Annual Financial Statements 2023

Contents

Prepared by

The financial statements have been prepared under the supervision of the Financial Director, Jianguo Liu. The financial statements have been audited in compliance with the requirements of the Companies Act 71 of 2008, as amended (Companies Act).

Feedback

For any questions or to provide feedback on this report, please contact Corporate Affairs –

info@wesizwe.com.

About Wesizwe

Wesizwe Platinum Limited (Wesizwe) is a platinum group metals (PGMs) mining company listed on the Johannesburg Stock Exchange (JSE). Our flagship project, the Bakubung Platinum Mine (BPM, the mine), is located in the Bushveld Igneous Complex, near Rustenburg in North West province, South Africa.

Vision

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

Values

Zero harm to people and the environment

Ownership, accountability and responsibility

Trust, openness and transparency

Perseverance and tenacity

Ethical behaviour based on integrity and honesty

Respecting diversity and inclusion

Dignity, respect and fairness

Caring

Salient features

US$182.6 million

shareholder's loans raised
(US$182.6 million short term)

R1.4 billion

direct investment
in property, plant and equipment

R1.195 billion

forex loss on loans
denominated in foreign currency

R1.294 billion

finance expense
incurred during 2023

1.55 cents

basic loss per share

Annual Financial Statements

Chief Executive Officer and Financial Director’s responsibility statement

The Directors, whose names are stated below, hereby confirm that:

(a) The Annual Financial Statements, set out on pages 12 to 57, fairly present in all material respects the financial position, financial performance and cash flows of Wesizwe Platinum Limited in terms of IFRS;

(b) To the best of our knowledge, no facts have been omitted or untrue statement made that would make the Annual Financial Statements false or misleading;

(c) Internal financial controls have been put in place to ensure that material information relating to Wesizwe Platinum Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Wesizwe Platinum Limited;

(d) The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;

(e) Where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

(f) We are not aware of any fraud involving Directors.

Long Zou
Chief Executive Officer

Jianguo Liu
Financial Director

Directors' responsibility and approval
for the year ended 31 December 2023

The Directors are responsible for the preparation and fair presentation of the Group Annual Financial Statements (AFS) and Company AFS of Wesizwe Platinum Limited ("Wesizwe", "the Company" or "Group" depending on context), comprising the statement of financial position as at 31 December 2023, statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and the requirements of the Companies Act, as well as the JSE Listings Requirements. In addition, the Directors are responsible for preparing the Directors' report.

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

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

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

Approval of Group Annual Financial Statements and Company Annual Financial Statements

The Group AFS and Company AFS of Wesizwe Platinum Limited, as identified in the first paragraph, were approved by the Board of Directors on 28 March 2024 and signed by:

Dawn Mokhobo
Chairperson

Jianguo Liu
Financial Director

Certificate by the Company Secretary
for the year ended 31 December 2023

In terms of section 88(2)(e) of the Companies Act, as amended, I certify that the Group has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Azeyech Consulting Services Proprietary Limited
Company Secretary

28 March 2024

Report of the Audit and Risk Committee

for the year ended 31 December 2023

Introduction

The Audit and Risk Committee (the committee) is pleased to present its report in terms of the Companies Act and the JSE Listings Requirements for the financial year ended 31 December 2023. The committee conducted its work in accordance with the written terms of reference as approved by the Board, information about which is recorded in the corporate governance section of the 2023 Integrated Annual Report (2023 IAR).

The 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 in addition to those that are delegated by the Board.

Composition

The composition of the committee remained unchanged for the period under review and comprised members who have the necessary skills and experience to fulfil the duties of the committee. The committee comprised the following members:
- Victor Mabuza (Independent Non-executive Director and Chair);
- Lincoln Ngculu (Independent Non-executive Director); and
- Dawn Mokhobo (Independent Non-executive Director).

The appointment of all members of the committee is subject to the shareholders' approval at the next Annual General Meeting (AGM) to be held on 31 May 2024. The profiles of the members, including their qualifications, can be viewed in the 2023 IAR.

Frequency and attendance of meetings

The committee met eight times during the year.

Duties assigned by the Board

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. 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. In delivering this mandate, the committee performed the following key strategic initiatives:
- Considered and recommended the approval of the financial statements by the Board;
- Reviewed and approved trading updates communicated to the market;
- Reviewed and recommended Board approval of the 2023 IAR;
- Reviewed management's assessment of going concern;
- Assessed the suitability of the current audit firm and designated partner, in compliance with the JSE Listings Requirements and considered other relevant legislation;
- 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 the external auditor 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 and recommended practices;
- 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 Financial 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 Grant Thornton) to the shareholders in compliance with the Companies Act and the JSE Listings Requirements and the appointment of Siyakhula Vilakazi as designated auditor for the 2023 financial year.

The committee has 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 Grant Thornton 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 has satisfied itself that the internal auditor, Mazars Advisory Proprietary Limited (Mazars), is independent of the Company, which includes consideration of compliance with criteria relating to the Institute of Internal Auditors and the Independent Regulatory Board for 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 that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

Expertise of the Financial Director and finance function

In compliance with paragraph 3.84(g)(i) 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 is satisfied with the performance, qualifications, and expertise of the Financial Director.

In compliance with paragraph 3.84(g) (ii) of the JSE Listings Requirements, the committee has satisfied itself that the Company has established appropriate financial reporting procedures and that those procedures are operating This included consideration of all entities included in the consolidated group IFRS financial statements,, ensuring that management had access to all the financial information of Wesizwe Group to allow the effective preparation and report on the consolidated financial statements.

The committee has reviewed the current performance and future requirements for the financial management of the Company and concluded that the current team has the appropriate skills, experience, and expertise required to fulfil the finance function.

Going concern

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

Financial statements

The committee has reviewed the AFS of the Group and Company for the year ended 31 December 2023 and is satisfied that they comply with IFRS and the Companies Act. Areas of judgement were discussed to confirm accounting estimates.

Risk management

The Board has assigned oversight of the Company's risk management function to the committee. 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.

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 is shared between this committee and the Social and Ethics Committee.

Report of the Audit and Risk Committee continued
for the year ended 31 December 2023

Technology governance and information technology (IT)

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 information and communications technology (ICT) environment and, given the challenges identified in ICT, the committee placed emphasis on the improvement of IT governance to align the Company practices with the generally accepted standards. This programme will continue in 2024.

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 back on proactive monitoring of financial statements and where necessary those of previous periods. Appropriate action has been taken to respond to these findings when preparing the AFS for the year ended 31 December 2023.

The committee reviewed the Company's strategic risks for the reporting period and felt that the prior period's strategic risks were still the key strategic risks that the Company needed to focus on.

Additional focus areas for 2024

- Mine production management;
- Materials management review;
- Plant operations;
- Life of mine planning and monitoring – review;
- Legal and regulatory compliance;
- Revenue management;
- Combined assurance;
- Planned maintenance of mining equipment;
- Enterprise risk management;
- Technology and IT governance; and
- King IV Code implementation.

Victor Mabuza
Chairman

28 March 2024

Directors’ report
for the year ended 31 December 2023

The Directors have pleasure in submitting their report on the AFS of Wesizwe Platinum Limited and the Group for the year ended 31 December 2023.

Nature of business

Wesizwe Platinum Limited is a public company incorporated in the Republic of South Africa and its shares are listed on the JSE.

The Group’s main strategic project is to build and operate South Africa’s next PGMs mine at its Bakubung Minerals Proprietary Limited (Bakubung) operation, also known as BPM, which is owned by Wesizwe, firmly positioning the Group as a significant mid-tier precious metals producer.

There have been no material changes to the nature of the Group’s business from the prior year.

Review of financial results and activities

The consolidated AFS have been prepared in accordance with IFRS and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year save for the accounting policies that became effective and were adopted in the current year, outlined in the notes to the financial statements.

Results of the Group for the year under review

The Group will not earn revenue from mining activities until such time as the BPM is brought into production.

The loss before tax for the year under review was R12.2 million (2022: R79.2 million loss). These results take into account administration expenses amounting to R27.9 million (2022: R62.0 million), finance income amounting to R31.2 million (2022: finance income R33.3 million) and finance expense amounting to R18.7 million (2022: finance expense R50.4 million) as presented in the statement of profit or loss and other comprehensive income.

Directorate

Directors and changes in Board of Directors

The details of the current Directors are provided in the 2023 IAR.

Mr Sun Pingan resigned as Non-executive Director on 5 July 2023.

Mr Yongxiang Huang was appointed as a Non-executive Director on 7 March 2024. In accordance with clause 5.1.4 of the Company's Memorandum of Incorporation (MOI), directors appointed during the year must be confirmed by shareholders at the AGM following such appointment.

In accordance with clause 5.1.8 of the Company’s MOI, one-third of the Non-executive Directors shall retire at each AGM on a rotational basis as determined in the said clause. Retiring directors are eligible for re-election. The Directors retiring and seeking re-election at the AGM are Fugui Qiao and Qing Yu.

Directors’ remuneration

Refer to the remuneration report in note 30 of the AFS.

Directors’ interest in contracts

There is a conflict of interest policy in place. Directors are required to inform the Board timeously of conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflicting interest.

During the financial year, no material contracts were entered into in which Directors and prescribed officers of the Company had an interest and which significantly affected the business of the Group. The Directors had no interest in any third party or company responsible for managing any of the business activities of the Group.

Stated capital

There have been no changes to the authorised or issued share capital during the year under review.

Further details of the authorised and issued stated capital are set out in note 11 to the financial statements.

Special resolutions

The remuneration payable to Non-executive Directors was approved at the AGM that was held on 31 May 2023 effective until the next AGM, which will be held on 31 May 2024.

The Board of Directors of the Group is to be authorised in terms of section 45(3)9(a)(ii) of the Companies Act, as general approval to authorise the Group to provide any direct or indirect financial assistance to any related or inter-related companies of the Group on the terms and conditions and for the amounts that the Board of Directors may determine.

Directors' report continued

for the year ended 31 December 2023

Events after the reporting period

The Group is in negotiations with the Commission for Conciliation, Mediation and Arbitration (CCMA) regarding Section 189a that will affect the retrenchment of staff members.

Mr Yongxiang Huang was appointed as a Non-executive Director on 7 March 2024.

Funding and going concern

Funding of BPM

The project funding of US$650 million from China Development Bank (CDB), which Jinchuan Group Limited (Jinchuan) and China-Africa Development Fund (CAD) undertook to secure in terms of the subscription agreement, was finalised and the facility agreement was signed in December 2013. The term of this loan is 15 years from the date of the first drawdown, i.e. from January 2014. Capital repayments in "six monthly instalments" only commence after six years from the date of the first drawdown. The instalments commence as relatively small amounts, being 0.077% of the outstanding balance at the payment date of the first instalment, which increases with every consecutive repayment to a pre-final instalment of 8.5% of the outstanding balance on the payment date of the second last instalment. The final instalment will be equal to the balance outstanding on the final payment date. The variable interest rate is determined every six months, in advance, at the then ruling "six-month LIBOR rate" plus 3.5%. This project funding facility is exclusively available for the purposes of developing the BPM.

As at 31 December 2020, the full facility of US$650 million had been drawdown.

The Board is currently considering future funding options; such options will be a function of market conditions closer to the target date and additional funding requirements. In order to address shortfall funding, management has acquired the full commitment from the majority shareholder.

Going concern

The Group's cash resources at the reporting date of R227.9 million (2022: R342.6 million) are not sufficient, based on current budgets, to conduct operations and complete the development of the BPM Project. The Group's current liabilities at the reporting date, which include shareholder's loans of R3 017.4 million (2022: R5 634.3 million), exceed the current assets by R3.5 billion (2022: R5.6 billion).

These conditions indicate that a material uncertainty exists, which may cast significant doubt as to the ability of the Company and its subsidiaries to continue as a going concern in that they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The ability of the Group and Company to continue as a going concern is dependent on the support of the majority shareholder and the majority shareholder not calling on the current shareholder's loans. The shareholder has supported the shortfall to date and has provided a letter of comfort supporting any shortfall and guaranteed repayment of the CDB loan going forward.

Based on the above, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Auditors

SNG Grant Thornton continued in office as auditors for the Company and its subsidiaries for 2023.

The shareholders will be requested to reappoint SNG Grant Thornton as the independent external auditor of the Group and to confirm Mr Siyakhula Vilakazi as the designated lead audit partner for the 2024 financial year at the AGM.

Company Secretary

The Company Secretary is Azeyech Consulting Services Proprietary Limited.

Annual General Meeting

The notice convening the AGM to be held on 31 May 2024, together with a shareholder proxy form and the notes explaining the various resolutions to be considered at that meeting, is enclosed within the 2023 IAR.

Approval of Annual Financial Statements

The AFS set out on pages 12 to 57, which have been prepared on the going concern basis, were approved by the Board of Directors on 28 March 2024.

Dawn Mokhobo
Chairperson

28 March 2024

Independent auditor's report
for the year ended 31 December 2023

To the Shareholders of Wesizwe Platinum Limited

Report on the audit of the consolidated and separate financial statements

Opinion
We have audited the consolidated and separate financial statements of Wesizwe Platinum Limited and its subsidiaries (the group) and separate financial statements (the company) set out on pages 12 to 57, which comprise the Consolidated and Company statements of financial position as at 31 December 2023, and the Consolidated and Company statements of profit or loss and other comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated and Company statements of cash flows for the year then ended, and notes to the Consolidated and Company financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Wesizwe Platinum Limited as at 31 December 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern
We draw attention to Note 35 in the consolidated and separate financial statements, which indicates that the group's current liabilities exceeded current assets by R3.5 billion. As stated in Note 35, these events or conditions, along with other matters as set forth in Note 35, indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report
for the year ended 31 December 2023

This key audit matter is applicable to the consolidated financial statements

Key audit matter	Audit procedures performed
Included in the Property, plant and equipment is mine development assets amounting to R18 681 million, relating to the Company's subsidiary, Bakubung Minerals (Pty) Ltd. These assets relate to the Bakubung Platinum Mine (BPM) project which was still under construction at reporting date, and management applied significant judgement in determining whether these assets are impaired. Management uses a discounted cash flow model to determine the recoverable amounts, which is complex and certain key inputs, specifically commodity price and foreign exchange rate forecasts are subject to volatility. Due to the significant judgment applied by management, the valuation of the mine development assets is considered a key audit matter.	Our audit procedures included, among others: • We tested the mathematical accuracy of the discounted cash flow model. We also considered the appropriateness of the model applied by management by comparing it with market practice and through enquiry with our experts. • We evaluated the cash flows used in the discounted cash flow model by focusing on changes since the previous reporting period to corroborate key capital investments and operational construction costs with reference to the project plan approved by the directors of the Company. • We tested reasonability of the discount rate applied by the Group in the finance model. Critically evaluated key inputs used in the model for reasonableness by reference to external data including a basket of third-party commodity price and foreign exchange rate forecasts. • We evaluated whether the Group's disclosures around the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of the mine development assets.

This key audit matter is applicable to the separate financial statements

Key audit matter	Audit procedures performed
The Company's investment in subsidiaries, loans and receivables from subsidiaries are of most significance when coming to the presentation of the Company's total assets as at 31 December 2023. The Company's main subsidiary is Bakubung Minerals (Pty) Ltd. Due to the impairment indicators relating to the mine development assets of Bakubung Minerals (Pty) Ltd, management have applied significant judgement in their impairment testing of the investment in subsidiaries and loans and receivables at year end.	Our audit procedures included, among others: • We evaluated the recoverable amounts of the investment in subsidiaries and the loans receivable from subsidiaries with reference to the net asset value of each subsidiary using the fair value of their assets less the fair value of their liabilities. • We assessed the reasonability of the Expected Credit Losses assessment methodology and calculation and recalculated the impairment loss.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Wesizwe Platinum Limited Annual Financial Statements", for the year ended 31 December 2023, which includes the Directors' Report, the Audit and Risk Committee's Report, the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SNG Grant Thornton Inc. has been the auditor of Wesizwe Platinum Limited for 6 years.

Siyakhula Vilakazi
Director

Registered Auditor

28 March 2024

SizweNtsalubaGobodo Grant Thornton Inc.
Building 4, Summit Place Office Park
221 Garsfontein Road
Menlyn, 0081

Statement of financial position

as at 31 December 2023

	Note	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Assets					
Non-current assets					
Property, plant and equipment	4	22 551 969	18 782 724	3 754	3 961
Intangible assets		3 103	3 397	–	–
Investments in subsidiaries	5	–	–	1 018 505	432 550
Loans to subsidiaries	6	–	–	17 327 151	11 417 753
Other financial assets	7	9 503	57 234	–	–
Restricted cash	10	118 311	118 311	27 000	27 000
		22 682 886	18 961 666	18 376 410	11 881 264
Current assets					
Inventories	8	1 430 194	1 121 086	–	–
Loans to subsidiaries	6	–	–	4 736 112	6 989 059
Other receivables	9	83 914	98 219	15 377	12 954
Cash and cash equivalents	10	109 581	224 335	4 948	193 166
		1 623 689	1 443 640	4 756 437	7 195 179
Total assets		24 306 575	20 405 306	23 132 847	19 076 443
Equity and liabilities					
Equity					
Stated capital	11	3 425 544	3 425 544	3 425 544	3 425 544
Shareholder's contributions	12	1 008 703	422 748	1 008 703	422 748
Mark-to-market reserves		34 613	37 305	–	–
Accumulated loss		(535 683)	(510 483)	(968 321)	(980 225)
		3 933 177	3 375 114	3 465 926	2 868 067
Liabilities					
Non-current Liabilities					
Shareholder's loans	13	7 641 650	1 103 583	7 641 650	1 103 583
Interest-bearing borrowings	14	7 135 666	8 357 998	7 135 666	8 357 998
Lease liability	15	7 616	7 632	–	–
Deferred tax liability	16	381 384	387 889	–	–
Mine closure and environmental rehabilitation obligation	17	44 153	79 642	–	–
Cash-settled share-based payment liability	18	–	4 613	–	4 613
		15 210 469	9 941 357	14 777 316	9 466 194
Current liabilities					
Trade and other payables	19	159 326	238 489	10 083	10 048
Loans from subsidiaries	6	–	–	3 829	3 149
Shareholder's loans	13	3 017 378	5 634 306	3 017 378	5 634 306
Interest-bearing borrowings	14	1 852 467	1 091 709	1 852 467	1 091 709
Lease liability	15	15	12	–	–
Cash-settled share-based payment liability	18	2 962	–	2 962	–
Taxation	24	130 781	124 319	2 886	2 970
		5 162 929	7 088 835	4 889 605	6 742 182
Total liabilities		20 373 398	17 030 192	19 666 921	16 208 376
Total equity and liabilities		24 306 575	20 405 306	23 132 847	19 076 443

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

		GROUP		COMPANY	
	Note	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Revenue	20	–	–	35 975	29 948
Other income - change in estimate of mine closure obligation	17	6 183	–	–	–
Loss on disposal of financial asset	7	(3 066)	–	–	–
Administration expenses	21	(27 829)	(62 007)	(50 746)	(14 127)
Net operating (costs)/income		(24 712)	(62 007)	(14 771)	15 821
Finance income	22	31 171	33 284	2 515 653	1 717 820
Finance expense	22	(18 669)	(50 448)	(2 488 978)	(1 731 101)
(Loss)/profit before taxation		(12 210)	(79 171)	11 904	2 540
Income tax expense	23	(12 990)	(54 929)	–	(3 014)
(Loss)/profit for the year		(25 200)	(134 100)	11 904	(474)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
(Loss)/gain on fair value movements of equity instrument at fair value through other comprehensive income	7	(13 431)	2 978	–	–
Income tax relating to fair value movements of equity instrument	23	10 739	(644)	–	–
Total items that will not be reclassified to profit or loss		(2 692)	2 334	–	–
Other comprehensive income for the year net of taxation		(2 692)	2 334	–	–
Total comprehensive (loss)/income for the year		(27 892)	(131 766)	11 904	(474)
Earnings per share					
Basic and diluted loss per share (cents)	26	(1.55)	(8.24)		

Statement of changes in equity

for the year ended 31 December 2023

GROUP	Stated capital R'000	Shareholder's contributions R'000	Mark-to-market reserves R'000	Accumulated loss R'000	Total equity R'000
Balance at 1 January 2022	3 425 544	138 004	34 971	(376 383)	3 222 136
Loss for the year	–	–	–	(134 100)	(134 100)
Other comprehensive income	–	–	2 334	–	2 334
Total comprehensive income for the year	–	–	2 334	(134 100)	(131 766)
Shareholder's contribution during the year	–	284 744	–	–	284 744
Balance at 31 December 2022	3 425 544	422 748	37 305	(510 483)	3 375 114
Loss for the year	–	–	–	(25 200)	(25 200)
Other comprehensive income	–	–	(2 692)	–	(2 692)
Total comprehensive loss for the year	–	–	(2 692)	(25 200)	(27 892)
Shareholder's contribution during the year	–	585 955	–	–	585 955
Balance at 31 December 2023	3 425 544	1 008 703	34 613	(535 683)	3 933 177
Note	11	12			

COMPANY	Stated capital R'000	Shareholder's contributions R'000	Mark-to-market reserves R'000	Accumulated loss R'000	Total equity R'000
Balance at 1 January 2022	3 425 544	138 004	–	(979 751)	2 583 797
Loss for the year	–	–	–	(474)	(474)
Total comprehensive income for the year	–	–	–	(474)	(474)
Shareholder's contribution during the year	–	284 744	–	–	284 744
Balance at 31 December 2022	3 425 544	422 748	–	(980 225)	2 868 067
Profit for the year	–	–	–	11 904	11 904
Total comprehensive income for the year	–	–	–	11 904	11 904
Shareholder's contribution during the year	–	585 955	–	–	585 955
Balance at 31 December 2023	3 425 544	1 008 703	–	(968 321)	3 465 926
Note	11	12			

Statement of cash flows

for the year ended 31 December 2023

		GROUP		COMPANY	
	Note	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Cash flows from operating activities					
Cash utilised in operations	25	(316 039)	(397 639)	(30 206)	(40 556)
Finance income received		16 829	12 303	2 849	2 095
Finance cost paid		(1 494)	(1 468)	(890 233)	(531 808)
Taxation received	24	424	–	379	–
Taxation paid	24	(11 903)	(3 791)	(463)	(44)
Net cash utilised in operations		(312 183)	(390 595)	(917 674)	(570 313)
Cash flows from investing activities					
Acquisition of property, plant and equipment	25	(1 364 482)	(1 886 969)	–	–
Finance cost paid capitalised	14	(890 233)	(531 808)	–	–
Purchase of intangible assets		(2 227)	(3 574)	–	–
Proceeds from repayment of loans to subsidiaries		–	–	75 123	628
Transfer to restricted cash		–	(23 851)	–	–
Loans advanced to subsidiaries		–	–	(1 800 050)	(2 068 583)
Net cash outflow from investing activities		(2 256 942)	(2 446 202)	(1 724 927)	(2 067 955)
Cash flows from financing activities					
Interest-bearing borrowings repaid	14	(933 910)	(1 140 524)	(933 910)	(1 140 524)
Shareholder's loan raised	13	3 380 684	3 789 096	3 380 684	3 789 096
Repayment of lease liability		(12)	(10)	–	–
Net cash inflow from financing activities		2 446 762	2 648 562	2 446 774	2 648 572
Net decrease in cash and cash equivalents		(122 363)	(188 235)	(195 827)	10 304
Cash at the beginning of the year		224 335	374 148	193 166	144 440
Exchange gains on cash and cash equivalents		7 609	38 422	7 609	38 422
Cash and cash equivalents at the end of the year		109 581	224 335	4 948	193 166

Notes to the financial statements

for the year ended 31 December 2023

Reporting entity

Wesizwe is a company domiciled in the Republic of South Africa. The Group AFS on 31 December 2023 comprise the Company and its subsidiaries (together referred to as "the Group"). The ordinary shares of the Company are listed on the JSE. Wesizwe, through its wholly owned subsidiary Bakubung, is engaged in the development of its mine, located on the western limb of the Bushveld Complex.

Basis of preparation of financial results

Statement of compliance

The Group AFS and Company AFS are prepared in accordance with IFRS, IFRIC interpretations issued, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act as well as the JSE Listings Requirements.

Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. Refer to note 35.

Basis of measurement

The Group AFS and Company AFS for the year ended 31 December 2023 have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These financial statements are presented in South African rand (ZAR), which is the Group's functional currency. Unless specified otherwise, all information presented in ZAR has been rounded to the nearest thousand. Management has determined the functional currency to be South African rand. Although borrowings are in US dollars, the amounts are converted into South African rand and all major operating costs are rand-denominated. Management will reassess the functional currency once trading of resources commences as sales prices of minerals are influenced by foreign currencies.

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the spot rate of exchange ruling at the reporting date. All differences are recognised in the consolidated statement of profit or loss and other comprehensive income except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future production use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

Use of estimates and judgements

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

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

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 3: Judgements by Directors and management.

1. Material accounting policies

The principal accounting policies applied in the preparation of these AFS are set out below.

1.1 Basis of consolidation

The Group AFS consolidate those of Wesizwe and all of its subsidiaries as at 31 December 2023. All subsidiaries have a reporting date of 31 December.

(i) Subsidiaries

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

Subsidiaries are measured at cost, less any accumulated impairment losses, in the AFS of the Company.

(ii) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised gains and losses arising from intra-Group transactions, are eliminated on consolidation.

1.2 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 generated as yet.

1.3 Stated capital

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

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost. The Group recognises in the carrying amount of property, plant and equipment, the cost of replacing part of an item when that cost is incurred if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Capitalised expenditure includes costs directly related to exploration and evaluation activities, including materials and fuel used, surveying costs, drilling costs and payments made to contractors. General and administrative costs are capitalised as an asset only to the extent that those costs can be related directly to operational activities. Exploration and evaluation expenditure that has been capitalised has been reclassified to property, plant and equipment, as the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. Development expenditure incurred by or on behalf of the Group comprises costs directly attributable to the construction of a mine, related infrastructure and capitalised borrowings. No depreciation is recognised in respect of development assets. Development assets are recognised at cost and are assessed for impairment if facts and circumstances indicate that an impairment may exist. Refer to note 1.6.

Subsequently, it is measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation methods and useful lives, as well as residual values, are reviewed annually and adjusted if appropriate. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management.

Notes to the financial statements continued
for the year ended 31 December 2023

1. Material accounting policies continued

1.4 Property, plant and equipment continued

Depreciation is provided over the estimated useful lives of the assets at the following rates:

Item	Depreciation method	Depreciation rate per annum
Buildings	Straight line	4.00%
Land	Not depreciated	
Furniture and fittings	Straight line	20.00%
Vehicles	Straight line	20.00%
Office equipment	Straight line	20.00%
Computer equipment	Straight line	33.33%
Technical equipment	Straight line	20.00%
Other office fittings	Straight line	25.00%
Right-of-use assets (ROU)	Period of the lease	
Plant and equipment*	Unit of production	
Mine development assets*	Unit of production	
Mining rights*	Unit of production	

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

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

1.5 Financial instruments

Classification

The Group classifies its financial assets in the following measurement categories:
- Those to be measured subsequently at fair value through other comprehensive income (FVOCI); and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

The Group classifies financial liabilities at amortised cost.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

At initial recognition, the Group measures interest-bearing borrowings, shareholder's loans and loans from subsidiaries at fair value less transaction costs, if any.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for the collection of contractual cash flows where those cash flows represent payments of principal and interest solely are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/losses together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

The Group subsequently measures all equity investments at fair value. For FVOCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

The Group subsequently measures interest-bearing borrowings, shareholder's loans and loans from subsidiaries at amortised cost using the effective interest method.

1. Material accounting policies continued

1.5 Financial instruments continued

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group considers a broader range of information when assessing credit risk and measuring ECLs, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
- Financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (Stage 1);
- Financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (Stage 2); and
- Financial assets that have objective evidence of impairment at the reporting date (Stage 3).

"Twelve-month ECLs" are recognised for the first category while "lifetime ECLs" are recognised for the second and third categories.

Measurement of the ECLs is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. Refer to note 33.

Offsetting

Financial assets and financial liabilities are only offset if there is a legally enforceable right to set off the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6 Impairment of non-financial assets

The Group assesses at each reporting date whether there is objective evidence that a non-financial asset is impaired. A non-financial asset is impaired if there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the asset that can be reliably estimated.

(i) Property, plant and equipment

At each reporting date, the Group reviews the carrying amount of its property, plant and equipment to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the assets is estimated to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Impairment losses are recognised in profit or loss.

Notes to the financial statements continued

for the year ended 31 December 2023

1. Material accounting policies continued

1.7 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, for which it is probable that an outflow of resources will occur and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is discounted to its present value using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specifics of the liability.

(i) Mine closure and environmental rehabilitation obligation

This long-term provision results from environmental disturbances associated with the Group's mining operations. This cost will arise from rectifying damage caused during the construction of the mine. Estimated long-term environmental and decommissioning obligations, comprising pollution control, rehabilitation and mine closure are based on the Group environmental management plans, in compliance with current environmental and regulatory requirements.

Provision is made for the present value of the decommissioning and environmental cost at the end of the mine's life. The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the decommissioning and environmental provision due to the passage of time is recognised as a finance expense in profit or loss. The increase or decrease due to an additional environmental disturbance is recognised in property, plant and equipment.

1.8 Income tax

Income tax comprises current and deferred tax.

(i) Current taxation

Current taxation comprises taxation payable or recoverable, calculated on the basis of the expected taxable profit or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustments of tax payable for previous periods. Current tax is recognised in profit or loss, or items recognised directly in equity or in other comprehensive income. The current tax rate is 27%.

(ii) Deferred taxation

Deferred taxation is provided at enacted or substantively enacted rates on all temporary differences between carrying amounts for financial reporting purposes and the carrying amounts for taxation purposes. Full provision is made for all temporary differences between the tax base of an asset or liability and its carrying amount.

Deferred tax assets are not recognised unless it is probable that future taxable profits will be available in the foreseeable future against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and taxable entity. In providing for deferred taxation, the Group takes into account any unredeemed capital expenditure on the development of the mine. The unredeemed capital expenditure may be set off against future taxable income and treatment permissible per the Income Tax Act.

1.9 Finance income and finance expenses

Finance income

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

Finance expenses

Finance expenses consist of interest expense, which is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable as well as the unwinding discount on the provisions.

1. Material accounting policies continued

1.10 Inventories

Inventory comprises Run of Mine (ROM) and stores and materials.

(i) ROM inventories

Costs incurred in the production process are appropriately accumulated as stockpiles. The average cost of normal production includes total costs incurred on mining. Stockpiles are measured by estimating the stockpiled tonnes, the number of contained 4E ounces based on assay data. Stockpile tonnages are also verified by periodic surveys.

(ii) Stores and materials

Stores and materials are valued at the lower of cost or net realisable value, on a weighted average basis. Obsolete, redundant and slow-moving stores are identified and written down to net realisable value, which is the estimated selling price in the ordinary course of business, less selling expenses.

1.11 Borrowing costs

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

Foreign exchange differences have been included in the capitalised borrowing costs to the extent that they represent an adjustment to the interest rate. Therefore, foreign exchange differences to be capitalised should be restricted to such that total capitalised borrowing costs are in the range between:
- Interest incurred at the contractual rate (translated into the entity's functional currency);
- Interest that would have been incurred on a borrowing with identical terms in the entity's functional currency (local market-related rate had the loan been issued locally); and
- Borrowing costs are reduced by the income earned on funds not utilised.

Refer to note 4 for additional disclosure.

1.12 Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gains or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently measured at amortised cost.

Notes to the financial statements continued
for the year ended 31 December 2023

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Deferred tax related to assets and liabilities arising from a single transaction: Amendments to IAS 12 Income Taxes

The amendment adds an additional requirement for transactions, which will not give rise to the recognition of a deferred tax asset or liability on initial recognition. Previously, deferred tax would not be recognised on the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction affects neither accounting profit or loss. The additional requirement provides that the transaction, at the time of the transaction must not give rise to equal taxable and deductible temporary differences.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The Group has assessed the estimated impact of adopting the standard on 1 January 2023 as follows:

Decommissioning provision

The amendment will not have an impact as the gross deferred tax assets and liabilities for the Group are recognised on decommissioning asset and liability, which has been previously recognised under the initial recognition exemption.

Lease liability

The amendment will not have an impact on the Group as deferred tax is recognised on lease liabilities and the corresponding right-of-use asset.

Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.

IAS 1 was amended to require that only material accounting policy information shall be disclosed in the financial statements. The amendment will not result in changes to measurement or recognition of financial statement items, but management will undergo a review of accounting policies to ensure that only material accounting policy information is disclosed.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The amendment did have an impact on the Group's financial statements with only material accounting policies being disclosed.

Definition of accounting estimates: Amendments to IAS 8

The definition of accounting estimates was amended so that accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty".

The effective date of the amendment is for years beginning on or after 1 January 2023.

The amendment did not have an impact on the Group’s AFS.

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The Group has adopted the amendment for the first time in the 2023 financial statements.

The amendment did not have an impact on the Group’s AFS.

3. Judgements by Directors and management

3.1 Determination of mineral resource estimates

The Group estimates its mineral resources based on information compiled by Competent Persons on behalf of management. Reserves determined in this way will be used in the calculation of depreciation, amortisation and impairment charges, and for forecasting the timing of the payment of mine closure and environmental rehabilitation obligation. In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence in economic extraction. There are numerous uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves being restated. Such changes in reserves could impact depreciation and amortisation rates, asset carrying values and provisions for mine closure and environmental rehabilitation costs.

3.2 Mine closure and environmental rehabilitation obligation

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Management estimates the expected total expenditure for the rehabilitation and remediation of negative environmental impacts at closure at the end of the life of the mine. The amount recorded for the mine closure and environmental rehabilitation obligation requires management to make estimates, assumptions, and judgements relating to the future. These estimates are based on engineering studies of the work that is required by current environmental legislation. These estimates include the rate at which costs may inflate, the life of mine estimates and discount rates. Refer to note 19.

3.3 Development expenditure

Development activities commence after the commercial viability and technical feasibility of the project is established.

Judgment is applied by management in determining when a project is commercially viable and technically feasible.

The Group considers the following items as pre-requisites prior to concluding on commercial viability:
- All requisite regulatory approvals from government departments in South Africa have been received and are not subject to realistic legal challenges;
- The necessary funding to engage in the construction and development of the project as well as general working capital until the project is cash generative;
- Compliant resource proving the quantity and quality of the project as well as a detailed Mine Plan reflecting that the mine can be developed and will deliver the required return rates; and
- The appropriate skills and resources to develop and operate the project.

In determining the expenses that should be capitalised in relation to the development of the qualifying asset, development expenditure, including indirect costs, are capitalised to the extent that the amounts incurred are directly attributable to the development activities and are necessary to bring the BPM to commercial production.

Any judgements may change as new information becomes available. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the appropriate amount will be written off to profit or loss.

3.4 Review of asset carrying values and impairment

In accordance with our accounting policies, each asset or CGU is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of the recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash-generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production, commodity prices, reserves, operating costs, closure and rehabilitation costs, and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in profit or loss.

The most significant review relates to the carrying value of the property, plant, and equipment that relates to the BPM. The recoverable amount for this project was determined by using the cash flow approach. The cash flow approach requires determination of the present value of future cash flows over the useful life of the asset.

Notes to the financial statements continued

for the year ended 31 December 2023

3. Judgements by Directors and management continued

3.4 Review of asset carrying values and impairment continued

The asset is valued using the free cash flow capitalisation, i.e. the discounted cash flow (DCF) methodology and the weighted average cost of capital (WACC) of the Group as the discount rate.

In determining the future cash flows, management reviewed all the key variables and sources of estimation, which were based on the same principles as those that applied to the consolidated financial statements for the year ended 31 December 2022. Management engaged the services of various professional research and forecasting experts, including that of SFA Oxford Limited regarding projections of supply, demand and real prices for internationally traded commodities and the general economic outlook and specifically South African interest, exchange and inflation rates.

Management concurred with the expert opinions regarding the longer-term positive outlook and improvement in the prices by the time that the BPM starts producing saleable production.

On this basis, the recoverable amount exceeds the carrying amount of the relevant mining assets and management is of the opinion that the assets of the Group are not impaired.

The following economic parameters were assumed for Bakubung:

	2023	2022
US$ exchange rate (ZAR) short term	17.65 – 18.22	16.05 – 16.50
US$ exchange rate (ZAR) long term	18.18	16.31
Pt price (US$/oz) short term	1 032 – 1 632	1 012 – 1 364
Pt price (US$/oz) long term	1 685	1 592
Pd price (US$/oz) short term	832 – 1 124	982 – 1 728
Pd price (US$/oz) long term	787	775
Rh price (US$/oz) short term	4 931 – 8 713	11 268 – 12 079
Rh price (US$/oz) long term	6 739	7 311
Au price (US$/oz) short term	1 676 – 2 110	1 557 – 1 821
Au price (US$/oz) long term	1 675	1 595
Weighted average cost of capital (%) (real)	10.19	9.97

- If all assumptions remain unchanged, a 10% decrease in the basket price of commodities will result in
- no impairment;
- If all assumptions remain unchanged, a 10% decrease in the United States dollar to the South African rand will result in no impairment; and
- If all assumptions remain unchanged, a 10% increase in the WACC will result in no impairment.

3.5 Shareholder's contribution

Shareholder loans that were obtained and assessed to have interest rates that were below their market interest rates from Jinchuan Group (Hong Kong) Resources Holdings Limited. The excess above the nominal interest rates for these loans is accounted for as capital contribution.

If a shareholder makes a loan to the investment company at below-market rates and sets repayment terms, the difference between the actual interest rate charged and market-related interest is a part of the investment the shareholder made in the investment company. Due to this, Wesizwe has recognised an equity contribution over the years. This is consistent with the principles set out in the Conceptual Framework, which defines income as "increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants". If a loan is made by a shareholder to an entity on favourable terms, the substance of the transaction is that the entity has received a contribution from the shareholder to the extent that the cash advanced exceeds the fair value of the entity's financial liability. Under the Framework this contribution is not income. Refer to note 13.

3. Judgements by Directors and management continued

3.6 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Refer to note 32.

3.7 Revenue

Company revenue comprises management fees charged to Group companies for services. The timing of the satisfaction of the performance obligation has been deemed to be "over time" given that the customer simultaneously receives and consumes the benefits provided by the Company's employee. No other significant areas of judgement or estimation uncertainty arose in accounting for revenue for the Company.

4. Property, plant and equipment

	2023			2022		
	Cost R'000	Accumulated depreciation R'000	Carrying value R'000	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
GROUP						
Land and buildings	64 490	(16 975)	47 515	59 914	(15 207)	44 707
Plant and equipment	2 427 756	–	2 427 756	2 423 810	–	2 423 810
Furniture and fittings	4 243	(3 945)	298	4 243	(3 859)	384
Vehicles	7 340	(6 685)	655	7 340	(6 308)	1 032
Office equipment	2 414	(2 183)	231	2 226	(2 122)	104
Computer equipment	38 785	(31 836)	6 949	36 559	(25 707)	10 852
Other office fittings	13 438	(12 608)	830	13 438	(12 266)	1 172
Technical equipment	81 550	(62 703)	18 847	36 255	(33 994)	2 261
Mining rights	1 057 729	–	1 057 729	1 057 729	–	1 057 729
Buildings under construction	302 882	–	302 882	288 280	–	288 280
Mine development assets	18 681 544	–	18 681 544	14 945 401	–	14 945 401
Right-of-use asset	8 028	(1 295)	6 733	8 028	(1 036)	6 992
Total	22 690 199	(138 230)	22 551 969	18 883 223	(100 499)	18 782 724
COMPANY						
Land and buildings	6 868	(3 114)	3 754	6 868	(2 911)	3 957
Furniture and fittings	1 533	(1 533)	–	1 533	(1 533)	–
Office equipment	401	(401)	–	401	(399)	2
Computer equipment	1 538	(1 538)	–	1 538	(1 536)	2
Other office fittings	548	(548)	–	548	(548)	–
Total	10 888	(7 134)	3 754	10 888	(6 927)	3 961

Notes to the financial statements continued

for the year ended 31 December 2023

4. Property, plant and equipment continued

GROUP – 2023 Reconciliation of carrying value	Opening balance R'000	Additions R'000	Depreciation R'000	Closing balance R'000
Land and buildings	44 707	4 576	(1 768)	47 515
Plant and equipment	2 423 810	3 946	–	2 427 756
Furniture and fittings	384	–	(86)	298
Vehicles	1 032	–	(377)	655
Office equipment	104	188	(61)	231
Computer equipment	10 852	2 226	(6 129)	6 949
Other office fittings	1 172	–	(342)	830
Technical equipment	2 261	45 295	(28 709)	18 847
Mining rights	1 057 729	–	–	1 057 729
Buildings under construction	288 280	14 602	–	302 882
Mine development assets	14 945 401	3 736 143	–	18 681 544
Right-of-use asset	6 992	–	(259)	6 733
Total	**18 782 724**	**3 806 976**	**(37 731)**	**22 551 969**

GROUP – 2022 Reconciliation of carrying value	Opening balance R'000	Additions R'000	Depreciation R'000	Closing balance R'000
Land and buildings	45 717	660	(1 670)	44 707
Plant and equipment	2 334 295	89 515	–	2 423 810
Furniture and fittings	50	413	(79)	384
Vehicles	1 409	–	(377)	1 032
Office equipment	132	–	(28)	104
Computer equipment	7 764	8 321	(5 233)	10 852
Other office fittings	1 154	365	(347)	1 172
Technical equipment	7 492	11 892	(17 123)	2 261
Mining rights	1 057 729	–	–	1 057 729
Buildings under construction	216 847	71 433	–	288 280
Mine development assets	11 597 760	3 347 641	–	14 945 401
Right-of-use asset	7 251	–	(259)	6 992
Total	15 277 600	3 530 240	(25 116)	18 782 724

4. Property, plant and equipment continued

COMPANY – 2023 **Reconciliation of carrying value**	**Opening balance R'000**	**Additions R'000**	**Depreciation R'000**	**Closing balance R'000**
Land and buildings	**3 957**	**–**	**(203)**	**3 754**
Office equipment	**2**	**–**	**(2)**	**–**
Computer equipment	**2**	**–**	**(2)**	**–**
Total	**3 961**	**–**	**(207)**	**3 754**

COMPANY – 2022 **Reconciliation of carrying value**	Opening balance R'000	Additions R'000	Depreciation R'000	Closing balance R'000
Land and buildings	4 165	–	(208)	3 957
Office equipment	2	–	–	2
Computer equipment	8	–	(6)	2
Total	4 175	–	(214)	3 961

All property, plant and equipment are owned by the Group except for the ROU asset. The Group holds full title of the buildings. The title deeds of all owned buildings are available for inspection at our registered office.

Bakubung has encumbered all its assets in favour of a South African special purpose vehicle (Security SPV) that holds the security for the benefit of the holding company's lender, CDB, and the guarantor, Jinchuan. Wesizwe and Bakubung have agreed to jointly and severally indemnify the Security SPV harmless in respect of claims and losses, which the Security SPV may suffer by reason or in consequence of the Security SPV having issued the debt guarantees. This Security SPV is a wholly owned subsidiary of a trust of which the beneficiaries are the lender and the guarantor. Wesizwe and/or Bakubung do not have any interest, no managerial influence nor are they trustees of the Security SPV.

Mine development assets, mining rights and all plant and equipment associated with mine development assets are not being depreciated as the mine is not yet in production.

The effective interest rate of the loans has been calculated at 13.5% (2022: 4.24%) for the year, taking into account all foreign exchange differences and finance costs incurred. Therefore, only borrowing costs incurred on the loans for the year ended 31 December 2023 have been capitalised to the cost of the asset. R2 478.4 million was capitalised during 2023 (2022: R1 693.7 million), which is included in addition to the mine development assets.

The mining rights are disclosed separately in the property, plant and equipment note, but presented within property, plant and equipment on the statement of financial position. They arose historically from payments made during the exploration and evaluation phase and, consistent with the Group's accounting policy, were transferred to property, plant and equipment once commercial viability had been achieved for the mine to enter into development.

The ROU asset constitutes the mine surface lease of land on which the mine is situated and where the mining and processing activities take place.

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for the year ended 31 December 2023

5. Investment in subsidiaries

The following table lists the entities that are controlled by the Group, either directly or indirectly through subsidiaries.

Name of company	Issued capital 2023	Issued capital 2022	% holding 2023	% holding 2022	Carrying amount 2023 R'000	Carrying amount 2022 R'000
Bakubung Minerals Proprietary Limited	**1 000**	1 000	**100**	100	**9 802**	9 802
Bakubung Minerals Proprietary Limited***	**–**	–	**–**	–	**1 008 703**	422 748
Wesizwe Properties Proprietary Limited*	**1**	1	**100**	100	**–**	–
Africa Wide Mineral Prospecting and Exploration Proprietary Limited*	**121**	121	**100**	100	**–**	–
Gabonewe Housing Estate Proprietary Limited*	**1**	1	**100**	100	**–**	–
Vaviscan Proprietary Limited**	**100**	100	**100**	100	**–**	–
Total					**1 018 505**	432 550

* *Wesizwe Platinum Limited holds a R1 investment in each of Wesizwe Properties Proprietary Limited (Wesizwe Properties) and Gabonewe Housing Estate Proprietary Limited (Gabonewe), and holds a R121 investment in Africa Wide Mineral Prospecting and Exploration Proprietary Limited (Africa Wide)*

** *Vaviscan Proprietary Limited is a wholly owned subsidiary of Bakubung Minerals Proprietary Limited. The Company is held specifically for the farm Zwartkoppies which is to be utilised in a community project*

*** *An equity investment has been recognised as a result of the below-market interest on loans received from Jinchuan Group (Hong Kong) Resources Holdings Limited and passed "back-to-back" on to Bakubung Minerals Proprietary Limited. Refer to note 12*

6. Loans to/(from) subsidiaries

	COMPANY	
	2023 R'000	2022 R'000
Loans to subsidiaries		
Non-current		
Bakubung Minerals Proprietary Limited[(1)]	**1 913 040**	1 913 040
Bakubung Minerals Proprietary Limited[(2)]	**8 186 955**	8 059 685
Bakubung Minerals Proprietary Limited[(3)]	**6 864 584**	1 103 584
Africa Wide Mineral Prospecting and Exploration Proprietary Limited[(1)]	**20 376**	19 912
Gabonewe Housing Estate Proprietary Limited[(1)]	**316 143**	295 496
Wesizwe Properties Proprietary Limited[(1)]	**26 053**	26 036
Current		
Bakubung Minerals Proprietary Limited[(4)]	**4 735 682**	6 988 640
Gabonewe Housing Estate Proprietary Limited[(4)]	**227**	227
Wesizwe Properties Proprietary Limited[(4)]	**203**	192
Total loans to subsidiaries	**22 063 263**	18 406 812
Loans from subsidiaries		
Current		
Wesizwe Properties Proprietary Limited[(4)]	**(3 829)**	(3 149)
Net loans to subsidiaries	**22 059 434**	18 403 663
Split between non-current and current portions		
Non-current assets	**17 327 151**	11 417 753
Current assets	**4 736 112**	6 989 059
Total	**22 063 263**	18 406 812
Current liabilities	**(3 829)**	(3 149)
Total	**22 059 434**	18 403 663

(1) *Shareholder loans are payable on demand, subject to the subordination referred to herein, and bear no interest. These loans have been subordinated in favour of external creditors. Wesizwe has no intention to recall the loans to subsidiaries within the next 12 months*

(2) *The loan is payable on the same terms and bears interest on the same terms as the loan with CDB and includes all foreign exchange differences related to the loan with CDB. Refer to note 14*

(3) *The loans are payable on the same terms and bears interest on the same terms as the shareholder's loans 1 to 18 from Jinchuan Group (Hong Kong) Resources Limited and includes all foreign exchange differences related to the loan with Jinchuan Group (Hong Kong) Resources Limited. Refer to note 13*

(4) *The loans are short-term loans payable on normal credit terms*

Wesizwe has undertaken not to reduce its shareholding in Bakubung, Africa Wide, Wesizwe Properties and Gabonewe and to provide the necessary financial support to meet their obligations as and when they become due until such time as the assets of the companies exceed their liabilities.

The Company uses the general approach to measure the ECLs for all loan receivables. There were no write-offs in the current year for loan receivables to subsidiaries. Refer to note 32.

Notes to the financial statements continued

for the year ended 31 December 2023

7. Other financial assets

	GROUP 2023 R'000	GROUP 2022 R'000
Listed equity securities – Royal Bafokeng Platinum Limited		
Opening balance	57 234	54 256
Disposal of financial asset	(41 187)	–
(Loss)/gain on fair value	(12 981)	2 978
Loss on disposal of financial asset	(3 066)	–
Closing balance	–	57 234
Listed equity securities – Impala Platinum Holdings Limited		
Opening balance	–	–
Acquisition of financial asset	9 953	–
Loss on fair value movement	(450)	–
Closing balance	9 503	–

Equity instruments at fair value through other comprehensive income

Investment in the listed equity in Royal Bafokeng Platinum was disposed of as a result of the delisting of the Company following its acquisition by Impala Platinum Holdings Limited.

Fair value of these shares has 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. Refer to note 33.

The current investment in equities is not held for trading and the Group has elected to irrevocably designate at FVOCI.

8. Inventories

	GROUP 2023 R'000	GROUP 2022 R'000
Run of Mine	1 329 248	1 003 973
Stores and materials	100 946	117 113
Total	1 430 194	1 121 086

While BPM is not yet in production, ROM inventory has been accumulated through mine development. The value associated has been calculated on the same basis as if the mine were in production and is related to the cost of extracting tonnage.

9. Other receivables

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Financial instruments				
Other receivables	1 535	1 867	168	501
Dividends receivable	6 733	–	–	–
Cash consideration on sale of shares	31 236	–	–	–
Deposit – attorney trust account	13 000	–	–	–
Non-financial instruments				
Value added tax receivable	28 021	94 715	11 820	10 816
Prepayments	3 389	1 637	3 389	1 637
Total trade and other receivables	83 914	98 219	15 377	12 954
Financial instrument and non-financial instrument components of other receivables				
At amortised cost	52 504	1 867	168	501
Non-financial instruments	31 410	96 352	15 209	12 453
Total	83 914	98 219	15 377	12 954

10. Cash and cash equivalents

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Cash and cash equivalents				
Interest accrued	23	314	–	1
Bank balances	45 561	5 404	573	1 304
Short-term deposits	63 997	218 617	4 375	191 861
Current assets	109 581	224 335	4 948	193 166
Restricted cash				
Eskom – connection guarantees	44 828	44 828	–	–
Department of Mineral Resources and Energy – rehabilitation obligation	73 483	73 483	27 000	27 000
Non-current assets	118 311	118 311	27 000	27 000
Total	227 892	342 646	31 948	220 166

Notes to the financial statements continued

for the year ended 31 December 2023

11. Stated capital

	GROUP		COMPANY	
	2023	2022	2023	2022
2 000 000 000 no par value shares				
(2022: 2 000 000 000 no par value shares)				
Issued shares				
1 627 827 058 no par value shares	3 425 544	3 425 544	3 425 544	3 425 544

12. Shareholder's contributions

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Opening balance	422 748	138 004	422 748	138 004
Gain on initial recognition of shareholder's loans	370 866	284 744	370 866	284 744
Modification gain	215 089	—	215 089	—
Closing balance	1 008 703	422 748	1 008 703	422 748

The Group recognises its shareholder loans initially at fair value. The fair market rate was determined as the incremental borrowing rate. This was determined, among others, by present valuing the contractual cash flows using a fair market interest rate.

An equity injection has been recognised as a result of the below-market interest rate for shareholder loans 1 to 18 from shareholder Jinchuan Group (Hong Kong) Resources Holdings Limited. The excess above the nominal interest rates for these loans is accounted for as capital contribution.

Contractual periods on loans 1 to 7 and loan 10 changed during the year resulting in a modification. This was recognised by recalculating the carrying amount of the loans through discounting the new expected contractual cash flows at the original incremental borrowing rates. These gains are accounted for as equity as this is also a related party.

13. Shareholder's loans

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Jinchuan Group (Hong Kong) Resources Holdings Limited				
Shareholder's loan 1[(1)*]	**804 678**	728 143	**804 678**	728 143
Shareholder's loan 2[(2)*]	**1 405 735**	1 402 304	**1 405 735**	1 402 304
Shareholder's loan 3[(3)]	**1 007 784**	893 183	**1 007 784**	893 183
Shareholder's loan 4[(4)]	**1 007 784**	884 922	**1 007 784**	884 922
Shareholder's loan 5[(5)]	**157 560**	157 926	**157 560**	157 926
Shareholder's loan 6[(6)]	**1 102 262**	1 044 580	**1 102 262**	1 044 580
Shareholder's loan 7[(7)*]	**631 623**	523 248	**631 623**	523 248
Shareholder's loan 8[(8)*]	**195 643**	168 266	**195 643**	168 266
Shareholder's loan 9[(9)*]	**1 137 472**	935 317	**1 137 472**	935 317
Shareholder's loan 10[(10)*]	**191 108**	–	**191 108**	–
Shareholder's loan 11[(11)*]	**467 873**	–	**467 873**	–
Shareholder's loan 12[(12)]	**235 254**	–	**235 254**	–
Shareholder's loan 13[(13)]	**1 299 648**	–	**1 299 648**	–
Shareholder's loan 14[(14)]	**209 014**	–	**209 014**	–
Shareholder's loan 15[(15)]	**218 466**	–	**218 466**	–
Shareholder's loan 16[(16)*]	**122 315**	–	**122 315**	–
Shareholder's loan 17[(17)*]	**416 156**	–	**416 156**	–
Shareholder's loan 18[(18)*]	**48 653**	–	**48 653**	–
Total shareholder's loans	**10 659 028**	6 737 889	**10 659 028**	6 737 889

(1) *The Group secured a US$41 million loan in December 2020. The interest rate is accrued quarterly in advance at the ruling "six-month LIBOR rate" plus 3.5%. The loan terms have been modified, as result of the maturity date being extended to 31 December 2025 and interest accrued every six months. This resulted in a modification gain*

(2) *The Group secured a US$80 million loan in June 2021. The interest rate is accrued every six in arrears at 6.5% of the amount drawn down. The loan terms have been modified, as result of the maturity date being extended to 31 December 2025. This resulted in a modification loss*

(3) *The Group secured a US$50 million loan in December 2021. The interest rate is accrued quarterly in arrears at 5% of the amount drawn. The loan terms have been modified, as result of the maturity date being extended to 31 December 2025 and interest accrued every six months. This resulted in a modification loss*

(4) *The Group secured a US$50 million loan in March 2022. The interest rate is accrued quarterly in arrears at 5% of the amount drawn down. The loan terms have been modified, as result of the maturity date being extended to 31 December 2025. The interest and capital are payable by 31 December 2025*

(5) *The Group secured a US$9 million loan in May 2022. The loan terms have been modified, as result of the maturity date being extended to 31 December 2025 and interest accrued every quarter at 5%. This resulted in a modification gain*

(6) *The Group secured a US$60 million loan in June 2022. The loan terms have been modified, as result of the maturity date being extended to 31 December 2025 and interest accrued every quarter at 5%. This resulted in a modification loss*

(7) *The Group secured a US$31 million loan in August 2022. The loan terms have been modified, as result of the maturity date being extended to 31 December 2025 and interest accrued every six months at 5%. This resulted in a modification loss*

(8) *The Group secured a US$10 million loan in December 2022. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

(9) *The Group secured a US$69.5 million loan in December 2022. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 30 November 2027*

(10) *The Group secured a US$10 million loan in January 2023. The interest rate is accrued quarterly in arrears at 6.5% of the amount drawn down. The loan terms have been modified as result of the maturity date being extended to 31 December 2025. This resulted in a modification loss*

(11) *The Group secured a US$26.27 million loan in April 2023. The interest rate is accrued every six months at 6.5% of the amount drawn. The interest and capital are payable by 31 December 2024*

(12) *The Group secured a US$13 million loan in June 2023. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

(13) *The Group secured a US$74.22 million loan in June 2023. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

(14) *The Group secured a US$12.25 million loan in August 2023. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

(15) *The Group secured a US$12.84 million loan in August 2023. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

(16) *The Group secured a US$7.01 million loan in October 2023. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

(17) *The Group secured a US$23.9 million loan in December 2023. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

(18) *The Group secured a US$3.17 million loan in December 2023. The interest rate is accrued every six months in arrears at 6.5% of the amount drawn down. The interest and capital are payable by 31 December 2024*

* *A portion of the loans has been recognised as an equity injection as a result of the interest rate from a related party being below-market rates and the modification on the loan terms. Refer to note 12*

Notes to the financial statements continued

for the year ended 31 December 2023

13. Shareholder's loans continued

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Reconciliation of shareholder's loans				
Opening balance	6 737 889	2 655 582	6 737 889	2 655 582
Drawdown	3 380 684	3 789 096	3 380 684	3 789 096
Interest accrued	664 175	298 938	664 175	298 938
Unrealised foreign exchange loss	462 235	307 859	462 235	307 859
Modification gain	–	(28 842)	–	(28 842)
Transfer to shareholder's contributions	(585 955)	(284 744)	(585 955)	(284 744)
Closing balance	10 659 028	6 737 889	10 659 028	6 737 889
Split between non-current and current portions				
Non-current liabilities	7 641 650	1 103 583	7 641 650	1 103 583
Current liabilities	3 017 378	5 634 306	3 017 378	5 634 306
Total	10 659 028	6 737 889	10 659 028	6 737 889

14. Interest-bearing borrowings

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Held at amortised cost				
China Development Bank	8 988 133	9 449 707	8 988 133	9 449 707
Reconciliation of China Development Bank loan				
Opening balance	9 449 707	10 004 199	9 449 707	10 004 199
Interest accrued	621 661	439 469	621 661	439 469
Interest payment	(890 233)	(531 808)	(890 233)	(531 808)
Loan repayment	(933 910)	(1 140 524)	(933 910)	(1 140 524)
Realised foreign exchange loss	4 938	24 209	4 938	24 209
Unrealised foreign exchange loss	735 970	654 162	735 970	654 162
Closing balance	8 988 133	9 449 707	8 988 133	9 449 707
Split between non-current and current portions				
Non-current liabilities	7 135 666	8 357 998	7 135 666	8 357 998
Current liabilities	1 852 467	1 091 709	1 852 467	1 091 709
Total	8 988 133	9 449 707	8 988 133	9 449 707

The Group has secured and utilised a US$650 million loan. Refer to note 4 regarding the security for the loan. The variable interest rate is determined every six months, in advance, at the ruling "six-month LIBOR rate" plus 3.5%. The term of the loan is 15 years from the date of the first drawdown, i.e. January 2014. No capital repayments were due during the first six years.

Repayments in semi-annual instalments over the last nine years of the loan commence at an amount equal to 0.077% of the outstanding balance at the end of the sixth year, after which every instalment increases until the second last payment amounts to 8.5% of the initial outstanding amount. The last instalment repays the total balance.

The interest expense is payable bi-annually. The interest expense is included in the effective interest rate calculation. Instalment payments started during the financial year ended December 2020, as scheduled, with the final payment planned in 2028.

Refer to note 33 for the fair value of borrowings.

15. Lease liability

Maturity analysis

The lease liability is secured by the related underlying assets. The discounted maturity analysis of the lease liability at 31 December 2023 is as follows:

	Within 1 year R'000	Between 1 – 5 years R'000	More than 5 years R'000	Total R'000
GROUP – 2023				
Lease payments	**1 479**	**5 915**	**31 420**	**38 814**
Finance charges	**(1 464)**	**(5 821)**	**(23 898)**	**(31 183)**
	15	**94**	**7 522**	**7 631**
GROUP – 2022				
Lease payments	1 479	5 915	32 899	40 293
Finance charges	(1 467)	(5 836)	(25 346)	(32 649)
	12	79	7 553	7 644

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for the year ended 31 December 2023

16. Deferred tax liability

	GROUP 2023 R'000	2022 R'000
Recognised in profit or loss		
Property, plant and equipment	(5 715 000)	(5 155 765)
Recognised directly in equity		
Other financial assets	(1 208)	(10 626)
Acquisition of mineral rights in Bakubung	(285 251)	(285 251)
Total deferred tax liability	(6 001 459)	(5 451 642)
Deferred tax asset		
Unredeemed exploration expenditure	1 191	1 191
Lease liability	243	183
Unredeemed mining capex	5 599 539	5 031 199
Provisions	19 102	27 837
Tax rate change	–	3 343
Total deferred tax asset	5 620 075	5 063 753
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax liability	(6 001 459)	(5 451 642)
Deferred tax asset	5 620 075	5 063 753
Total net deferred tax liability	(381 384)	(387 889)
Reconciliation of net deferred tax		
Opening balance	(387 889)	(398 646)
Temporary difference movement on property, plant and equipment	(559 235)	(1 233 070)
Temporary difference on other financial assets	9 418	(667)
Temporary difference on provisions	(8 735)	1 230
Temporary difference on prepayments	–	12 017
Temporary difference on movement on lease liability	60	70
Movement in unredeemed mining capex	568 340	1 227 834
Tax rate change	(3 343)	3 343
Closing balance	(381 384)	(387 889)

The Group has unredeemed capital expenditure of R20 734.1 million (2022: R17 968.6 million) and unredeemed exploration expenditure of R4.3 million (2022: R4.3 million) for the year ended 31 December 2023. The unredeemed capital expenditure may be set off against future taxable income.

17. Mine closure and environmental rehabilitation obligation

	GROUP	
	2023 R'000	2022 R'000
Opening balance	79 642	94 643
Discounting of rehabilitation and closure provision	6 602	11 530
Obligation reduced	(35 908)	(26 531)
Excess of provision on decommissioning asset	(6 183)	–
Closing balance	**44 153**	79 642

This long-term obligation reflects the net present value of closure, restoration, and environmental rehabilitation costs, (including the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) of which cash flows is expended at the end of life of the mine. 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 reassessed on an annual basis for changes in cost estimates, discount rates, and escalation rates.

As required by the Department of Mineral Resources and Energy, a deposit of R73.5 million (2022: R73.5 million) is held with a financial institution. Refer to note 10. 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.

For purposes of calculating the provision, management has assumed an inflation rate representative of the future cash flows of 5.98% (2022: 7.20%), which is the Consumer Price Index. The discount rate regarded as an appropriate long-term, risk-free rate is 8.67% (2022: 8.75%). The current cost of rehabilitation estimate is R86.8 million (2022: R119.0 million).

18. Cash-settled share-based payment liability

The Group operated a cash-settled share-based payment plan that was approved by the Board on recommendation of the Remuneration Committee in 2015. During 2022 the Committee and the Board considered and approved in principle to terminate the scheme with no further allocation of shares as they consider a new bonus policy to replace this one.

	GROUP		COMPANY	
	2023 Number of shares	2022 Number of shares	2023 Number of shares	2022 Number of shares
Reconciliation of nominal shares				
Opening balance	2 893 127	20 844 967	2 893 127	20 844 967
Number of nominal shares granted		–		–
Number of nominal shares forfeited		(17 951 840)		(17 951 840)
Number of nominal shares which have vested	(1 035 460)	–	(1 035 460)	–
Closing balance	**1 857 667**	2 893 127	**1 857 667**	2 893 127

The number of participants at 31 December 2023 are one (2022: two).

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for the year ended 31 December 2023

18. Cash-settled share-based payment liability continued
Parameters considered during the valuation of the deferred bonus plan:

Valuation date	31 December 2023
Fair value of share price at valuation date	R1.594
Type of settlement	Cash

During the year ended 31 December 2023, the Company recognised a decrease in liability of R1.7 million (2022: R3.8 million increase). This is as a result of the vested shares paid out.

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Opening balance	4 613	8 427	4 613	8 427
Cash-settled share-based liability realised	(1 651)	(3 814)	(1 651)	(3 814)
Closing balance	2 962	4 613	2 962	4 613

19. Trade and other payables

	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Financial instruments				
Trade payables	114 576	202 732	511	2 926
Non-financial instruments				
Leave pay accrual	16 463	13 272	2 145	2 552
Bonus accrual	14 763	13 109	5 496	4 052
Salary accrual	13 000	8 877	1 931	518
Value added tax payable	524	499	–	–
Total trade and other payables	159 326	238 489	10 083	10 048
Financial instrument and non-financial instrument components of trade and other payables				
At amortised cost	114 576	202 732	511	2 926
Non-financial instruments	44 750	35 757	9 572	7 122
Total	159 326	238 489	10 083	10 048

20. Revenue

	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Disaggregation of revenue from contracts with customers				
Rendering of services				
Management fees	–	–	35 975	29 948

21. Administration expenses

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Administration expenses include:				
Internal auditors' remuneration	3 077	3 037	2 940	3 037
External auditors' remuneration	3 353	2 767	3 353	2 767
Depreciation	37 731	25 116	207	214
Amortisation	2 521	1 637	–	–
Directors' fees – short-term benefits	8 290	11 404	8 290	11 404
Deferred bonus plan expenses	(1 651)	(3 813)	(1 651)	(3 813)
Employee costs – short-term benefits	353 355	168 521	22 866	10 341
Short-term lease – buildings	–	98	591	629
Short-term lease – equipment	24 812	49 273	–	–
Legal fees	7 148	6 131	173	2 637
Statutory publications, corporate identity, and investor relations	3 197	2 468	1 715	1 679
Travel and accommodation	1 316	3 551	111	82
Consulting fees	9 472	14 661	1 554	5 726
Outsourced services	446 372	434 960	1 556	1 710
Security	12 440	12 440	–	–
Electricity and water	98 344	74 501	–	–
Communication costs	1 774	1 657	1 232	1 052
Municipal rates and services	302	296	–	–
Licence fees	10 093	3 435	–	–
Maintenance expenditure	111 090	182 381	3	28
Stock write-off	(556)	5 604	–	–
Other administration expenses	165 858	214 841	7 806	(23 366)
Project expenses capitalised	(1 270 509)	(1 152 959)	–	–
Total	27 829	62 007	50 746	14 127

Notes to the financial statements continued

for the year ended 31 December 2023

22. Finance income and finance expense

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Finance income from financial assets measured at amortised cost:				
Finance income from subsidiaries	–	–	2 505 194	1 695 050
Finance income from financial institutions				
Interest earned on cash balances	16 822	12 303	2 849	2 095
Interest accrued on cash balances	7	307	1	1
Total	16 829	12 610	2 508 044	1 697 146
Dividends				
Dividends income	6 733	–	–	–
Total dividends income	6 733	–	–	–
Foreign exchange gains				
Unrealised gain on conversion of bank account denominated in foreign currency	7 609	4 176	7 609	4 176
Realised gain on conversion of bank account denominated in foreign currency	–	10 037	–	10 037
Realised gain on payment of interest accruals denominated in foreign currency	–	6 461	–	6 461
Total	7 609	20 674	7 609	20 674
Total finance income	31 171	33 284	2 515 653	1 717 820
Finance expense				
Finance expense for borrowings at amortised cost	1 285 836	738 407	1 285 836	738 407
Lease liability finance costs	1 466	1 468	–	–
Finance costs other	28	9	–	–
Time value of money adjustment to rehabilitation obligation	6 602	11 530	–	–
Total	1 293 932	751 414	1 285 836	738 407
Foreign exchange losses				
Realised loss on conversion of loan denominated in foreign currency	4 938	24 209	4 938	24 209
Unrealised loss on conversion of interest accruals denominated in foreign currency	2 869	–	2 869	–
Unrealised loss on conversion of loan denominated in foreign currency	1 195 335	968 485	1 195 335	968 485
Total	1 203 142	992 694	1 203 142	992 694
Finance costs capitalised*				
Interest income	2 963	946	–	–
Finance expense	(1 285 836)	(738 407)	–	–
Net foreign exchange losses	(1 195 532)	(956 199)	–	–
Net finance costs capitalised	(2 478 405)	(1 693 660)	–	–
Total finance expense	18 669	50 448	2 488 978	1 731 101

* *Finance costs capitalised are costs directly related to the loans in notes 13 and 14*

23. Taxation

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Major components of the tax (income)/expense				
Current				
Company tax – current year	3 992	3 377	–	–
Company tax – prior years	4 744	62 953	–	3 014
	8 736	66 330	–	3 014
Deferred				
Originating and reversing temporary differences	4 254	(8 058)	–	–
Tax rate change effect	–	(3 343)	–	–
	4 254	(11 401)	–	–
	12 990	54 929	–	3 014
Tax on other comprehensive income				
Deferred tax – current year	(10 739)	(667)	–	–
Tax rate change effect	–	23	–	–
	(10 739)	(644)	–	–
Reconciliation of effective tax rate	%	%	%	%
Applicable tax rate	27	28.0	27.0	28.0
Disallowed overseas travel	–	–	–	0.7
Disallowed legal expenses	(7.7)	(2.2)	0.3	29.1
Disallowed consulting fees	(3.9)	(2.4)	0.1	46.4
Disallowed donations	–	–	–	–
Disallowed sponsor fees	(0.7)	–	0.7	0.2
Disallowed interest on rehabilitation provision	(14.6)	(4.2)	–	–
Disallowed SARS penalties	–	(15.1)	–	–
Disallowed SARS interest	(20.3)	(6.6)	–	–
Deferred tax asset not raised	(136.8)	–	(1.3)	–
Mining development expenditure deducted	63.2	8.1	–	–
Deferred tax rate change	–	4.2	–	–
Assessed loss utilised	26.1	–	(26.8)	–
Prior years provision movement	(38.9)	(79.2)	–	14.3
Effective tax rate	(106.6)	(69.4)	0.0	118.7

Wesizwe and its subsidiaries are subject to direct tax in the South African jurisdiction. The income tax and annual assessments are subject to examination within the prescribed periods by the South African Revenue Services. The Group has made a provision for the 2018 and 2019 tax assessment from SARS (of R121 million) based on the letter of findings dated 30 September 2022. An adjustment of R121 million, inclusive of penalties and interest, was made at 31 December 2022 to reflect this liability until the matter is finalised. Management has since obtained external legal and tax advice to inform the significant judgement required in interpreting the relevant tax legislature. As at 31 December 2023, the tax matter was still ongoing.

Notes to the financial statements continued

for the year ended 31 December 2023

24. Taxation payable

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Opening balance	(124 319)	(333)	(2 970)	–
South African company tax – current tax for the year recognised in profit or loss	(8 736)	(66 330)	–	(3 014)
Taxation paid	11 903	3 791	463	44
Interest	(9 205)	(18 689)	–	–
Penalties	–	(42 758)	–	–
Taxation received	(424)	–	(379)	–
Closing balance	(130 781)	(124 319)	(2 886)	(2 970)

25. Cash utilised in operations

	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
(Loss)/profit before taxation	(12 210)	(79 171)	11 904	2 540
Adjustments for:				
Depreciation	37 731	25 116	208	214
Amortisation	2 521	1 637	–	–
Foreign exchange movements	2 967	24 209	–	–
Interest income	(16 829)	(11 358)	(2 849)	(2 095)
Finance expense	28	9	–	–
Lease liability finance costs	1 466	1 468	–	–
Non-cash intercompany recoveries*	–	–	(35 431)	(27 585)
Change in estimate of environmental rehabilitation recognised in profit or loss	(6 183)	–	–	–
Loss on disposal of financial asset	3 066	–	–	–
Additional paid-in capital of acquired equity accounted investee	31 235	–	–	–
Time value of money adjustment to rehabilitation obligation	6 602	11 530	–	–
Penalties and interest	9 184	–	–	–
Deferred bonus plan	(1 651)	(3 814)	(1 651)	(3 814)
Changes in working capital:				
Inventories	(309 108)	(357 200)	–	–
Other receivables	14 305	(8 328)	(2 422)	(4 058)
Trade and other payables	(79 163)	(1 737)	35	(5 758)
Cash utilised in operations	(316 039)	(397 639)	(30 206)	(40 556)
Reconciliation of the acquisition of property, plant and equipment				
Additions per property, plant and equipment (note 4)	3 806 976	3 530 240		–
Decrease in decommissioning asset	35 908	26 531		–
Change in capital expenditure payables	–	23 857		–
Unrealised foreign exchange differences capitalised	(1 195 532)	(956 199)		–
Finance cost capitalised	(1 282 870)	(737 460)		–
Acquisition of property, plant and equipment	1 364 482	1 886 969		–

* *Relates to management fees on-charged to subsidiaries*

26. Earnings per share

	GROUP	
	2023	2022
Basic earnings per share		
Basic earnings per share is determined by dividing profit/(loss) attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year.		
The basis of calculation of basic loss per share is:		
Attributable loss to ordinary shareholders (R'000)	(25 200)	(134 100)
Weighted average number of ordinary shares in issue	1 627 827 058	1 627 827 058
Basic loss per share (cents)	(1.55)	(8.24)

Diluted loss per share is equal to basic loss per share as there were no dilutive instruments.

	Gross 2023	Net of tax 2023	Gross 2022	Net of tax 2022
Headline earnings and diluted headline earnings per share				
The basis of calculation of headline loss and diluted headline loss per share is:				
Attributable loss to ordinary shareholders (R'000)		(25 200)		(134 100)
Adjustment for:		3 066		—
Loss on disposal of financial asset (R'000)	3 066	3 066	—	—
Headline loss (R'000)		(22 134)		(134 100)
Weighted average number of ordinary shares in issue		1 627 827 058		1 627 827 058
Headline loss per share (cents)		(1.36)		(8.24)
Diluted headline loss per share (cents)		(1.36)		(8.24)

Notes to the financial statements continued
for the year ended 31 December 2023

27. Commitments

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Commitments not recognised in the financial statements:				
Commitments due within: Next 12 months				
Operating expenses	115	1 014	101	969
Project capital commitments	305 407	941 514	–	–
Total	305 522	942 528	101	969
Next 13 to 24 months				
Project capital commitments	–	–	–	–
Total	305 522	942 528	101	969
Total commitments				
Operating expenses	115	1 014	101	969
Project capital commitments	305 407	941 514	–	–
Total	305 522	942 528	101	969

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

28. Dividends

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

29. Related parties

Relationships

Subsidiaries

Africa Wide Mineral Prospecting and Exploration Proprietary Limited
Bakubung Minerals Proprietary Limited
Gabonewe Housing Estate Proprietary Limited
Vaviscan Proprietary Limited
Wesizwe Properties Proprietary Limited

Shareholder with significant influence

Jinchuan Group (Hong Kong) Resources Holdings Limited

	GROUP		COMPANY	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Related party balances				
Loan accounts – owing by related parties				
Africa Wide Mineral Prospecting and Exploration Proprietary Limited	–	–	20 376	19 912
Bakubung Minerals Proprietary Limited	–	–	21 700 261	18 064 949
Gabonewe Housing Estate Proprietary Limited	–	–	316 370	295 723
Wesizwe Properties Proprietary Limited	–	–	26 256	26 228
Total	–	–	22 063 263	18 406 812
Loan accounts – owing to related parties				
Wesizwe Properties Proprietary Limited	–	–	3 829	3 149
Jinchuan Group (Hong Kong) Resources Holdings Limited	10 659 028	6 737 889	10 659 028	6 737 889
Total	10 659 028	6 737 889	10 662 857	6 741 038

For the terms relating to these loans refer to notes 6 and 13.

	GROUP 2023 R'000	GROUP 2022 R'000	COMPANY 2023 R'000	COMPANY 2022 R'000
Related party transactions				
Interest accrued/(expensed) from related parties				
Bakubung Minerals Proprietary Limited	–	–	2 505 194	1 695 050
Jinchuan Group (Hong Kong) Resources Holdings Limited	(664 175)	(298 938)	(664 175)	(298 938)
Total	(664 175)	(298 938)	1 841 019	1 396 112
Shareholder's contribution				
Jinchuan Group (Hong Kong) Resources Holdings Limited	585 955	284 744	585 955	284 744
Rental charges paid to related parties				
Wesizwe Properties Proprietary Limited	–	–	680	723
Management fees charged to related parties				
Bakubung Minerals Proprietary Limited	–	–	35 975	29 948

Transactions with key management have been disclosed in note 30.

For related party loan accounts refer to notes 6 and 13.

Notes to the financial statements continued
for the year ended 31 December 2023

30. Directors and prescribed officers' emoluments

Director	Designation	Office	Changes
Dawn Mokhobo	Independent Non-executive	Chairperson	
Long Zou	Executive	Chief Executive Officer	
Jianguo Liu	Executive	Financial Director	
Victor Mabuza	Independent Non-executive		
Lincoln Ngculu	Independent Non-executive		
Fugui Qiao	Non-executive		
Qing Yu	Non-executive		
Sun Pingan	Non-executive		Resigned 5 July 2023
Yongxiang Huang	Non-executive		Appointed 7 March 2024

Interest of Directors and prescribed officers in shares of the Company

The beneficial interest of the Directors and prescribed officers of the Company in the issued share capital of the Company as at the date of this report is as follows:

	2023 Direct ordinary shares	2022 Direct ordinary shares	2023 Direct ordinary shares	2022 Indirect ordinary shares
Name				
Lincoln Ngculu	–	–	2 232 101	5 795 888
Basetsana Ramaboa	183 748	183 748	–	–
Total	183 748	183 748	2 232 101	5 795 888

Remuneration paid to Directors and prescribed officers

Non-executive Directors	Directors' fees R'000	Attendance fees R'000	Total R'000
2023			
Dawn Mokhobo	346	1 267	1 613
Victor Mabuza	145	1 243	1 388
Lincoln Ngculu	145	944	1 089
Total	636	3 454	4 090
2022			
Dawn Mokhobo	346	1 607	1 953
Victor Mabuza	145	965	1 110
Lincoln Ngculu	145	1 032	1 177
Total	636	3 604	4 240

30. Directors and prescribed officers' emoluments continued

Remuneration paid to Directors and prescribed officers continued

Executive Directors	Number of months	Salaries R'000	Bonuses R'000	Deferred bonus plan R'000	Total R'000
2023					
Jianguo Liu*	12	4 200	–	–	4 200
Total		4 200	–	–	4 200
2022					
Zhimin Li	4	1 220	–	–	1 220
Jianguo Liu*	12	4 200	–	–	4 200
Total		5 420	–	–	5 420

* *Jianguo Liu is a foreign secondee. A Financial Director fee is charged for his services to Wesizwe, as per the service level agreement between Wesizwe and CAD*

Remuneration for key management

Executive Directors	Number of months	Salaries R'000	Bonuses R'000	Deferred bonus plan R'000	Total R'000
2023					
Basetsana Ramaboa	12	2 657	–	2 898	5 555
Zhimin Li	12	4 039	–	–	4 039
Total		6 696	–	2 898	9 594
2022					
Basetsana Ramaboa	12	2 561	104	–	2 665
Zhimin Li	8	2 953	212	–	3 165
Total		5 514	316	–	5 830

All remuneration paid to Directors and prescribed officers represents short-term benefits. DBP represents cash-settled vested shares paid.

Notes to the financial statements continued

for the year ended 31 December 2023

31. Financial instruments and risk management

Categories of financial instruments

Financial assets	Note	FVOCI R'000	Amortised cost R'000	Total R'000
GROUP – 2023				
Other financial assets	7	9 503	–	9 503
Other receivables*	9	–	52 504	52 504
Cash and cash equivalents	10	–	227 892	227 892
Total		9 503	280 396	289 899
GROUP – 2022				
Other financial assets	7	57 234	–	57 234
Other receivables*	9	–	1 867	1 867
Cash and cash equivalents	10	–	342 646	342 646
Total		57 234	344 513	401 747

* *Excludes VAT and prepayments*

Financial assets	Note	Amortised cost R'000	Total R'000
COMPANY – 2023			
Loans to subsidiaries	6	22 063 263	22 063 263
Other receivables*	9	168	168
Cash and cash equivalents	10	31 948	31 948
Total		22 095 379	22 095 379
COMPANY – 2022			
Loans to subsidiaries	6	18 406 812	18 406 812
Other receivables*	9	501	501
Cash and cash equivalents	10	220 166	220 166
Total		18 627 479	18 627 479

* *Excludes VAT and prepayments*

31. Financial instruments and risk management continued

Categories of financial instruments continued

Financial liabilities	Note	Amortised cost R'000	Total R'000
GROUP – 2023			
Trade and other payables*	19	**114 576**	**114 576**
Shareholder's loans	13	**10 659 028**	**10 659 028**
Interest-bearing borrowings	14	**8 988 133**	**8 988 133**
Lease liability	15	**7 631**	**7 631**
Total		**19 769 368**	**19 769 368**
GROUP – 2022			
Trade and other payables*	19	202 732	202 732
Shareholder's loans	13	6 737 889	6 737 889
Interest-bearing borrowings	14	9 449 707	9 449 707
Lease liability	15	7 644	7 644
Total		16 397 972	16 397 972
COMPANY – 2023			
Trade and other payables*	19	**511**	**511**
Loans from subsidiaries	6	**3 829**	**3 829**
Shareholder's loans	13	**10 659 028**	**10 659 028**
Interest-bearing borrowings	14	**8 988 133**	**8 988 133**
Total		**19 651 501**	**19 651 501**
COMPANY – 2022			
Trade and other payables*	19	2 926	2 926
Loans from subsidiaries	6	3 149	3 149
Shareholder's loans	13	6 737 889	6 737 889
Interest-bearing borrowings	14	9 449 707	9 449 707
Total		16 193 671	16 193 671

* *Excludes VAT and employee cost accruals*

Notes to the financial statements continued

for the year ended 31 December 2023

31. Financial instruments and risk management continued

Financial risk management

Overview

This note presents information about the Group's exposure to financial instruments and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

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

The Audit and Risk Committee also oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in the oversight role at operations level by internal audit. Internal audit undertakes regular and *ad hoc* reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Capital management

The Board defines capital as equity issued to shareholders. There were no changes in the capital management strategies from the prior year. There are no external imposed capital requirements. The Group's debt-equity ratio is currently 305% (2022: 494%). The Company has loan covenants in that the net worth of the Group will not be less than R2 billion and that the financial indebtedness of the Group shall not exceed US$830 million. The Group is managing the capital of the Group to ensure that neither of these loan covenants are defaulted on.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group's counterparty exposure arises from investments in money market instruments, and the risk is limited by dealing with reputable financial institutions.

(i) Other receivables, cash and cash equivalents and loans to subsidiaries

The Group and Company have exposure to other receivables of R52.5 million and R0.2 million, respectively (2022: R1.9 million and R0.5 million, respectively). The Group and Company have exposure to cash and cash equivalents of R227.9 million and R31.9 million, respectively (2022: R342.6 million and R220.2 million, respectively). The Company has exposure to loans to subsidiaries of R22 063 million (2022: R18 407 million). This is the maximum exposure of credit risk. Refer to note 32 with respect to the impairment of loans to subsidiaries. The credit risk has been assessed as insignificant.

Exposure to credit risk is limited by only investing in liquid securities and only with counterparties that have a favourable credit rating. Cash and cash equivalents and restricted cash are invested with the following institutions at 31 December 2023:

	CREDIT RATING		GROUP		COMPANY	
Institution	2023	2022	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Bank of China	A	A	49 036	192 036	188	185 803
China Construction Bank	A	A	17 203	7 863	186	4 365
China Development Bank	A+	A+	1	1	–	–
Investec	AA+	AA+	92 532	85 700	30 781	28 490
Standard Bank	AA+	AA+	68 125	56 138	793	1 508
First National Bank	AA+	AA+	995	908	–	–
Total			**227 892**	**342 646**	**31 948**	**220 166**

31. Financial instruments and risk management continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage this risk is to ensure, as far as possible, that it will always have sufficient cash resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group will continue developing the mine while revenue from operations is only expected from 2024 onwards. Various funding options for the balance required from 2024 onwards are being considered. The maturity profile of contractual cash flows of non-derivative financial liabilities are presented in the following table. The cash flows are undiscounted contractual amounts.

	Note	Interest rate %	6 months or less R'000	6 to 12 months R'000	1 to 2 years R'000	2 to 5 years R'000	More than 5 years R'000	Total R'000
GROUP – 2023								
Shareholder's loan 1	13	6.71	18 459	18 915	1 123 113	–	–	1 160 487
Shareholder's loan 2	13	6.50	95 065	101 245	2 224 546	–	–	2 420 856
Shareholder's loan 3	13	5.00	22 574	23 131	1 262 370	–	–	1 308 075
Shareholder's loan 4	13	5.00	22 574	23 131	1 235 429	–	–	1 281 134
Shareholder's loan 5	13	5.00	4 063	4 164	217 587	–	–	225 814
Shareholder's loan 6	13	5.00	27 088	27 757	1 450 579	–	–	1 505 424
Shareholder's loan 7	13	5.00	13 996	14 341	733 165	–	–	761 502
Shareholder's loan 8	13	6.50	5 848	6 035	246 969	–	–	258 852
Shareholder's loan 9	13	6.50	126 004	44 717	193 635	1 848 963	–	2 213 319
Shareholder's loan 10	13	6.50	3 899	5 973	217 739	–	–	227 611
Shareholder's loan 11	13	6.50	–	15 363	560 057	–	–	575 420
Shareholder's loan 12	13	6.50	–	7 602	277 150	–	–	284 752
Shareholder's loan 13	13	6.50	–	43 403	1 582 277	–	–	1 625 680
Shareholder's loan 14	13	6.50	–	7 278	256 430	–	–	263 708
Shareholder's loan 15	13	6.50	–	7 629	268 781	–	–	276 410
Shareholder's loan 16	13	6.50	–	4 168	145 741	–	–	149 909
Shareholder's loan 17	13	6.50	–	–	–	508 752	–	508 752
Shareholder's loan 18	13	6.50	–	–	–	67 529	–	67 529
Interest-bearing borrowings	14	6.71	730 815	1 121 652	2 142 531	7 357 935	–	11 352 933
Trade and other payables*	19	–	114 576	–	–	–	–	114 576
Total			1 184 961	1 476 504	14 138 099	9 783 179	–	26 582 743
GROUP – 2022								
Shareholder's loan 1	13	7.76	–	813 536	–	–	–	813 536
Shareholder's loan 2	13	11.80	1 497 639	–	–	–	–	1 497 639
Shareholder's loan 3	13	5.00	–	936 142	–	–	–	936 142
Shareholder's loan 4	13	5.00	–	927 881	–	–	–	927 881
Shareholder's loan 5	13	5.00	–	165 680	–	–	–	165 680
Shareholder's loan 6	13	5.00	–	1 096 273	–	–	–	1 096 273
Shareholder's loan 7	13	5.00	–	603 418	–	–	–	603 418
Shareholder's loan 8	13	6.50	–	181 457	–	–	–	181 457
Shareholder's loan 9	13	6.50	–	640	162 153	1 442 629	–	1 605 422
Interest-bearing borrowings	14	4.24	–	1 091 709	1 796 369	6 007 603	2 228 697	11 124 378
Trade and other payables*	19		202 732	–	–		–	202 732
Total			1 700 371	5 816 736	1 958 522	7 450 232	2 228 697	19 154 558

** Excludes VAT and employee cost accruals*

Refer to note 15 for contractual maturities relating to lease liability.

Notes to the financial statements continued

for the year ended 31 December 2023

31. Financial instruments and risk management continued

Liquidity risk continued

	Note	Interest rate %	6 months or less R'000	6 to 12 months R'000	1 to 2 years R'000	2 to 5 years R'000	More than 5 years R'000	Total R'000
COMPANY – 2023								
Shareholder's loan 1	13	6.71	18 459	18 915	1 123 113	–	–	1 160 487
Shareholder's loan 2	13	6.50	95 065	101 245	2 224 546	–	–	2 420 856
Shareholder's loan 3	13	5.00	22 574	23 131	1 262 370	–	–	1 308 075
Shareholder's loan 4	13	5.00	22 574	23 131	1 235 429	–	–	1 281 134
Shareholder's loan 5	13	5.00	4 063	4 164	217 587	–	–	225 814
Shareholder's loan 6	13	5.00	27 088	27 757	1 450 579	–	–	1 505 424
Shareholder's loan 7	13	5.00	13 996	14 341	733 165	–	–	761 502
Shareholder's loan 8	13	6.50	5 848	6 035	246 969	–	–	258 852
Shareholder's loan 9	13	6.50	126 004	44 717	193 635	1 848 963	–	2 213 319
Shareholder's loan 10	13	6.50	3 899	5 973	217 739	–	–	227 611
Shareholder's loan 11	13	6.50	–	15 363	560 057	–	–	575 420
Shareholder's loan 12	13	6.50	–	7 602	277 150	–	–	284 752
Shareholder's loan 13	13	6.50	–	43 403	1 582 277	–	–	1 625 680
Shareholder's loan 14	13	6.50	–	7 278	256 430	–	–	263 708
Shareholder's loan 15	13	6.50	–	7 629	268 781	–	–	276 410
Shareholder's loan 16	13	6.50	–	4 168	145 741	–	–	149 909
Shareholder's loan 17	13	6.50	–	–	–	508 752	–	508 752
Shareholder's loan 18	13	6.50	–	–	–	67 529	–	67 529
Interest-bearing borrowings	14	6.71	730 815	1 121 652	2 142 531	7 357 935	–	11 352 933
Trade and other payables*	19	–	511	–	–	–	–	511
Total			1 070 896	1 476 504	14 138 099	9 783 179	–	26 468 678
COMPANY – 2022								
Shareholder's loan 1	13	7.76	–	813 536	–	–	–	813 536
Shareholder's loan 2	13	11.80	1 497 639	–	–	–	–	1 497 639
Shareholder's loan 3	13	5.00	–	936 142	–	–	–	936 142
Shareholder's loan 4	13	5.00	–	927 881	–	–	–	927 881
Shareholder's loan 5	13	5.00	–	165 680	–	–	–	165 680
Shareholder's loan 6	13	5.00	–	1 096 273	–	–	–	1 096 273
Shareholder's loan 7	13	5.00	–	603 418	–	–	–	603 418
Shareholder's loan 8	13	6.50	–	181 457	–	–	–	181 457
Shareholder's loan 9	13	6.50	–	640	162 153	1 442 629	–	1 605 422
Interest-bearing borrowings	14	4.24	–	1 091 709	1 796 369	6 007 603	2 228 697	11 124 378
Trade and other payables*	19		2 544	–	–	–	–	2 544
Total			1 500 183	5 816 736	1 958 522	7 450 232	2 228 697	18 954 370

** Excludes VAT and employee cost accruals*

31. Financial instruments and risk management continued

Market risk

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

At the current stage of the project development, management is focused on the currency rate risks relating to US dollar-denominated loans and the imported content of the project. Various mitigating options have been identified with the assistance of specialists and will be implemented when required. Once the Group begins to earn US dollar-denominated revenue, this will provide a natural hedge and losses on the restatement of the US dollar loan should be met with improved net South African rand income if the rand weakens, and vice versa if the rand strengthens.

Interest rate risk

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

The primary goal of the Group's investment strategy is to maximise investment returns on temporary surplus cash. Management is assisted by external advisers in this regard. Management assessed the market risk as low.

(i) Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate, which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk, which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

A decrease of 50 basis points in interest rates on favourable bank balances, including restricted cash of R227.9 million (2022: R342.6 million) for the Group will decrease equity and profit or loss by R2.5 million (2022: R1.9 million on a 50 basis points on interest decrease). An increase of 50 basis points would have the equal but opposite effect. A decrease of 50 basis points in interest rates on favourable bank balances, including restricted cash of R31.9 million (2022: R220.2 million) for the Company will decrease equity and profit or loss by R0.4 million (2022: R0.3 million on a 50 basis points on interest decrease). An increase of 50 basis points would have the equal but opposite effect. This analysis assumes all other variables remain constant.

A decrease of 50 basis points on the interest rates on the variable interest rate borrowings will increase equity and profit or loss by R1 384.0 million (2022: R73.7 million on a 50 basis points decrease). An increase of 50 basis points will decrease equity and profit or loss by R1 187 million (2022: R74.2 million on a 50 basis points increase). This analysis assumes all other variables remain constant.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Group is exposed to currency risk on borrowings and bank accounts that are denominated in US dollar.

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

GROUP AND COMPANY	2023 US dollar exposure US$'000	2022 US dollar exposure US$'000	2023 Converted exposure R'000	2022 Converted exposure R'000
Financial assets				
Bank account denominated in foreign currency	–	10 000	–	172 583
Financial liabilities				
Shareholder's loans	575 889	396 413	10 528 285	6 737 889
Interest-bearing borrowings	491 644	555 076	8 988 133	9 449 707

Exchange rates at year-end	2023	2022
ZAR/US$	18.2818	16.995

Notes to the financial statements continued
for the year ended 31 December 2023

31. Financial instruments and risk management continued

Currency risk continued

(i) Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

A weakening of 10% in the foreign exchange rate will decrease equity and profit or loss by R1 952.0 million (2022: R1 901.4 million) on the foreign cash balances, interest-bearing borrowings and shareholder's loans. A strengthening of 10% in the exchange rate would have an equal but opposite effect. This analysis assumes all other variables remain constant.

32. Impairment of financial assets

Loans receivable from subsidiaries

The Company has material loans receivable from subsidiaries. Refer to note 7.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Especially the following indicators are incorporated:
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower; and
- Significant increases in credit risk on other financial instruments of the same borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a borrower is more than 60 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due.

The Company uses three categories for loans, which reflect their credit risk and how the loan loss provision is determined for each of those categories:

Category provision	Category definition	Basis for recognition of expected credit loss
Stage 1 – Performing	Borrowers have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage 2 – Underperforming	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Stage 3 – Non-performing	Interest and/or principal repayments are 60 days past due	Lifetime expected losses

Over the term of the loans, the Company accounts for its credit risk by appropriately providing for ECLs on a timely basis. In calculating the expected credit loss rates, the Company considers historical loss rates for each borrower and adjusts for forward-looking macroeconomic data.

The interest-bearing loan receivable from Bakubung is considered to be a performing loan as Bakubung has a low risk of default and strong capacity to meet contractual cash flows. As such, any loss allowance recognised would be based on 12-month expected losses. The expected credit loss calculated for this loan was found to be insignificant.

ECL was calculated using a combination of probability of default (PD), loss given default (LGD) and exposure at default (EAD) as follows:
ECL = PD * LGD * EAD

Where:
PD represents the likelihood over a specified period that a borrower will not be able to make scheduled payments. A PD of 30.16% was used based on market information adjusted for factors specific to the borrower.

32. Impairment of financial assets continued

Loans receivable from subsidiaries continued

LGD represents the amount of money that the Company would lose on default by the borrower. Considerations included the costs that would be incurred to recover amounts owed as well as the collateral held and the time that would be taken to realise such security. Given that the mine is held as security, the LGD was found to be negligible.

EAD represents the amount by which the Company is exposed to loss, as a result of the default on the loan, which our calculation determined to be the carrying value of the loan.

The Company considered impairment for other loans receivable from subsidiaries that are all unsecured, interest–free and repayable on demand. All recovery scenarios indicated that the ECLs from these loans would be immaterial.

Other financial instruments

The Group and Company have restricted cash and cash and cash equivalents. Immaterial ECLs were estimated for these balances.

For the portion of other receivables that meet the definition of financial instruments under IFRS 9, the ECLs are immaterial at both Group and Company levels.

33. Fair value information

		GROUP 2023		GROUP 2022	
	Notes	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Cash and cash equivalents	10	**227 892**	**227 892**	342 646	342 646
Other receivables*	9	**52 504**	**52 504**	1 867	1 867
Other financial assets	7	**9 503**	**9 503**	57 234	57 234
Trade and other payables*	19	**(114 576)**	**(114 576)**	(202 732)	(202 732)
Shareholder's loans	13	**(10 659 028)**	**(9 523 617)**	(6 737 889)	(6 577 183)
Interest-bearing borrowings	14	**(8 988 133)**	**(8 988 133)**	(9 449 707)	(9 623 553)
Total		**(19 471 838)**	**(18 336 427)**	(15 988 581)	(16 001 721)

* *Excludes VAT, prepayments and employee cost accruals*

		COMPANY 2023		COMPANY 2022	
	Notes	Carrying amount R'000	Fair value R'000	Carrying amount R'000	Fair value R'000
Cash and cash equivalents	10	**31 948**	**31 948**	220 166	220 166
Other receivables*	9	**168**	**168**	501	501
Loans to subsidiaries (non-current)	6	**17 327 151**	**14 171 768**	11 417 753	10 295 543
Loans to subsidiaries (current)	6	**4 736 112**	**4 736 112**	6 989 059	6 989 059
Trade and other payables*	19	**(511)**	**(511)**	(2 926)	(2 926)
Shareholder's loans	13	**(10 659 028)**	**(9 523 617)**	(6 737 889)	(6 577 183)
Interest-bearing borrowings	14	**(8 988 133)**	**(8 988 133)**	(9 449 707)	(9 623 553)
Loans from subsidiaries	6	**(3 829)**	**(3 829)**	(3 149)	(3 149)
Total		**2 443 878**	**423 906**	2 433 808	1 298 458

* *Excludes VAT, prepayments and employee cost accruals*

33. Fair value information continued

Fair value hierarchy

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 cash equivalent, other receivables, trade payables, and current portion of interest-bearing borrowings and loans from subsidiaries are short-term in nature, therefore their carrying amounts reasonably approximate fair value.

Long-term interest-bearing borrowings have terms that are market-related and therefore their carrying amounts reasonably approximate fair value. Refer to note 14.

Other financial assets relate to investment in equity instruments, their fair value is measured using level 1 inputs obtained directly from JSE. Refer to note 7.

The fair value of shareholder loans is measured using level 3 inputs. A discounted cash flow is used to determine the fair values of shareholder loan. The valuation method considers the present value of expected payments, discounted at a risk-adjusted discount rate.

34. Events after reporting date

The Group is in negotiations with the CCMA regarding Section 189a that will affect the retrenchment of staff members.

Mr Yongxiang Huang was appointed as a Non-executive Director on 7 March 2024.

35. Going concern

The Group's cash resources at the reporting date of R227.9 million (2022: R342.6 million) are not sufficient, based on current budgets, to conduct operations and complete the development of the BPM Project. The Group's current liabilities at the reporting date, which includes shareholder's loans of R3 017.4 million (2022: R5 634.3 million), exceed the current assets by R3.5 billion (2022: R5.6 billion).

These conditions indicate that a material uncertainty exists, which may cast significant doubt as to the ability of the Company and its subsidiaries to continue as a going concern in that they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The ability of the Group and Company to continue as a going concern is dependent on the support of the majority shareholder and the majority shareholder not calling on the current shareholder's loans. The shareholder has supported the shortfall to date and has provided a letter of comfort supporting any shortfall and guaranteed repayment of the CDB loan going forward. Management has made certain judgements in considering whether the planned mitigating actions are sufficient to conclude that the going concern assumption is appropriate.

Based on the above, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

36. Shareholder analysis

Shareholder spread	Number of shareholders	% of total shareholding	Number of shares	% of issued share capital
0 – 1 000	9 855	69.01	1 356 695	0.08
1 001 – 10 000	2 247	15.73	8 647 289	0.53
10 001 – 100 000	1 553	10.88	56 677 843	3.48
100 001 – 1 000 000	522	3.66	161 603 757	9.93
Over 1 000 000	103	0.72	1 399 541 474	85.98
Total	**14 280**	**100.00**	**1 627 827 058**	**100.00**
Distribution of shareholders				
Banks	2	0.01	2 616 636	0.16
Close corporations	21	0.15	2 879 672	0.18
Foundations and charitable funds	2	0.01	20 000	0.00
Insurance companies	1	0.01	217 021	0.01
Investment partnerships	15	0.11	15 800 890	0.97
Managed funds	19	0.13	58 751 912	3.61
Private companies	77	0.54	165 564 487	10.17
Public companies	3	0.02	944 492 302	58.02
Retail shareholders	13 969	97.81	387 455 875	23.80
Retirement benefit funds	11	0.08	958 536	0.06
Scrip lending	1	0.01	22 466	0.00
Stockbrokers and nominees	10	0.07	14 595 717	0.90
Trusts	148	1.04	34 449 094	2.12
Unclaimed scrip	1	0.01	2 450	0.00
Total	**14 280**	**100.00**	**1 627 827 058**	**100.00**

Shareholder type	Number of shareholders	% of total shareholding	Number of shares	% of issued share capital
Non-public shareholders	1	0.01	2 232 101	0.14
Directors and associates	1	0.01	2 232 101	0.14
Beneficial shareholders > 10%	2	0.01	944 372 302	58.01
Rustenburg Platinum Mines Limited	1	0.01	211 850 125	13.01
China-Africa Jinchuan Inv Ltd	1	0.01	732 522 177	45.00
Public shareholders	14 277	99.98	681 222 655	41.85
Total	**14 280**	**100.00**	**1 627 827 058**	**100.00**

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued share capital
China-Africa Jinchuan Inv Ltd	732 522 177	45.00
Rustenburg Platinum Mines Limited	211 850 125	13.01
Micawber 809 (Pty) Limited	97 362 283	5.98
Africa Continental Resources Venture	73 630 000	4.52
Total	**1 115 364 585**	**68.51**

Total number of shareholdings	**14 280**
Total number of shares in issue	**1 627 827 058**

Issued capital	
Total certificated holdings	836 990 866
Total dematerialised holdings	790 836 192
Total	**1 627 827 058**

Administration

Wesizwe Platinum Limited

Incorporated in the Republic of
South Africa
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ISIN: ZAE000075859
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L Zou (Chief Executive Officer)#
J Liu (Financial Director)#
LVJ Ngculu*
TV Mabuza*
Q Yu*#
F Qiao*#
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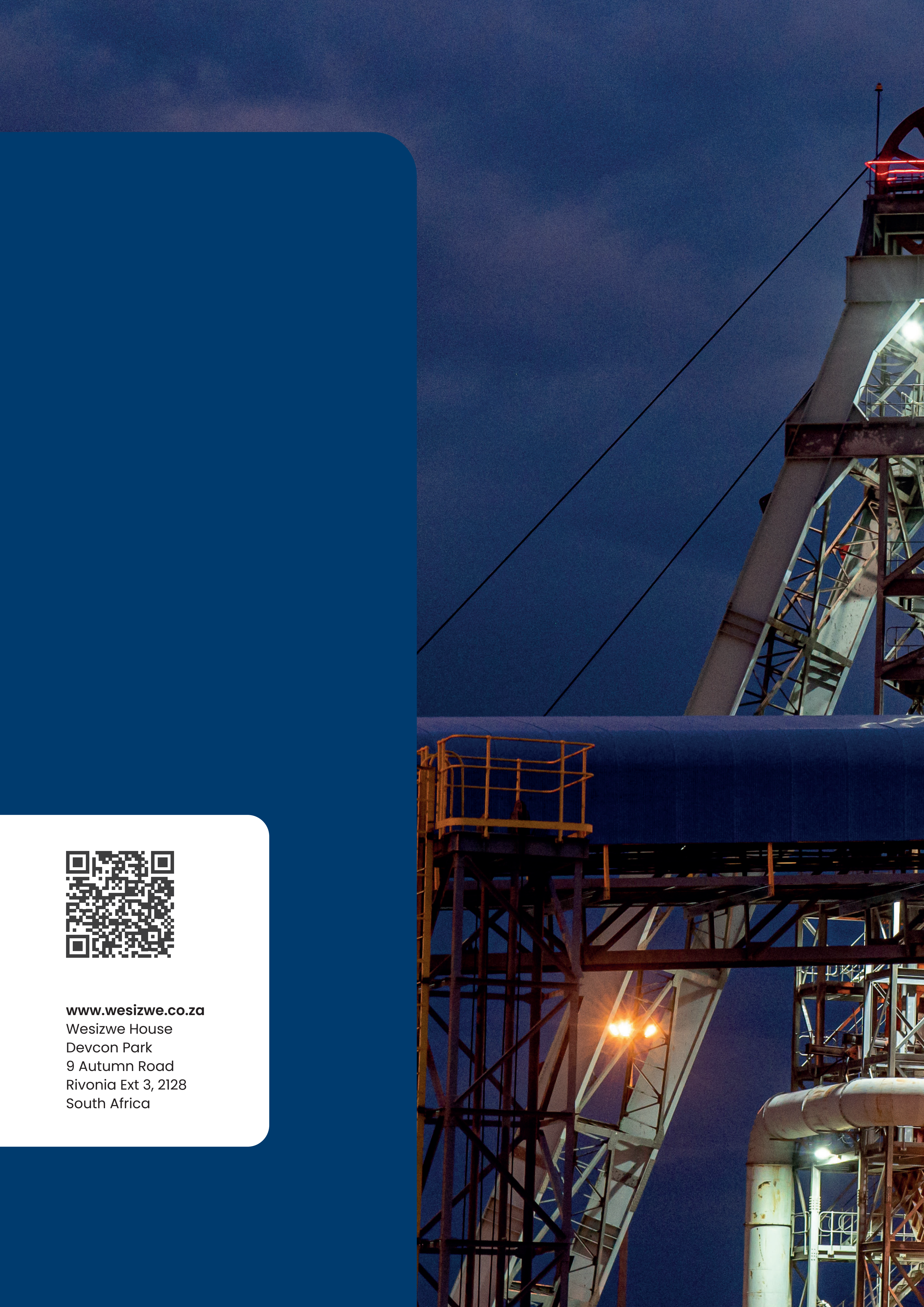

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