ngculu (Independent Non-executive Director)
- Ms Dawn Mokhobo (Independent Non-executive Director)

Ms Dawn Mokhobo is the Chair of the Board. In terms of the JSE Listings Requirements she is not prohibited from serving on the Committee.

The appointment of all members of the Committee is subject to the shareholders' approval at the next AGM to be held on 10 July 2020. Profiles of the members including their qualifications can be viewed on pages 16 – 17 of this report.

Frequency and attendance of meetings

The Committee met six (6) times during the year, of which two meetings were convened on a special basis.

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.

The Committee has overseen financial and integrated reporting, the effectiveness of the risk

management process, and policies and internal controls with reference to the findings of both the internal and external auditors. In delivering this mandate, the Committee performed the following key strategic initiatives:

- Considered and recommended the approval of the financial results by the Board;
- Reviewed and approved trading updates communicated to the market;
- Reviewed and recommended Board approval of the 2019 IR;
- Reviewed management's assessment of going concern;
- Assessed the suitability of the current audit firm and designated partner, in compliance with the JSE Listing Requirements, and took into account other relevant legislation;
- Considered whether the audit firm and, where appropriate, the individual auditor that will be responsible for performing the functions of the auditor are accredited as such on the JSE List of Accredited Auditors and their advisors, as required by the JSE Listings Requirements;
- Ensured 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;
- Recommended and nominated the external auditor for appointment by the shareholders;
- Recommended Board approval of external audit fees and terms of engagement of the external auditor;
- Approved the external audit plan for the financial year, and received feedback from an external audit at the financial year-end meeting;
- Ensured the independence of the internal audit function and that it had the necessary resources, standing, and authority within the organisation to enable it to fulfil its duties as per the requirements of the King IV Codes of good governance;
- Approved the risk-based internal audit plan for the financial year and quarterly internal audit feedback;
- Received and reviewed reports from both internal and external auditors concerning the effectiveness of the internal control environment, systems, and processes management;
- Reviewed and assessed the effectiveness and independence of both internal and external auditors and was satisfied with the independence of the audit services rendered; and
- Reviewed the expertise and qualifications of the Finance Director.





The Committee has approved a policy on the use of external auditors for non-audit services. The principle of the policy is to ensure that on an annual basis, non-audit service fees do not exceed 30% of the company's audit fees on an aggregated basis, and that the Committee should pre-approve any non-audit services to be provided by the external auditor. There were no non-audit services rendered during the year.

External auditor

The Committee nominated and recommended the appointment of the external auditor, SizweNtsalubaGobodo Grant Thornton Inc. (SNG-GT) to the shareholders in compliance with the Companies Act and the JSE Listings Requirements; and the appointment of Mr Herman Leach as designated auditor for the 2019 financial year.

The Committee satisfied itself that the audit firm and designated auditor are accredited and appear on the JSE List of Accredited Auditors. The Committee further satisfied itself that SNG-GT was independent of the Company, which includes consideration of compliance with criteria relating to independence proposed by the Independent Regulatory Board for Auditors.

Internal auditor

The Committee was satisfied that the internal auditor, Mazars Advisory (Pty) Ltd (Mazars) 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 Mazars has access to the committee, primarily through its Chair.

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 can confirm that the internal financial controls form a sound basis for the preparation of reliable financial statements.

The 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 concludes that the current team has the appropriate skills, experience, and expertise required to fulfil the finance function.

In compliance with paragraph 3.84(h) of the JSE Listings Requirements, the Committee satisfied itself with the appropriateness of the expertise and experience of the financial management team as a whole. The Committee has reviewed the performance, qualifications, and expertise of the Finance Director through a formal evaluation process and believes that he requires additional training and time in his role to fully satisfy the requirements of his appointment.

Going concern

The Committee reviewed the documents prepared by management in which it assessed the going concern status of the Company and its subsidiaries at the year-end and for the near future. Management had concluded that the Group was a going concern due to the support of the majority shareholder. The Committee resolved and recommended acceptance of the conclusion to the Board.

Financial statements

The Committee has reviewed the financial statements of the Group and Company for the year ended 31 December 2019, and is satisfied that both comply with IFRS and the Companies Act, and that areas of judgment were discussed to confirm accounting estimates.

Risk management

The Board has assigned oversight of the Company's risk management function to the Committee. This delegated function comprises strategic and operational risks, which are tabled at each of the Board meetings for discussion. The risk register also acts as a basis on which independent assurance activities are developed.

The Committee did not consider the Company's strategic risks for the reporting period because the risks were not reviewed and assessed. A strategic risk assessment session was deferred indefinitely due to the lack of a representative quorum of the Board. This is a key focus area of the committee for 2020.

Fraud prevention

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



Information Technology governance

The Committee is responsible for:

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

The Committee reviewed the effectiveness of the Company ICT environment and given the challenges identified, the Committee placed emphasis on the improvement of IT governance to align the Company practices with the generally accepted standards, a program that will continue in 2020.

Recommendation of the Annual Financial Statements for approval by the Board

The Committee recommended the Group AFS and Company AFS for approval by the Board.

The Committee carried out its work as statutorily required. The Committee has considered the JSE's most recent report on proactive monitoring of financial statements, and where necessary those of previous periods, and taken appropriate action where necessary to respond to the findings as highlighted in the JSE report when preparing the AFS for the year ended 31 December 2019.

Additional focus areas for 2020

- King IV implementation;
- Combined assurance;
- Enterprise risk management; and
- Technology and IT governance.



Mr Victor Thembinkosi Mabuza
Chair



Handover of water tankers to MKLM.





Financial capital



Mr Feng Tao
Financial Director

Positive market conditions

2019 saw significant changes in the market conditions for platinum producers that experienced an upward trend in 4E basket prices and, at the end of the year with Palladium also performing well at more than US\$1 900/oz.

The positive basket price performance, as indicated in the SA PGM producer's results, also adds weight to Wesizwe's management assessment that a long-term positive outlook for commodity prices should remain in play. We also expect this trend to continue in the short- and medium-term derived from the growth in existing sectors but with the addition of demand from Hydrogen Fuel Cell manufacturers.

This all bodes well for Wesizwe's BPM project currently in its last year of development before production begins in 2021.

Table 29: Long Term Price Assumptions (in today's Money)

	R'000
Pt price (US\$/oz) long-term	1 071
Pd price (US\$/oz) long-term	1 414
Rh price (US\$/oz) long-term	6 626
Au price (US\$/oz) long-term	1 300

Capital investment

The main priority for Wesizwe is the development of the BPM Project reaching production. The investment in 2019 of R1.3-billion was largely directed towards the flat development of the mine and the processing plant, underpinned by continuous project optimisation to ensure improvements in cost containment and cash flow. Wesizwe will continue to focus cost containment in 2020, while also giving focus to the critical path capital that is required for the completion of the mine.

Financial capital funding of the Company's BPM project, and other ancillary programmes, is largely sourced in US Dollars. A transaction agreement allowed for a US\$227-million investment in exchange for a 45% equity and 6% BBBEE equity funding. In addition, in 2013, US\$650-million project development funding was secured from the CDB.

As at 31 December 2019, US\$637-million of the US\$650-million had been drawdown. In being a US Dollar loan, the utilisation of such funds was affected by currency fluctuations against the South African Rand; for example, in December 2019, the Rand closed 3.5% stronger than the closing price for December 2018. The 2019 results consequently reflect an unrealised gain of R168-million compared to the unrealised loss of R786.3-million during the 2018 financial year.

Social and relationship capital

The Company acknowledges that sustainable development is a strategic business imperative. Our approach focuses on ensuring the long-term success of the BPM, while simultaneously contributing to the economic growth of its local communities. On a practical level, we endeavour to contribute to their overall prosperity through various mechanisms, namely:

- the creation of jobs;
- by investing in skills development and training;
- through support of local business through goods and services procurement; and
- the creation of effective Social Labour Plan (SLP) programmes.

Procurement

Wesizwe's preferential procurement strategy is aimed at extending its supplier base to include the participation of emerging and established HDSA businesses, thereby contributing to the economy of the country and to ensure shared value.





The table below indicates the Company's performance as per the targets set by the Mining Charter for expenditure such as mining goods and services.

Table 30: Mining Charter preferential procurement performance

Spent category	Compliance target for 2019	Actual 2019 % Spend on BEE Compliant entities and above	Value spent
Mining goods	44%	88%	243 912 389.79
Services	70%	91%	176 780 701.60
Total			420 693 091.39

* The expenditure disclosure above has not been assured or assessed through a formal Mining Charter assessment process as it had not been completed at the time of releasing the 2019 IR.

The Company drives its strategic socio-economic empowerment through procurement opportunities provided to host community companies. The procurement expenditure with those host community enterprises for the period under review amounts to R24.43-million of total discretionary spend. We are fully committed to the growth, sustainability, and development of these businesses, with the intent to further extend and maximise our investment in forthcoming years, provided they comply with the Mining Charter regulations.

Our strategy towards the development of host community enterprises involves:

- Amending tender enquiry documents to contain clauses which meet the requirements of the current Mining Charter;
- Support to local companies through the procurement of mining goods and services;

- Hosting of a procurement workshop aimed at enhancing the skill base of host community companies;
- The creation of jobs through procurement initiatives; and
- The development of an exclusive local supplier database.

Enterprise and supplier development:

The BPM, in collaboration with the NEF, have formalised an Enterprise and Supplier Development Partnership Agreement whereby the NEF will assist BPM in the acceleration of BBBEE through the enterprise and supplier development fund. The BPM and the NEF equally contributed R3-million towards the success of this initiative.

The funding is considered as a loan, starting with minimum entry of R250 000.00 which is repayable at 0 – 5% (zero to five percent) interest, or as determined by the Investment Committee. The BPM and NEF steering committee undertakes assessments of the applications before being submitted to the NEF Investment Committee for a final decision, and retains the right to approve or decline the application.

The objectives of the initiative is to facilitate sustainable partnerships between established BPM suppliers and emerging entrepreneurs within our host community, through empowering Historically Disadvantaged Persons Owned and Controlled Companies and BEE Entrepreneurs as defined in the Mining Charter; which shall be existing or new BPM suppliers.

The implementation of the program will commence in 2020.





Table 31: Wesizwe's key SLP Investments over the past five years

Programmes	Value spent
Gabonewe Housing Project	R137.5-million
Community infrastructure	R2.9-million
Water supply to local communities	R18.8-million
Zwartkopies Agricultural project	R24.0-million
Learnership	R15.4-million
Portable Skills	R8.5-million

The DMRE has approved the Company's revised SLP, for the forthcoming five years. This latest version complies with the requirements as outlined in the latest Mining Charter, more specifically those related to having a social license to operate. Beyond compliance, the SLP is aligned to the holistic approach the Company takes towards the development of the mine, and is indicative of the fine balance aimed for between social and environmental factors and sound economic considerations.

Wesizwe intends to invest R235-million into the social development of the local host community and BPM employees during the next five years.

Acknowledgment

The finance team has built on the groundwork laid in 2018 and continues to further improve on all finance functions including reporting, contributing to the management of cost and liquidity, and in ensuring that all statutory requirements continue to be met.

I would like to acknowledge all employees, particularly those in the finance department, for their devotion to fulfilling their role and continued efforts to support the company and its goals.



Mr Feng Tao
Financial Director

Table 32: Value created by business

Bakubung Minerals (Before consolidation Jnls)	At 1 January 2019 R'000	Spend for 2019 R'000	At December 2019 R'000
Owners cost and pre-production overheads	3 429 336	721 226	4 150 562
EPCM costs	564 120	14 897	579 017
Housing Development and Community projects	179 063	16 589	195 652
Process plant	42 805	145 306	188 111
External bulk power and water supply	274 050	749	274 799
Capital footprint development	202 052	227 404	429 456
Ventilation shaft sinking and development	920 457	100 807	1 021 264
Main shaft sinking and development	1 147 212	4 804	1 152 016
Shaft surface complex infrastructure	279 719	20 503	300 222
Surface infrastructure	119 763	8 925	128 688
Tangible Evaluation and Exploration	454 368	–	454 368
Decommissioning assets	22 656	3 254	25 910
Intangible assets	437 413	–	437 413
Business systems	4 614	(3 517)	1 097
Other property plant and equipment	53 123	(208)	52 915
Total project	8 130 751	1 260 739	9 391 490

Shareholder register Analysis

Table 33: Analysis of ordinary shareholders as at 31 December 2019

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	1 043	24.02	422 522	0.03
1 001 – 10 000	1 339	30.81	5 976 625	0.37
10 001 – 100 000	1 363	31.36	54 305 134	3.34
100 001 – 1 000 000	522	12.01	168 595 103	10.35
Over 1 000 000	78	1.79	1 398 527 674	85.91
Total	4 345	100.00	1 627 827 058	100.00

Distribution of shareholders

Close Corporations	39	0.90	2 554 748	0.16
Custodians	21	0.48	105 254 442	6.47
Foundations and Charitable Funds	6	0.14	94 090	0.01
Insurance Companies	1	0.02	217 021	0.01
Investment Partnerships	17	0.39	945 179	0.06
Managed Funds	4	0.09	6 209 634	0.38
Private Companies	74	1.70	996 957 945	61.24
Public Companies	2	0.05	211 850 385	13.01
Retail Shareholders	3 978	91.56	263 327 528	16.18
Retirement Benefit Funds	1	0.02	31 333	0.00
Stockbrokers and Nominees	6	0.14	1 446 077	0.09
Trusts	194	4.46	38 934 011	2.39
Unclaimed Scrip	2	0.05	4 665	0.00
Total	4 345	100.00	1 627 827 058	100.00

Shareholder type

Non-public shareholders	3	0.07	950 168 190	58.37
Directors and Associates	1	0.02	5 795 888	0.36
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
Public shareholders	4 342	99.93	677 658 868	41.63
Total	4 345	100.00	1 627 827 058	100.00

Shareholder register Analysis *continued*

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
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)	66 070 569	4.06
Total	1 181 435 154	72.58

Total number of shareholdings **4 345**

Total number of shares in issue **1 627 827 058**

Share price performance

Opening Price 2 January 2019	R0.42
Closing Price 31 December 2019	R0.51
Closing High for period	R0.56
Closing low for period	R0.34
Number of shares in issue	1 627 827 058
Volume traded during period	48 107 776
Ratio of volume traded to shares issued (%)	2.96%
Rand value traded during the period	R20 616 727
Price/earnings ratio as at 31 December 2019	20.24
Earnings yield as at 31 December 2019	4.94
Dividend yield as at 31 December 2019	0.00
Market capitalisation at 31 December 2019	R830 191 800





Abridged Annual Financial Statements 2019

Abridged consolidated statement of financial position

as at 31 December 2019

	Notes	2019 R'000	2018 R'000
Assets			
Property, plant and equipment	5	9 946 189	8 858 102
Intangible assets		570	1 139
Other financial assets	6	17 222	9 191
Restricted cash	7	–	44 828
Non-current assets		9 963 981	8 913 260
Other receivables		179 836	72 817
Inventories		120 796	14 872
Taxation	9	–	280
Restricted cash	7	81 028	36 200
Cash and cash equivalents		2 127 557	582 468
Current assets		2 509 217	706 637
Total assets		12 473 198	9 619 897
Equity and liabilities			
Stated capital	8	3 425 544	3 425 544
Market to market reserves		6 232	–
Accumulated loss		(403 645)	(500 448)
Capital and reserves		3 028 131	2 925 096
Deferred tax liability	9	390 081	359 939
Interest-bearing borrowings	13	8 776 645	6 193 998
Lease liability		7 664	–
Mine closure and environmental rehabilitation obligation		47 361	40 472
Cash-settled share-based payment liability		6 037	3 184
Non-current liabilities		9 227 788	6 597 593
Interest-bearing borrowings	13	14 054	–
Lease liability		7	–
Taxation	9	20 411	–
Trade and other payables		182 807	97 208
Current liabilities		217 279	97 208
Total liabilities		9 445 067	6 694 801
Total equity and liabilities		12 473 198	9 619 897

Abridged consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2019

	2019	2018
	R'000	Re-presented* R'000
Operations		
Administration expenses	(65 638)	(20 359)
	(65 638)	(20 359)
Loss on disposal of financial asset	–	(2 234)
Net operating costs	(65 638)	(22 593)
Finance income and expenses		
Finance income	307 677	29 618
Finance expense	(95 664)	(115 578)
Net finance income/(expense)	212 013	(85 960)
Profit/(loss) before tax	146 375	(108 553)
Income tax (expense)/income	(49 572)	19 865
Profit/(loss) for the year	96 803	(88 688)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Gain on fair value movements of equity instrument at FVOCI	8 031	861
Income tax relating to fair value movements of equity instrument	(1 799)	–
Total other comprehensive income	6 232	861
Total comprehensive income/(loss) for the year	103 035	(87 827)
Earnings/(loss) per share		
Basic earnings/(loss) per share (cents)	6.33	(5.40)
Diluted earnings/(loss) per share (cents)	6.33	(5.40)

* Refer to note 18.



Abridged consolidated statement of changes in equity

for the year ended 31 December 2019

	Stated capital R'000	Reserves R'000	(Accumulated loss) R'000	Total R'000
Balance at 1 January 2018	3 425 544	–	(412 621)	3 012 923
Loss for the year	–	–	(88 688)	(88 688)
Other comprehensive income	–	861	–	861
Transfers	–	(861)	861	–
Total comprehensive loss for the year	–	–	(87 827)	(87 827)
Balance at 31 December 2018	3 425 544	–	(500 448)	2 925 096
Profit for the year	–	–	96 803	96 803
Other comprehensive income	–	6 232	–	6 232
Total comprehensive income for the year	–	6 232	96 803	103 035
Balance at 31 December 2019	3 425 544	6 232	(403 645)	3 028 131



Abridged consolidated statement of cash flows

for the year ended 31 December 2019

	Note	2019 R'000	2018 R'000
Cash flows from operating activities			
Cash from operating activities		(180 533)	(51 312)
Cash utilised in operations		(180 533)	(51 312)
Finance income received		15 874	19 636
Finance cost paid		(1 474)	–
Taxation paid		(538)	(53)
Cash utilised in operating activities		(166 671)	(31 729)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1 103 842)	(767 748)
Restricted cash increased		–	(8 184)
Net cash outflow from investing activities		(1 103 842)	(775 932)
Cash flows from financing activities			
Interest-bearing borrowings raised	13	2 815 607	1 001 959
Repayment of lease liability		(5)	–
Net cash inflow from financing activities		2 815 602	1 001 959
Net increase in cash and cash equivalents		1 545 089	194 298
Cash at beginning of year		582 468	388 170
Cash and cash equivalents		2 127 557	582 468



Notes to the abridged consolidated financial statements

for the year ended 31 December 2019

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 2019 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 2019 are available at www.wesizwe.co.za.

2. Statement of compliance

These abridged consolidated financial statements ("abridged report") are prepared in accordance with International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act 71 of 2008, as amended, as well as the Johannesburg Stock Exchange ("JSE") Listings Requirements. The report is prepared in accordance with IFRS, IAS 34 – Interim Reporting.

These abridged financial statements have been extracted from the complete set of financial statements, but is itself not audited, on which the auditors, SizweNtsalubaGobodo Grant Thornton 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 Feng Tao.

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 IFRS and are consistent with those used in the previous annual financial statements except for the adoption of the standard, IFRS 16 'Leases'. The adoption of the new standard has not had a material impact on the financial statements of the Group other than increased disclosure.

4. Estimates

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

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

5. Property, plant and equipment

	Mine Assets R'000	Other R'000	Total R'000
Balance at 1 January 2018	6 224 098	1 230 655	7 454 753
Additions	1 393 227	18 411	1 411 638
Disposals	–	–	–
Depreciation	–	(8 289)	(8 289)
Balance at 1 January 2019	7 617 325	1 240 777	8 858 102
Additions	1 079 445	16 783	1 096 228
Disposals	–	–	–
Depreciation	–	(8 141)	(8 141)
Balance at 31 December 2019	8 696 770	1 249 419	9 946 189

6. Other financial assets

	2019 R'000	2018 R'000
Unlisted equity securities*		
Opening balance	–	10 564
Disposal of financial asset	–	(8 330)
Loss on disposal of financial asset	–	(2 234)
Closing balance	–	–
Listed equity securities*		
Opening balance	9 191	–
Acquisition of financial asset	–	8 330
Gain on fair value adjustment	8 031	861
Closing balance	17 222	9 191

Investment in equity is measured at fair value in the abridged consolidated statement of financial position. Fair values of the listed shares have been calculated by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy. The shares in Royal Bafokeng Platinum Limited ("RBPlats") are listed on the JSE, and the Group is satisfied that there is an active market, and the transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

* RBPlats and Platinum Group Metals South Africa (Pty) Ltd concluded a transaction of sale in which RBPlats acquired Maseve Investments 11 (Pty) Ltd ("Maseve"), a concentrator plant and surface rights in respect of the immovable property owned by Maseve. Africa Wide Mineral Prospecting and Exploration (Pty) Ltd ("Africa Wide"), a subsidiary of Wesizwe owned 17.1% of Maseve and other assets forming part of the RBPlats acquisition. Africa Wide received an issue of RBPlats shares as proceeds of sale for its 17.1% of the assets acquired. Wesizwe and Africa Wide dispute the validity of the transaction concluded and have commenced with processes for litigious relief in 2018. This process was still ongoing in the 2019 financial year.

7. Restricted cash

	2019 R'000	2018 R'000
Non-current		
Eskom – Connection guarantees	–	44 828
Total non-current	–	44 828
Current		
Eskom – Connection guarantees	44 828	–
Department of Mineral Resources and Energy – rehabilitation obligation	36 200	36 200
Total current	81 028	36 200
Total restricted cash	81 028	81 028

Call deposits have been encumbered as a result of guarantees issued to certain service providers. Management is in advanced stages of replacing the Department of Mineral Resources and Energy, and Eskom restricted cash guarantees with insurance guarantees.

8. Stated capital

	2019 R'000	2018 R'000
Authorised		
2 000 000 000 no par value ordinary shares	–	–
Issued		
1 627 827 058 no par value ordinary shares	3 425 544	3 425 544

Notes to the abridged consolidated financial statements continued

for the year ended 31 December 2019

9. Taxation

9.1 Income tax payable/(receivable)

	2019 R'000	2018 R'000
Balance at the beginning of the year	(280)	(293)
Profit or loss charge	21 229	66
Taxation paid	(538)	(53)
Balance at the end of the year	20 411	(280)

9.2 Deferred tax

	2019 R'000	2018 R'000
Deferred tax liability		
Balance at the beginning of the year	359 939	379 867
Current year charges	30 142	(19 928)
Property, plant and equipment	264 407	401 169
Other financial assets	1 799	–
Prepayment	40 590	–
Unredeemed mining capex	(274 654)	(426 198)
IFRS 16 Adjustment	(71)	–
Provisions	(1 929)	5 101
Balance at the end of the year	390 081	359 939

10. Mine closure and environmental rehabilitation obligation

This long-term obligation reflects the net present value of closure, restoration and environmental rehabilitation cost, (including the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) of which cashflows is expended at the end of life of the mine. 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.

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 and Energy, a deposit of R36.2-million (2018: R36.2-million) is held with a financial institution. This investment has been ceded as security in favour of the guarantees which the bank issued on behalf of the Group. The guarantees have been provided to the Department of Mineral Resources and Energy for the mine closure and environmental rehabilitation.

The discount rate regarded as an appropriate long-term risk-free rate is 8.25% (2018: 8.98%) and the appropriate escalation rate is 4.81% (2018: 5.45%). The current cost rehabilitation estimate is R128.9-million (2018: R116.1-million).

11. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. No segment reporting has been produced as the Group is conducting construction activities in one geological location which represents its only business activity with no revenue yet.

12. Subsequent events

As a result of Covid-19 and the lockdown announced by the honourable President of South Africa taking effect midnight 26 March, our BPM project was put into care and maintenance for the lockdown period. In line with IAS 10 'Events after the reporting period', forward looking assumptions and values were reassessed. Although Covid-19 is a non-adjusting event, management still undertook the exercise of calculating the recoverable amount of mine assets using updated commodity prices and is pleased to report that the recoverable amount still exceeded the carrying amount and no impairment would be required.

13. Interest-bearing borrowings

	2019 R'000	2018 R'000
Opening balance	6 193 998	4 426 426
China Development Bank – drawdown	2 815 607	1 001 959
Interest accrued	475 218	298 486
China Development Bank – interest repayment	(482 716)	(343 905)
Realised foreign exchange (gain)/loss	(43 926)	24 734
Unrealised foreign exchange (gain)/loss	(167 482)	786 298
Closing balance	8 790 699	6 193 998
Non-current	8 776 645	6 193 998
Current	14 054	–
Closing balance	8 790 699	6 193 998

The Group has a secured US\$650-million loan facility of which US\$637-million has been used with a carrying amount of R8 791-million at 31 December 2019 (2018: R6 194-million). The interest rate on the facility is determined six monthly in advance based on the six-month LIBOR rate plus 3.5%. The term of the loan is 15 years and no capital repayments are due during the first six years. Repayments in semi-annual instalments over the last nine years of the facility commence at an amount equal 0.077% of the outstanding balance at the end of the sixth year, after which each instalment increases until the second last payment, amounting to 8.5% of the initial outstanding amount. The last instalment repays the total balance. A facility fee amounting to 0.5% of the unutilised 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. Instalment payments are scheduled to start in 2020.

14. Fair values

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

	Notes	GROUP 2019		GROUP 2018	
		Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Cash and cash equivalents		2 127 557	2 127 557	582 468	582 468
Restricted cash (non-current)	7	–	–	44 828	44 828
Restricted cash (current)	7	81 028	81 028	36 200	36 200
Other receivables		2 934	2 934	1 431	1 431
Investment in equity asset	6	17 222	17 222	9 191	9 191
Trade and other payables*		(182 535)	(182 535)	(97 208)	(97 208)
Interest-bearing borrowing	13	(8 790 699)	(8 996 354)	(6 193 998)	(6 288 311)
		(6 744 493)	(6 950 148)	(5 617 088)	(5 711 401)

* Excludes VAT

The levels are classified as follows:

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

There were no transfers between any of the levels during the year.

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

The fair value of other receivables, trade payables and the current interest-bearing borrowing is carried at amortised cost which approximates carrying amounts as the amounts will be received or settled in the short term.

Notes to the abridged consolidated financial statements continued

for the year ended 31 December 2019

14. Fair values continued

Management established the fair value of loans to subsidiaries using a method consistent with the level 3 hierarchy as unobservable inputs were used. Fair value is determined by discounting the carrying amount at the prime lending rate for 6 to 20 years depending on the expected payback of the loan. There were no significant interrelationships between inputs identified and the changing one unobservable input to reflect reasonably possible alternative assumptions would not change the fair value significantly.

The long-term interest-bearing borrowing is measured at amortised cost using the effective interest method. The fair value of long-term borrowings is calculated at contractual interest rates at year-end.

Equity securities are measured at fair value using level 1 values obtained directly from the JSE.

Reconciliation of fair values

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

	GROUP	
	2019	2018
Equity securities – Classified as FVPL (IFRS 9) (Level 3)	R'000	R'000
Opening balance	–	10 564
Disposal of financial asset	–	(8 330)
Loss included in OCI and transferred to profit and loss	–	(2 234)
Closing balance	–	–

	GROUP	
	2019	2018
Equity securities – Classified as FVOCI (IFRS 9) (Level 1)	R'000	R'000
Opening balance	9 191	–
Acquisition of equity asset	–	8 330
Fair value adjustments	8 031	861
Closing balance	17 222	9 191

15. Headline earnings per share

The basis of calculation of headline earnings/(loss) and diluted headline earnings/(loss) per share is:

	2019	2018
	R'000	R'000
Earnings/(loss) attributable to ordinary shareholders (Rand)	103 034 868	(87 826 703)
Loss on disposal of other financial asset	–	2 233 627
Gain on adjustment of value in interest in equity financial asset	(6 232 444)	(860 766)
Headline earnings/(loss)	96 802 424	(86 453 842)
Weighted average number of ordinary shares in issue (shares)	1 627 827 058	1 627 827 058
Headline earnings/(loss) and diluted headline earnings/(loss) per share (cents)	5.95	(5.31)

16. Capital commitments

Capital commitments for the next 12 months' amounts to R934.2-million (2018: R576.7-million).

17. Prospects

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.

18. Reclassification

Reclassification of finance income and finance expense

In prior years, the line item "finance income from subsidiaries" was presented separately in the statement of profit or loss and other comprehensive income for the Company. There is also "finance income from financial institutions" within the same statement for both Group and Company. As these line items are similar in function, it was decided to improve presentation by aggregating them and, together with foreign exchange gains, present it as "finance income". Refer note 30 in AFS.

In prior years, the line item "finance cost capitalised" was presented separately in the statement of profit or loss and other comprehensive income for the Group. There is also "finance expense" within the same statement for both Group and Company. As these line items are similar in function, it was decided to improve presentation by aggregating them and, together with foreign exchange losses, present it as "finance expense".

GROUP 2018	As previously reported R'000	Re- classification R'000	Re- presented R'000
Operations			
Revenue	–	–	–
Finance income from subsidiaries	–	–	–
Administration expenses	(20 359)	–	(20 359)
	(20 359)	–	(20 359)
Loss on disposal of financial asset	(2 234)	–	(2 234)
Net operating (costs)/income	(22 593)	–	(22 593)
Other income and other expenses			
Finance income	–	29 618	29 618
Finance income from financial institutions	27 373	(27 373)	–
Finance expense	(301 829)	186 251	(115 578)
Net foreign exchange gain/(loss)	(811 032)	811 032	–
Finance costs capitalised	999 528	(999 528)	–
Net finance income/(expense)	(85 960)	–	(85 960)
Profit/(loss) before tax	(108 553)	–	(108 553)
Income tax (expense)/income	19 865	–	19 865
Profit/(loss) for the year	(88 688)	–	(88 688)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain on fair value movements of equity instrument at FVOCI	861	–	861
Income tax relating to fair value movements of equity instrument	–	–	–
Total other comprehensive income	861	–	861
Total comprehensive income/(loss) for the year	(87 827)	–	(87 827)

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 ("AGM") of the Company's shareholders will be held at the Holiday Inn Sandton, 123 Rivonia Road, Sandton, Johannesburg on Friday, 10 July 2020 at 09h00.

Purpose

The purpose of the AGM is to transact the business set out in this notice of AGM ("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 AFS, the Directors' reports, 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 2019. The Integrated Report ("IR"), containing the abridged financials and the audited AFS, are available at 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, 3 and 4 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 9 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 10 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 Non-executive Directors

Reason for special resolutions

- Section 66(9) of the Companies Act, 2008 (as amended) ("**Companies 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 Companies Act.
- In addition, King IV 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 as set out in the Company's 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 special resolutions below as stand-alone resolutions that are to be voted on separately:

"Resolved, in terms of section 66(9) of the Companies Act, 2008, as amended ("**the Companies Act**") , that the current remuneration payable to the Non-executive Directors will remain unchanged and will be valid until the next AGM of the Company to be held in 2021."

Category	Current Retainer	Current meeting attendance fee
Board		
Chair	28 007.00	19 066.00
Non-executive Director	9 058.00	9 630.00
Independent Non-executive Director	11 737.00	10 140.00
Audit and Risk Committee		
Chair	0.00	24 412.00
Member	0.00	13 020.00
Remuneration Committee		
Chair	0.00	24 412.00
Member	0.00	13 020.00
Social and Ethics Committee		
Chair	0.00	24 412.00
Member	0.00	13 020.00
Technical Committee		
Chair	0.00	24 412.00
Member	0.00	13 020.00

Effect of special resolution 1

The effect of special resolution number 1 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 AGM of the Company.

1.2 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 Companies Act) for purposes of funding the activities of the Group.
- The Board is required in terms of section 45 of the Companies 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 Companies Act;

- the terms under which the financial assistance is proposed to be given are fair and reasonable to the group;
- Any conditions or restrictions in respect of the granting of financial assistance set out in the Company's Memorandum of Incorporation (MOI) have 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 Companies 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 Companies Act, as a general approval (which approval will

Notice of Annual General Meeting continued

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 terms in Section 45(1) of the Companies 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 Companies 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.

1.3 Special resolution number 3: Financial assistance to Directors and Prescribed Officers

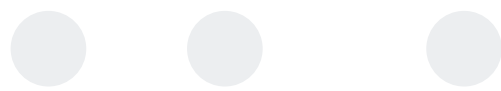
Reason and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to grant the Directors the authority, until the next AGM of the Company, to provide financial assistance to any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of, or in connection with, the subscription or purchase of options, shares, or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of, and pursuant to, the provisions of Sections 44 and 45 of the Companies Act, the Directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions number 2 and 3 above:

- The assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- The Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;
- The terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- All relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company, as contained in the Company’s MOI, have been met.

“Resolved, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“**financial assistance**” will herein have the meaning attributed to it in Sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the company (“**related**” or “**inter-related**” will herein have the meaning attributed to it in Section 2 of the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next AGM of the Company.”



1.4 Special resolution number 4: Share repurchases by the Company and its subsidiaries

The reason for and effect of special resolution number 4 is to grant the directors a general authority in terms of its memorandum of incorporation and the Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 4. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority. In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

"Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the Listings Requirements, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the Johannesburg Stock Exchange ("JSE") trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Board of Directors approving the repurchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Company and its subsidiaries;
- the general repurchase is authorised by the Company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the Listings Requirements."

2. Ordinary business

2.1 Re-election of directors

Contextual information

- In terms of the Company's MOI, as well as the Listings Requirements of the JSE Limited ("**Listings Requirements**") and the recommendations of King IV, at least one-third of the Non-executive Directors in office are required to retire by way of rotation at every AGM 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 and Executive Directors:



Notice of Annual General Meeting continued

2.1.1 Ordinary resolution number 1: Re-election of Mr Lincoln Vumile Ngculu as an independent Non-executive Director

"Resolved that **Mr Lincoln Vumile Ngculu** retires by rotation in terms of the MOI of the Company, and being eligible and offering himself for re-election, be and is hereby re-elected as an independent Non-executive Director."

An abbreviated *curriculum vitae* in respect of **Mr Lincoln Vumile Ngculu** may be viewed on page 17 of this IR, and of which this notice forms part.

2.1.2 Ordinary resolution number 2: Re-election of Mr Victor Thembinkosi Mabuza as an independent Non-executive Director

"Resolved that **Mr Victor Thembinkosi Mabuza** who retires by rotation in terms of the MOI of the Company, and being eligible and offering himself for re-election, be and is hereby re-elected as an independent Non-executive Director."

An abbreviated *curriculum vitae* in respect of **Mr Victor Thembinkosi Mabuza** may be viewed on page 17 of this IR, and of which this notice forms part.

2.2 Confirmation of appointment of new Directors

2.2.1 Ordinary resolution number 3: Confirmation of appointment of Mr Huigao Guo as Non-executive Director

"Resolved that **Mr Huigao Guo's** appointment as a Non-executive Director with effect from 1 April 2019 be and is hereby ratified".

Abbreviated *curriculum vitae* in respect of **Mr Huigao Guo** may be viewed on page 16 of this 2019 IR of which this notice forms part.

2.2.2 Ordinary resolution number 4: Confirmation of appointment of Mr Jianguo Liu as Executive Director

"Resolved that **Mr Jianguo Liu** be appointed as Executive Director with effect from 01 April 2020 be, and is hereby ratified."

2.3 Confirmation of appointment of auditor

Contextual information

- Sizwe Ntsaluba Gobodo Grant Thornton ("**SNG-GT**") is an accredited auditor appearing as such on the list of Accredited Auditors of the JSE Limited and is registered with the Independent Regulatory Board for Auditors ("**IRBA**").

- Mr Herman Leach is a registered auditor and partner with SNG-GT. 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 SNG-GT and Mr Herman Leach qualify for 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 Companies Act:

2.3.1 Ordinary resolution number 5: Confirmation of the appointment of the auditor

"Resolved that SNG-GT be and is hereby appointed as independent auditors of the Company for the ensuing year on the recommendation of the Audit and Risk Committee with the designated auditor being Mr Herman Leach".

2.4 Auditor's remuneration

2.4.1 Ordinary resolution number 6: Confirmation of the auditor's remuneration

"Resolved that the auditor's remuneration for the year ended 31 December 2019 as determined by the Audit and Risk Committee of the Company be, and is hereby, confirmed."

The reason for ordinary resolution number 6 is that the remuneration of the auditor be considered at the AGM of the Company.

2.5 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 and Risk Committee as contemplated in Section 94 of the Companies Act.
- In terms of Section 94 of the Companies Act, read with the recommendations as set out in King IV and the rules of the JSE Listings Requirements in this regard, every public-listed company must at each AGM, appoint an Audit and Risk Committee, comprising of at least three independent Non-executive Directors who, as a collective body, must be suitably qualified, skilled, and experienced to fulfil the obligations of an Audit and Risk Committee as set out in the Companies Act.

- The independence of the undermentioned 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 undermentioned Directors collectively possess the appropriate qualifications, skills, and experience to fulfil 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:

2.5.1 Ordinary resolution number 7: 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 AGM in terms of Section 94(2) of the Companies Act".

Abbreviated *curriculum vitae* in respect of **Mr Victor Thembinkosi Mabuza** may be viewed on page 17 of the IR, of which this notice forms part.

2.5.2 Ordinary resolution number 8: Re-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 Chair of the Board, is eligible in terms of the rules of the JSE Listings Requirements 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 AGM in terms of Section 94(2) of the Companies Act."

Shareholders are informed that Ms Dawn Merle Nonceba Mokhobo, being the Chair of the Board of the Company, is qualified to serve on the Audit and Risk Committee in line with the Listings Requirements of the JSE.

Abbreviated *curriculum vitae* in respect of **Ms Dawn Merle Nonceba Mokhobo** may be viewed on page 16 of the IR and of which this notice forms part.

2.5.3 Ordinary resolution number 9: Re-appointment of Mr Lincoln Vumile Ngculu to the Audit and Risk Committee of the Company

"Resolved that **Mr Lincoln Vumile 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 AGM in terms of Section 94(2) of the Companies Act."

An Abbreviated *curriculum vitae* in respect of **Mr Lincoln Vumile Ngculu** may be viewed on page 17 of this IR, and of which this notice forms part.

Effect of ordinary resolution numbers 7 to 9 (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.

2.6 General authority to issue shares for cash

Contextual Information

- The reason for the ordinary resolution proposed below, is that in terms of the JSE Listings Requirements and the Company's MOI, 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 JSE Listings Requirements, the Companies Act and the Company's MOI.
- The general authority shall be valid until the date of the next AGM of the Company or fifteen (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 1.
- 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:



Notice of Annual General Meeting continued

2.6.1 Ordinary resolution number 10: General authority to issue shares for cash

"Resolved that, subject to the adoption of ordinary resolution number 10, 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 JSE Listings Requirements, the Companies Act and the Company's MOI and subject to the provision that the aggregate number of authorised but unissued ordinary shares 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 provided for and considering:

- The approval shall be valid until the date of the next AGM of the Company or fifteen (15) months from the date of this resolution, whichever period is shorter;
- A SENS announcement giving full details, including the number of securities issued, the average discount to the 30-day VWAP and in the respect of options impacts 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 (1) financial year, five percent (5%) or more of the number of shares in issue prior to such issue;
- The general issue of shares for cash, in the aggregate, in any one (1) financial year may not exceed fifteen percent (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 ten percent (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 JSE Listings Requirements 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."

2.7 Authorise Directors and/or the Company Secretary

Ordinary resolution number 11: 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 AGM of the Company at which these resolutions will be considered."

The reason and effect for ordinary resolution number 10 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 MOI.

2.8 Non-binding advisory votes Contextual Information

- The King IV recommends and the JSE Listings Requirements require a listed company to table its remuneration policy and implementation report for separate non-binding advisory votes by shareholders at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted, and on their implementation.
- These resolutions are of an advisory nature only and a failure to pass either one or both of them will therefore not have any legal consequences relating to existing remuneration agreements. Even though these resolutions are non-binding, if the remuneration policy or the implementation report, or both are voted against by 25%

or more of the voting rights exercised, the Board will, as recommended by King IV and required by the JSE, take the outcome of the vote into consideration when considering amendments to the remuneration policy and implementation report. The Company's remuneration policy and implementation report are included on pages 62 to 65 of the IR.

2.8.1 Non-binding advisory vote number 1: Endorsement of the remuneration policy

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

"Resolved to hereby endorse the Company's remuneration policy, as set out in the Remuneration Report on pages 62 to 65 of the IR, by way of a non-binding advisory vote."

2.8.2 Non-binding advisory vote number 2: Endorsement of the remuneration implementation report

"Resolved to endorse, by way of a non-binding advisory vote, the Company's remuneration implementation report (excluding the remuneration of the Non-executive Directors for their services as Directors and members of Board Committees) set out in pages 62 to 65 of the IR".

3. OTHER BUSINESS

To transact such other business as may be lawfully transacted at an AGM or raised by shareholders with or without advance notice to the Company.

Directors' statement

- The Company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the Company is aware that may have or have had in the previous 12 months, a material effect on the Company's financial position.
- The Directors, whose names are reflected in this IR 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 JSE Listings Requirements.
- Other than the facts and developments reported on in the IR, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the Audit Report up to the date of this notice.

Record date, attendance and voting

- The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company ("the Share Register") for purposes of being entitled to receive this notice, is 24 April 2020.
- 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, 3 July 2020 with the last day to trade being 30 June 2020.
- Shareholders entitled to attend and vote at the AGM 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 the relevant instructions for its completion is set out, is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
- 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 8 July 2020. The Chair of the AGM, in his/her sole discretion, may accept such forms of proxy, provided such forms of proxy are handed to the Chair of the AGM not later than 30 minutes prior to the commencement of the AGM.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM 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.
- Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting



Notice of Annual General Meeting *continued*

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 Companies Act, any shareholder or proxy who intends to attend or participate at the AGM must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the AGM. A bar-coded identification document issued by the South African Department of Home Affairs, a driver's license or a valid passport will be accepted at the AGM as sufficient identification.

Quorum

The AGM 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; and
- 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 AGM.

Electronic participation

Shareholders wishing to participate electronically in the AGM 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 AGM ("**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 Companies Act and to provide the shareholder (or its representative) with details as to the means of participating electronically, the Electronic Notice must reach the aforementioned by no later than at 09h00 on 8 July 2020. In order for the Electronic Notice to be valid it must indicate:

- Whether the shareholder is an individual, with a certified copy of his/her identity document/card 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 AGM via electronic communication); and
- 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 endeavors 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

28 April 2020



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 AGM of shareholders to be held at Holiday Inn Sandton, 123 Rivonia Road, Sandton, Johannesburg on 10 July 2020 ("the Annual General Meeting").

I/We (please print name in full) _____

of (address) _____

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

1. _____ or, failing him/her,
2. _____ or, failing him/her,
3. _____ or failing him/her,
4. the Chair 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 2019			
Special resolution number 1: Remuneration of Non-executive Directors			
Special resolution number 2: Financial assistance to related and inter-related companies			
Special resolution number 3: Financial assistance to Directors and Prescribed Officers			
Special resolution number 4: Share repurchases by the Company and its subsidiaries			
Ordinary resolution number 1: To re-elect Mr Lincoln Vumile Ngculu as an Independent Non-executive Director			
Ordinary resolution number 2: To re-elect Mr Victor Thembinkosi Mabuza as an Independent Non-executive Director			
Ordinary resolution number 3: Confirmation of the appointment of Mr Huigao Guo as Non-executive Director			
Ordinary resolution number 4: Confirmation of the appointment of Mr Jianguo Liu as Executive Director			
Ordinary resolution number 5: Appointment of auditor			
Ordinary resolution number 6: Confirmation of auditor's remuneration			
Ordinary resolution number 7: Re-appointment of Mr Victor Thembinkosi Mabuza to Audit and Risk Committee			
Ordinary resolution number 8: Re-appointment of Ms Dawn Merle Nonceba Mokhobo to Audit and Risk Committee			
Ordinary resolution number 9: Re-appointment of Mr Lincoln Vumile Ngculu to the Audit and Risk Committee			
Ordinary resolution number 10: General authority to issue shares for cash			
Ordinary resolution number 11: Authority to action			
Non-binding advisory vote number 1: Endorsement of the remuneration policy			
Non-binding advisory vote number 2: Endorsement of the remuneration implementation report			

(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 _____ 2020

Signature _____

Please read the notes on the reverse side hereof.



Notes

1. In terms of section 58 of the Companies Act, 2008, as amended ("**the Companies Act**"):
 - A shareholder may, at any time and in accordance with the provisions of section 58 of the Companies 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).
 - 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 MOI, or the instrument appointing the proxy, provides otherwise (see note 4).
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 Chair of the Annual General Meeting", but any such deletion must be initialed by the shareholder. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to those whose names follow.
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 AGM as he/she deemed fit in respect of all 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 AGM or to vote by way of proxy, must contact their CSDP or broker who will furnish them with the necessary authority to attend the AGM 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, 4 AFRICA EXCHANGE at Hill on Empire, 4th Floor Building A, 16 Empire Road, Parktown South Africa, so as to be received by not later than 09:00 on 8 July 2020.
7. The completion and lodging of this form of proxy shall not preclude the relevant shareholder from attending the AGM 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 Chair of the AGM.
9. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
10. The Chair 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 AGM.
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), to reach them by no later than at 09h00 on 8 July 2020.
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 AGM.



Sustainability Limited Assurance Report

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS TO THE DIRECTORS OF WESIZWE PLATINUM LIMITED

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the 2019 Integrated Report of Wesizwe Platinum Limited for the year ended 31 December 2019 (the Report).

Subject Matter

We have been engaged to provide a limited assurance conclusion on the following selected KPIs. The selected KPIs described below have been prepared in accordance with Wesizwe Platinum Limited's reporting criteria.

Category	Selected KPIs	Scope of Coverage
Environmental	<ul style="list-style-type: none"> Total energy consumed. Scope 1 CO₂ emissions. Scope 2 CO₂ emissions. Water used for primary and non-primary activities. 	Wesizwe operations for the 2019 financial year
Social Economic	<ul style="list-style-type: none"> Rand value spent on approved SLP LED projects (Project as stipulated IR). 	
Safety	<ul style="list-style-type: none"> Employee and Contractor Lost Time Injury Frequency Rate (LTIFR). Fatality free shift. Total injuries. 	
Human Resources (Inc. HRD)	<ul style="list-style-type: none"> Total number of employees (permanent and non-permanent) by race, gender, job grade as per EE Act, Mining Charter Employment Equity requirements. Total number of contractors by race and gender. Number of people who attended Core Business training. Number of people who attended Portable skills training. Number of Bursars – internal. Rand value spent on approved/committed training as per SLP. 	

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with Wesizwe Platinum Limited's reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matters and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of certain different but acceptable measurement techniques.

Further, because of the test nature and other inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some, even material, misstatements may not be detected, even though the audit is properly planned and performed in accordance with the International Standard on Assurance Engagements, (ISAE) 3000 (revised). Where the information relies on the factors derived by the independent third parties, our assurance work would not include an examination of the derivation of those factors and other third-party information.



Sustainability Limited Assurance Report continued

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Code of Ethics for Professional Accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

SNG Grant Thornton applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of Wesizwe Platinum Limited's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected KPIs; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Wesizwe Platinum Limited.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Wesizwe Platinum's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Wesizwe Platinum Limited reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, subject to the inherent limitations outlined elsewhere in this report and except for the effect of the matters described in the Basis for Qualified Conclusion section of our report, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 31 December 2019 are not prepared, in all material respects, in accordance with the reporting criteria.



Basis for Qualified Conclusion

Scope 1 Carbon Dioxide emissions

We were unable to obtain sufficient and appropriate audit evidence for the reported achievement. This was due to inadequate systems and processes to ensure that complete information is reported. Consequently, we were unable to confirm the completeness of the scope 1 carbon dioxide emissions by alternative means.

Total energy consumed

We were unable to obtain sufficient and appropriate audit evidence for the reported achievement. This was due to inadequate systems and processes to ensure that complete information is reported. Consequently, we were unable to confirm the completeness of the Total energy consumed by alternative means.

Other Matters

No assurance procedures were performed on comparative sustainability information for prior reporting periods.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Wesizwe Platinum Limited in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Wesizwe Platinum Limited, for our work, for this report, or for the conclusion we have reached.



Omar Kadwa CA(SA)

SizweNtsalubaGobodo Grant Thornton
Director

Registered Auditor

28 April 2020

20 Morris Street East, Woodmead, 2191



GRI G4 content index

GRI 102: GENERAL DISCLOSURES		
Disclosure number	Section	IR page number
1. ORGANISATIONAL PROFILE		
102-1	Name of the organisation	2
102-2	Activities, brands, products, and services	4, 5-6
102-3	Location of headquarters	120
102-4	Location of operations	6, 40
102-5	Ownership and legal form	19, 85
102-6	Markets served	7, 8
102-7	Scale of the organisation	8, 19, 57
102-8	Information on employees and other workers	55-67
102-9	Supply chain	82-83
102-10	Significant changes to the organisation and its supply chain	8
102-11	Precautionary Principle or approach	11-12, 13-14
102-12	External initiatives	2
102-13	Membership of associations	2
2. STRATEGY		
102-14	Statement from senior decision-maker	20-21, 22-24
102-15	Key impacts, risks, and opportunities	7-10, 13-15, 26-28, 31, 51-52
3. ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	2, 68-81
102-17	Mechanisms for advice and concerns about ethics	70, 77-78
102-18	Governance structure	68-69, 71-72
102-19	Delegating authority	71
102-20	Executive-level responsibility for economic, environmental, and social topics	12, 18
102-21	Consulting stakeholders on economic, environmental, and social topics	11, 51-52
102-22	Composition of the highest governance body and its committees	71
102-23	Chair of the highest governance body	71
102-24	Nominating and selecting the highest governance body	71
102-25	Conflicts of interest	70
102-26	Role of highest governance body in setting, purpose, values, and strategy	68-69
102-27	Collective knowledge of highest governance body	69
102-28	Evaluating the highest governance body's performance	71
102-29	Identifying and managing economic, environmental, and social impacts	77-78
102-30	Effectiveness of risk management processes	14, 15, 80
102-31	Review of economic, environmental, and social topics	74-81, 84
102-32	Highest governance body's role in sustainability reporting	77-78
102-33	Communicating critical concerns	71, 73
102-34	Nature and total number of critical concerns	73
102-35	Remuneration policies	62-64, 74-75
102-36	Process for determining remuneration	62-64, 74-75
102-37	Stakeholders' involvement in remuneration	74-75
102-38	Annual total compensation ratio	Not calculated
102-39	Percentage increase in annual total compensation ratio	Not calculated



Disclosure number	Section	IR page number
5. STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	51-52
102-41	Collective bargaining agreements	61
102-42	Identifying and selecting stakeholders	50
102-43	Approach to stakeholder engagement	50-51
102-44	Key topics and concerns raised	50-54
6. REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	92
102-46	Defining report content and topic Boundaries	1-2
102-47	List of material topics	11
102-48	Restatements of information	n/a
102-49	Changes in reporting	101
102-50	Reporting period	2
102-51	Date of most recent report	2
102-52	Reporting cycle	2
102-53	Contact point for questions regarding the report	120
102-54	Claims of reporting in accordance with the GRI Standards	2
102-55	GRI content index	112
102-56	External assurance	2
GRI 103: MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	11
103-2	The management approach and its components	8-10
103-3	Evaluation of the management approach	70
GRI 201: ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	84
201-2	Financial implications and other risks and opportunities due to climate change	34-37
201-3	Defined benefit plan obligations and other retirement plans	64
201-4	Financial assistance received from government	54
GRI 202: MARKET PRESENCE		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not calculated
202-2	Proportion of senior management hired from the local community	None
GRI 203: INDIRECT ECONOMIC IMPACT		
203-1	Infrastructure investments and services supported	53-54
203-2	Significant indirect economic impacts	53-54, 82-84
GRI 204: PROCUREMENT PRACTICES		
204-1	Proportion of spending on local suppliers	83
GRI 205: ANTI-CORRUPTION		
205-1	Operations assessed for risks related to corruption	70, 78
205-2	Communication and training about anti-corruption policies and procedures	70
205-3	Confirmed incidents of corruption and actions taken	70
GRI 206: ANTI-COMPETITIVE BEHAVIOUR		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	n/a



GRI G4 content index *continued*

Disclosure number	Section	IR page number
GRI 301: MATERIALS		
301-1	Materials used by weight or volume	34-35
301-2	Recycled input materials used	37
301-3	Reclaimed products and their packaging materials	34
GRI 302: ENERGY		
302-1	Energy consumption within the organisation	29, 35
302-2	Energy consumption outside of the organisation	29, 35
302-3	Energy intensity	35
302-4	Reduction of energy consumption	35
302-5	Reductions in energy requirements of products and services	35
GRI 303: WATER AND EFFLUENTS		
303-1	Interactions with water as a shared resource	36-37
303-2	Management of water discharge-related impacts	36-37
303-3	Water withdrawal	36-37
303-4	Water discharge	36-37
303-5	Water consumption	35-37
GRI 304: BIODIVERSITY		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	38
304-2	Significant impacts of activities, products, and services on biodiversity	38
304-3	Habitats protected or restored	38
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	38
GRI 305: EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	37
305-2	Energy indirect (Scope 2) GHG emissions	37
305-3	Other indirect (Scope 3) GHG emissions	37
305-4	GHG emissions intensity	37
305-5	Reduction of GHG emissions	37
305-6	Emissions of ozone-depleting substances (ODS)	39
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	39
GRI 306: EFFLUENTS AND WASTE		
306-1	Water discharge by quality and destination	36-37
306-2	Waste by type and disposal method	37
306-3	Significant spills	38
306-4	Transport of hazardous waste	37
306-5	Water bodies affected by water discharges and/or runoff	36-37
GRI 307: ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	38
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1	New suppliers that were screened using environmental criteria	34
308-2	Negative environmental impacts in the supply chain and actions taken	34



Disclosure number	Section	IR page number
GRI 401: EMPLOYMENT		
401-1	New employee hires and employee turnover	60, 66
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	64
401-3	Parental leave	62
GRI 402: LABOUR/MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	61
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
403-1	Occupational health and safety management system	33
403-2	Hazard identification, risk assessment, and incident investigation	33
403-3	Occupational health services	33
403-4	Worker participation, consultation, and communication on occupational health and safety	33
403-5	Worker training on occupational health and safety	33
403-6	Promotion of worker health	33
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33
403-8	Workers covered by an occupational health and safety management system	33
403-9	Work-related injuries	33
403-10	Work-related ill health	33
GRI 404: TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	66-67
404-2	Programs for upgrading employee skills and transition assistance programs	67
404-3	Percentage of employees receiving regular performance and career development reviews	62
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	59, 71
405-2	Ratio of basic salary and remuneration of women to men	62
GRI 406: NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	62
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	24, 61
GRI 408: CHILD LABOUR		
408-1	Operations and suppliers at significant risk for incidents of child labor	62
GRI 409: FORCED OR COMPULSORY LABOUR		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	62
GRI 410: SECURITY PRACTICES		
410-1	Security personnel trained in human rights policies or procedures	Outsourced Service
GRI 411: RIGHTS OF INDIGENOUS PEOPLES		
411-1	Incidents of violations involving rights of indigenous peoples	None occurred
GRI 412: HUMAN RIGHTS ASSESSMENT		
412-1	Operations that have been subject to human rights reviews or impact assessments	62
412-2	Employee training on human rights policies or procedures	62
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	n/a



GRI G4 content index *continued*

Disclosure number	Section	IR page number
GRI 413: LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	50, 53-54, 62
413-2	Operations with significant actual and potential negative impacts on local communities	None experienced
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
414-11	New suppliers that were screened using social criteria	82-83
414-12	Negative social impacts in the supply chain and actions taken	None exists
GRI 415: PUBLIC POLICY		
415-1	Political contributions	None
GRI 416: CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of the health and safety impacts of product and service categories	n/a
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	n/a
GRI 417: MARKETING AND LABELING		
417-1	Requirements for product and service information and labeling	n/a
417-2	Incidents of non-compliance concerning product and service information and labeling	n/a
417-3	Incidents of non-compliance concerning marketing communications	n/a
GRI 418: CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	n/a
GRI 419: SOCIOECONOMIC COMPLIANCE		
419-1	Non-compliance with laws and regulations in the social and economic area	13, 23, 50



Abbreviations and acronyms

4E	The four elements: Platinum, Palladium, Rhodium and Gold
ABET	Adult basic education and training
AET	Adult education and training
AFS	Annual Financial Statements
AGM	Annual General Meeting
ANC	African National Congress
BBBEE	Broad-based black economic empowerment
BEE	Black Economic Empowerment
BFS	Bankable Feasibility Study
BGE	Basic grade equation
BPM	Bakubung Platinum Mine
BRPM	Bafokeng Rasimone Platinum Mine
CADFund	China Africa Development Fund
CAJIL	China Africa Jinchuan Investments Limited
Capex	Capital expenditure
CC5C	Flat Development Contractor
CCMA	Commission for Conciliation, Mediation and Arbitration
CDB	China Development Bank
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Properties Commission
COL	Cost of living
CSDP	Central Securities Depository Participant
DBP	Deferred bonus plan
DEFRA	Department for Environmental, Food and Rural Affairs, UK
DMR	Department of Mineral Resources
EE	Employment equity
EEA	Employment Equity Act
EIA	Environmental impact assessments
EMP	Environmental management plan
EMS	Environmental management system
EPC	Engineering, procurement and construction
EPCM	Engineering, procurement and construction management
ERM	Enterprise Risk Management
ESG	Environmental, Social, Governance
EVP	Employee value proposition
Exco	Executive committee
FEE	Front-end engineering
FOG	Fall of ground
GDP	Gross domestic product
GHE	Gabonewe Housing Estate
GHG	Greenhouse gas(es)
GRI	Global Reporting Initiative
GSSB	Global Sustainability Standards Board
HDSA	Historically Disadvantaged South African/s



Abbreviations and acronyms *continued*

HIRA	Hazard Identification Risk Assessment
HIV	Human Immunodeficiency Virus
HR	Human Resources
HRD	Human Resource development
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
ILO	International Labour Organisation
IoDSA	Institute of Directors Southern Africa
IR	Integrated Annual Report
IRBA	Independent Regulatory Board for Auditors
IRUPS	Ironrich ultramafic pegmatoids
ISAB	International Standard on Assurance Engagements
IT	Information technology
IWULA	Integrated Water Use License Application
Jinchuan	Jinchuan Group Co. Limited
JSE	Johannesburg Stock Exchange
KE	Kriging efficiency
KPAs	Key performance areas
KPIs	Key performance indicators
LCSAP	Lead Certified Sustainability Assurance Practitioner
LED	Local Economic Development
LHD	Long haul dump
LOM	Life of mine
LRA	Labour Relations Act
LTI	Lost time injury/ies
LTIFR(s)	Lost-time injury frequency rate
LTIP	Long-term incentive plan
MCF	Mine call factor
MKLM	Moses Kotane Local Municipality
MOI	Memorandum of incorporation
MOU	Memorandum of Understanding
Moz	Million ounces (measurement)
MPRDA	Mineral and Petroleum Resources Development Act 28 of 2002
MQA	Mines Qualification Authority
MR	Merensky Reef
MTC	Medical treatment case
MTPA	Millions tons per annum
NEF	National Empowerment Fund
NPV	Net Present Value
NDP	National Development Plan (South African)
NGO	Non-Governmental Organisation
NO ₂	Nitrogen dioxide
NUM	National Union of Mineworkers



OCI	Other Comprehensive Income
ODS	Ozone-depleting substances
OECD	Organisation for Economic Co-operation and Development
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
RAD	Reef access drive
REMCO	Remunerations Committee (of the Board)
RIF	Reef in foot
RIH	Reef in hanging
RLS	Rustenburg layered suite
RSA	Republic of South Africa
SAICA	South African Institute of Chartered Accountants
SAMREC	South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SASSA	South African Social Security Agency
SEF	Stakeholder Engagement Forum
SENS	Stock Exchange News Service
SETAs	Sector Education and Training Authorities
SHE	Safety, health and environment
SLP	Social and labour plan, as required by the MPRDA
SNG	SizweNtsalubaGobodo
SNG-GT	SizweNtsalubaGobodo Grant Thornton Inc.
SO ₂	Sulphur dioxide
STI	Short-term incentives
TB	Tuberculosis
TCTC	Total cost to company
UG2	Upper Group 2
VSP	Voluntary separation package
VWAP	volume weighted average price
Wesizwe	Wesizwe Platinum Limited
WBCSD	World Business Council for Sustainable Development
WHO	World Health Organisation
WIM	Women in mining
WRI	World Resources Institute
WULA	Water use licence assessment



Administration

Wesizwe Platinum Limited

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

Legal adviser

Motalane Attorneys INC
Registration number: 2017/223544/21
Birchwood Court, East Wing
43 Montrose Street
Vorna Valley
Midrand, 1686
South Africa

Company Secretary and registered office

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

Auditors

SizweNtsalubaGobogo Grant Thornton Inc.
Registration number: 2005/034639/21
20 Morris Street East
Woodmead, 2191
South Africa

Sponsor

PSG Capital (Pty) Limited
Registration number: 2006/015817/07
Second Floor
11 Alice Lane
Sandton, 2196

PO Box 650957
Benmore, 2010
South Africa

Transfer secretaries

4Africa Exchange
Registration Number: 2016/396777/07
Hill on Empire
4th Floor Building A
16 Empire Road
Parktown, 2193
South Africa



w e s i z w e

