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

ABRIDGED GROUP FINANCIAL STATEMENTS FOR WESIZWE PLATINUM LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020, DISTRIBUTION OF INTEGRATED ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING.

DISTRIBUTION OF INTEGRATED ANNUAL REPORT

Shareholders of the Company ("Shareholders") are hereby advised that the Company's integrated annual report ("Integrated Annual Report"), incorporating the full audited consolidated annual financial statements of the Company for the year ended 31 December 2020 ("Annual Financial Statements") and the notice of the annual general meeting of the Company ("Notice of AGM") was distributed to Shareholders today, 30 March 2021.

The Integrated Report and the Annual Financial Statements will also be available on the Company's website, at www.wesizwe.com as from today, 30 March 2021.

NOTICE OF AGM

Notice is hereby given that the annual general meeting ("AGM") will be held via video conference on Friday, 7 May 2021 at 09h00 to transact the business as set out in the notice of AGM which forms part of the Integrated Annual Report.

The date on which Shareholders must be recorded as such in the share register of the Company to be eligible to vote at the AGM is Friday, 30 April 2021, with the last day to trade being Monday, 26 April 2021.

Abridged consolidated statement of financial position
as at 31 December 2020

	Notes	2020 R'000	2019 R'000
Assets			
Property, plant and equipment	5	**11 786 909**	9 946 189
Other financial assets	6	**22 692**	17 222
Intangible assets		**-**	570
Non-current assets		**11 809 601**	9 963 981
Inventories		**483 407**	120 796
Other receivables		**437 838**	179 836
Restricted cash	7	**81 028**	81 028
Cash and cash equivalents		**899 406**	2 127 557
Current assets		**1 901 679**	2 509 217
Total assets		**13 711 280**	12 473 198
Equity and liabilities			
Stated capital	8	**3 425 544**	3 425 544
Market to market reserves		**10 477**	6 232
Accumulated loss		**(351 863)**	(403 645)
Capital and reserves		**3 084 158**	3 028 131
Deferred tax liability	9	**409 278**	390 081
Lease liability		**7 655**	7 664
Interest-bearing borrowings	13	**9 292 583**	8 776 645
Mine closure and environmental rehabilitation obligation	10	**42 242**	47 361
Cash-settled share-based payment liability		**5 943**	6 037
Non-current liabilities		**9 757 701**	9 227 788
Lease liability		**9**	7
Interest-bearing borrowings	13	**65 712**	14 054
Shareholder's loan	14	**599 110**	-
Trade and other payables		**204 360**	182 807
Taxation	9	**230**	20 411
Current liabilities		**869 421**	217 279
Total liabilities		**10 627 122**	9 445 067
Total equity and liabilities		**13 711 280**	12 473 198

Abridged consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2020

	2020 R'000	2019 R'000
Operations		
Administration expenses	**(75 444)**	(65 638)
	(75 444)	(65 638)
Other income	**188**	-
Net operating costs	**(75 256)**	(65 638)
Finance income and expense		
Finance income	**229 206**	307 677
Finance expense	**(101 121)**	(95 664)
Net finance income	**128 085**	212 013
Profit before tax	**52 829**	146 375
Income tax expense	**(1 047)**	(49 572)
Profit for the year	**51 782**	96 803
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Gain on fair value movements of equity instrument at FVOCI	**5 470**	8 031
Income tax relating to fair value movements of equity instrument	**(1 225)**	(1 799)
Total other comprehensive income	**4 245**	6 232
Total comprehensive income for the year	**56 027**	103 035
Earnings per share		
		Restated*
Basic and diluted earnings per share (cents)	**3.18**	5.95
Headline and diluted headline earnings per share (cents)	**3.17**	5.95

*Refer to note 16

Abridged consolidated statement of changes in equity
for the year ended 31 December 2020

	Stated Capital R'000	Reserves R'000	Accumulated loss R'000	Total R'000
Balance at 1 January 2019	3 425 544	-	(500 448)	2 925 096
Profit for the year	-	-	96 803	96 803
Other comprehensive income	-	6 232	-	6 232
Total comprehensive income for the year	-	6 232	96 803	103 035
Balance at 31 December 2019	3 425 544	6 232	(403 645)	3 028 131
Profit for the year	**-**	**-**	**51 782**	**51 782**
Other comprehensive income	**-**	**4 245**	**-**	**4 245**
Total comprehensive income for the year	**-**	**4 245**	**51 782**	**56 027**
Balance at 31 December 2020	**3 425 544**	**10 477**	**(351 863)**	**3 084 158**

Abridged consolidated statement of cash flows
for the year ended 31 December 2020

	Note	2020 R'000	2019 Restated* R'000
Cash flows from operating activities			
Cash from operating activities		**(506 861)**	(162 046)
Cash utilised in operating activities		**(506 861)**	(162 046)
Finance income received		**90 863**	15 874
Finance cost paid		**(1 472)**	(1 474)
Taxation received		**227**	-
Taxation paid		**(3 483)**	(538)
Cash utilised in operating activities		**(420 726)**	(148 184)
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(1 028 502)**	(621 126)
Finance cost paid capitalised		**(535 113)**	(482 716)
Net cash outflow from investing activities		**(1 563 615)**	(1 103 842)
Cash flows from financing activities			
Interest-bearing borrowings raised	13	**181 943**	2 815 607
Interest-bearing borrowings repaid	13	**(80 105)**	-
Shareholder's loan raised	14	**599 175**	-
Repayment of lease liability		**(7)**	(5)
Net cash inflow from financing activities		**701 006**	2 815 602
Net (decrease)/increase in cash and cash equivalents		**(1 283 335)**	1 563 576
Exchange gains/(losses) on cash and cash equivalents		**55 184**	(18 487)
Cash at beginning of the year		**2 127 557**	582 468
Cash and cash equivalents		**899 406**	2 127 557

* Refer to note 21

Notes to the abridged consolidated financial statements
for the year ended 31 December 2020

1. Reporting entity
Wesizwe Platinum Limited ("Wesizwe" or the "Company") is a company domiciled in the Republic of South Africa. The abridged consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The audited consolidated financial statements of the Group for the year ended 31 December 2020 are available at www.wesizwe.com.

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

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

The financial statements have been prepared under the supervision of the Finance Director, Mr. Jianguo Liu.

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

3. Accounting policies
The accounting policies used to prepare this report are in terms of IFRS and are consistent with those used in the previous annual financial statements.

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

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

5. Property, plant and equipment

	Mine Assets R'000	Other R'000	Total R'000
Balance at 1 January 2019	7 617 325	1 240 777	8 858 102
Additions	1 079 445	16 783	1 096 228
Depreciation	-	(8 141)	(8 141)
Balance at 1 January 2020	**8 696 770**	**1 249 419**	**9 946 189**
Additions	**1 802 364**	**47 347**	**1 849 711**
Depreciation	**-**	**(8 991)**	**(8 991)**
Balance at 31 December 2020	**10 499 134**	**1 287 775**	**11 786 909**

6. Other financial assets

	2020 R'000	2019 R'000
Listed equity securities*		
Opening Balance	**17 222**	9 191
Gain on fair value adjustments	**5 470**	8 031
Closing Balance	**22 692**	17 222

* Royal Bafokeng Platinum Limited ("RBPlats") and Platinum Group Metals South Africa (Pty) Ltd ("PTM SA") concluded a transaction of sale in which RBPlats acquired Maseve Investments 11 (Pty) Ltd ("Maseve"), a concentrator plant and surface rights in respect of the immovable property owned by Maseve. Africa Wide Mineral Prospecting and Exploration (Pty) Ltd ("Africa Wide"), a subsidiary of Wesizwe owned 17.1% of Maseve and other assets forming part of the RBPlats acquisition. Africa Wide received an issue of RBPlats shares as proceeds of sale for its 17.1% of the assets acquired. Wesizwe and Africa Wide disputed the validity of the transaction concluded and commenced with processes for litigious relief. This process was still ongoing in the 2020 financial year.

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

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

7. Restricted cash

	2020 R'000	2019 R'000
Eskom – connection guarantees	**44 828**	44 828
Department of Mineral Resources and Energy – rehabilitation obligation	**36 200**	36 200
Total	**81 028**	81 028

Call deposits have been encumbered as a result of guarantees issued to certain service providers. Management is in advanced stages of replacing Department of Mineral Resources and Energy, and Eskom restricted cash guarantees with insurance guarantees. Due to unforeseen circumstances in 2020, the call deposits have yet to be replaced with insurance guarantees which is expected to happen in 2021.

8. Stated capital

	2020 R'000	2019 R'000
Authorised		
2 000 000 000 no par value ordinary shares		
Issued		
1 627 827 058 no par value ordinary shares	**3 425 544**	3 425 544

9. Taxation

9.1 Income tax payable

	2020 R'000	2019 R'000
Balance at the beginning of the year	**20 411**	(280)
South African company tax	**(16 925)**	21 229
Taxation paid	**(3 483)**	(538)
Taxation refund received	**227**	-
Balance at the end of the year	**230**	20 411

9.2 Deferred tax

	2020 R'000	2019 R'000
Deferred tax liability		
Balance at the beginning of the year	**390 081**	359 939
Current year charges	**19 197**	30 142
Property, plant and equipment	**536 038**	264 407
Other financial assets	**1 225**	1 799
Prepayments	**66 214**	40 590
Unredeemed mining capex	**(585 741)**	(274 654)
Lease liability	**28**	(71)
Provisions	**1 433**	(1 929)
Balance at the end of the year	**409 278**	390 081

10. Mine closure and environmental rehabilitation obligation

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 cashflows is expended at the end of life of the mine. The annual changes can be ascribed to additional disturbances caused during the year and changes in the escalation and discount rates. This estimate is based on the current cost estimate and escalated to the future planned closure date and then discounted at an appropriate rate. The current estimates are based on environmental plans in accordance with current technology, environmental and regulatory requirements and the measurements of an independent professional surveyor.

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

As required by the Department of Mineral Resources and Energy, a deposit of R36.2-million (2019: R36.2-million) is held with a financial institution. This investment has been ceded as security in favour of the guarantees which the bank issued on behalf of the Group. The guarantees have been provided to the Department of Mineral Resources and Energy for the mine closure and environmental rehabilitation.

The discount rate regarded as an appropriate long-term risk-free rate is 6.66% (2019: 8.25%) and the appropriate escalation rate is 2.53% (2019: 4.81%). The current cost rehabilitation estimate is R137.9-million (2019: R128.9 million).

11. Segment reporting

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

12. Subsequent events

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

13. Interest-bearing borrowings

	2020 R'000	2019 R'000
China Development Bank		
Opening balance	**8 790 699**	6 193 998
Drawdown	**181 943**	2 815 607
Interest accrued	**699 058**	475 218
Interest repayment	**(535 113)**	(482 716)
Loan repayment	**(80 105)**	-
Realised foreign exchange gain	**(12 747)**	(43 926)
Unrealised foreign exchange loss/(gain)	**314 560**	(167 482)
Closing balance	**9 358 295**	8 790 699
Non-current	**9 292 583**	8 776 645
Current	**65 712**	14 054
Closing balance	**9 358 295**	8 790 699

The Group has secured and utilised a US$650-million 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 in 2020, as scheduled, with the final payment in 2028.

14. Shareholder's loan

	2020 R'000	2019 R'000
Jinchuan Group (Hong Kong) Resources Holdings Limited		
Opening balance	**-**	-
Shareholder's loan - drawdown	**599 175**	-
Unrealised foreign exchange gain	**(65)**	-
Closing balance	**599 110**	**-**

The Group has secured a US$41-million loan. The interest rate is determined quarterly in advance at the ruling 'six month LIBOR rate' plus 3.5%. The interest is payable quarterly and the capital payable at the end of 12 months.

15. Fair Values

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

	Notes	Group 2020 Carrying amount R'000	Group 2020 Fair value R'000	Group 2019 Carrying amount R'000	Group 2019 Fair value R'000
Cash and cash equivalents		**899 406**	**899 406**	2 127 557	2 127 557
Restricted cash	7	**81 028**	**81 028**	81 028	81 028
Other receivables*		**671**	**671**	2 934	2 934
Investment in equity asset	6	**22 692**	**22 692**	17 222	17 222
Trade and other payables*		**(161 962)**	**(161 962)**	(148 768)	(148 768)
Shareholder's loan	14	**(599 110)**	**(599 110)**	-	-
Interest-bearing borrowings	13	**(9 358 295)**	**(9 638 134)**	(8 790 699)	(8 996 354)
		(9 115 570)	**(9 395 409)**	(6 710 726)	(6 916 381)

* excludes VAT, prepayments and employee costs accruals

The levels are classified as follows:

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

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

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

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

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

The long-term interest-bearing borrowings is measured using level 2 at amortised cost using the effective interest method. The fair value of long-term borrowings is calculated at market adjusted contractual interest rates at year-end. Refer to note 13.

Investment in equity asset is measured at fair value using level 1 values obtained directly from the JSE.

16. Headline earnings per share

	2020	2019 Restated*
The basis of calculation of headline earnings and diluted headline earnings per share is:		
Earnings attributable to ordinary shareholders (rand)	**51 781 858**	96 802 424
Other income	**(145 517)**	-
Headline earnings	**51 636 341**	96 802 424
Weighted average number of ordinary shares in issue (shares)	**1 627 827 058**	1 627 827 058
Headline earnings and diluted headline earnings per share (cents)*	**3.17**	5.95

* The prior year basic and diluted earnings per share has been restated to not include the other comprehensive income fair value adjustment that was erroneously included within the calculation. The correction results in the basic earnings and diluted earnings per share being 0.38 cents per share lower compared to the 6.33 cents per share as previously reported. Headline earnings and diluted headline earnings per share were not affected.

17. Capital Commitments

Capital commitments for the next 12 months' amounts to R942.2-million (2019: R934.2-million).

18. Mineral Resources and Reserves

There were no changes to the mineral resources and reserves for the year ended 31 December 2020.

19. Dividends

No dividends were declared for the year ended 31 December 2020.

20. Prospects

The updated feasibility study of the Bakubung project was tested by the auditors for an impairment assessment and still continues to yield very encouraging results.

21. RECLASSIFICATION

Reclassification of exchange losses on cash and cash equivalents

1 - In prior year results, exchange losses on cash and cash equivalents was presented as part of "Cash utilised from operations" in the statement of cash flows for the Group. It was decided to improve presentation by disclosing this line item separately as "exchange losses on cash and cash equivalents". The revised presentation is consistent with IAS 7 requirements "The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities."

2 - In prior year results, finance costs paid capitalised was presented as part of "Acquisition of property, plant and equipment" in the statement of cash flows for the Group. In the current year, it was decided to disclose this line separately as "finance costs paid capitalised". The revised presentation is consistent with IAS 7 requirements "Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing, or financing activities. The total amount of interest paid during a period is disclosed in the Statement of Cash Flows whether it has been recognised as an expense in profit or loss or capitalised in accordance with IAS 23 'Borrowing Costs."

GROUP 2019

	As previously reported R'000	Reclassification R'000	Restated R'000
Cash flows from operating activities			
Cash flows from operating activities	(180 533)	18 487[1]	(162 046)
Cash utilised in operations	**(180 533)**	**18 487[1]**	**(162 046)**
Finance income received	15 874	-	15 874
Finance cost paid	(1 474)	-	(1 474)
Taxation paid	(538)	-	(538)
Cash utilised in operating activities	**(166 671)**	**18 487[1]**	**(148 184)**
Cash flows from investing activities			
Acquisition of property, plant and equipment	(1 103 842)	482 716[2]	(621 126)
Finance cost paid capitalised	-	(482 716)[2]	(482 716)
Net cash outflow from investing activities	**(1 103 842)**	**-**	**(1 103 842)**
Cash flows from financing activities			
Interest-bearing borrowings raised	2 815 607	-	2 815 607
Repayment of Lease Liability	(5)	-	(5)
Net cash inflow from financing activities	**2 815 602**	-	**2 815 602**
Net increase in cash and cash equivalents	**1 545 089**	**18 487[1]**	**1 563 576**
Exchange losses on cash and cash equivalents	-	(18 487)[1]	(18 487)
Cash at beginning of the period	582 468	-	582 468
Cash and cash equivalents	**2 127 557**	**-**	**2 127 557**

1 – Please refer to note 1 above
2 – Please refer to note 2 above

Changes to the Board of Directors
Mr Feng Tao resigned from the Board with effect from 31 March 2020 and Mr Jianguo Liu was appointed to the Board as an Executive Director with effect from 1 April 2020.

By order of the board:
Dawn Mokhobo (Chairman)   J Liu (Finance Director)

Sponsors: PSG Capital

Directors: DNM Mokhobo (Chairman)*, Z Li (Chief Executive Officer) #, J Liu (Finance Director) #, LV Ngculu*, TV Mabuza*, S Pingan*#, P Li*#, H Guo *#
(*Non-Executive, # Chinese)

Company Secretary: V Mhlongo

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www.wesizwe.com

30 March 2021
Johannesburg

Sponsor
PSG Capital