

# CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

for the six months ended 30 June 2021

## Highlights

- Additional US\$80 million raised to fund the project
- Construction of the Processing Plant is underway
- R1 billion capitalised as part of the construction activities and development of the mine
- Construction of the initial 144 units of the housing project nearing completion

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|  | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|--|-------------------------------|-------------------------------|--------------------------|
|  | Reviewed R'000                | Reviewed R'000                | Audited R'000            |
| <b>ASSETS</b>  |                               |                               |                          |
| <b>Non-current assets</b>                                |                               |                               |                          |
| Property, plant and equipment                            | 12 911 768                    | 11 422 636                    | 11 809 601               |
| Intangible assets  | 12 794 408                    | 11 406 223                    | 11 786 909               |
| Other financial assets                                   | 905                           | 285                           | –                        |
| Restricted cash  | 35 427                        | 12 047                        | 22 692                   |
| Deferred tax asset                                       | 81 028                        | –                             | –                        |
|  | –                             | 4 081                         | –                        |
| <b>Current assets</b>                                    | <b>1 987 386</b>              | <b>2 238 166</b>              | <b>1 901 679</b>         |
| Other receivables  | 243 288                       | 139 995                       | 437 838                  |
| Inventories  | 705 889                       | 223 163                       | 483 407                  |
| Restricted cash  | –                             | 81 028                        | 81 028                   |
| Cash and cash equivalents                                | 1 038 209                     | 1 793 980                     | 899 406                  |
| <b>Total assets</b>                                      | <b>14 899 154</b>             | <b>13 660 802</b>             | <b>13 711 280</b>        |
| <b>EQUITY AND LIABILITIES</b>                            |                               |                               |                          |
| <b>Capital and reserves</b>                              |                               |                               |                          |
| Stated capital   | 3 476 554                     | 2 016 542                     | 3 084 158                |
| Mark to market reserves                                  | 3 425 544                     | 3 425 544                     | 3 425 544                |
| Shareholder's contribution                               | 20 359                        | 2 217                         | 10 477                   |
| Accumulated loss   | 138 004                       | –                             | –                        |
|  | (107 353)                     | (1 411 219)                   | (351 863)                |
| <b>Non-current liabilities</b>                           | <b>10 112 451</b>             | <b>11 365 145</b>             | <b>9 257 701</b>         |
| Deferred tax liability                                   | 409 493                       | –                             | 409 278                  |
| Interest-bearing borrowings                              | 8 444 125                     | 11 310 335                    | 9 292 583                |
| Shareholder's loans                                      | 1 006 077                     | –                             | –                        |
| Mine closure and environmental rehabilitation obligation | 39 595                        | 40 473                        | 42 242                   |
| Lease liability  | 7 649                         | 8 399                         | 7 655                    |
| Cash-settled share-based payment liability               | 5 712                         | 5 938                         | 5 943                    |
| <b>Current liabilities</b>                               | <b>1 309 949</b>              | <b>279 115</b>                | <b>869 421</b>           |
| Trade and other payables                                 | 214 344                       | 157 730                       | 204 360                  |
| Interest-bearing borrowings                              | 499 910                       | 86 372                        | 65 712                   |
| Shareholder's loans                                      | 595 544                       | –                             | 599 110                  |
| Taxation payable   | 141                           | 35 006                        | 230                      |
| Lease liability  | 10                            | 7                             | 9                        |
| <b>Total liabilities</b>                                 | <b>11 422 600</b>             | <b>11 644 260</b>             | <b>10 627 122</b>        |
| <b>Total equity and liabilities</b>                      | <b>14 899 154</b>             | <b>13 660 802</b>             | <b>13 711 280</b>        |

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

|   | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|---|-------------------------------|-------------------------------|--------------------------|
|   | Reviewed R'000                | Reviewed R'000                | Audited R'000            |
| <b>Operations</b>   |                               |                               |                          |
| Administration expenditure  | (10 367)                      | (15 279)                      | (75 444)                 |
| Other income  | –                             | –                             | 188                      |
| <b>Net operating costs</b>  | <b>(10 367)</b>               | <b>(15 279)</b>               | <b>(75 256)</b>          |
| <b>Finance income and expenses</b>                                |                               |                               |                          |
| Finance income  | 258 714                       | 182 332                       | 229 206                  |
| Finance expense   | (6 527)                       | (1 552 782)                   | (101 121)                |
| <b>Net finance income/(expense)</b>                               | <b>252 187</b>                | <b>(1 370 450)</b>            | <b>128 085</b>           |
| <b>Profit/(loss) before tax</b>                                   | <b>241 820</b>                | <b>(1 385 729)</b>            | <b>52 829</b>            |
| Income tax income/(expense)                                       | 2 690                         | 378 155                       | (1 047)                  |
| <b>Profit/(loss) for the period</b>                               | <b>244 510</b>                | <b>(1 007 574)</b>            | <b>51 782</b>            |
| <b>Other comprehensive income</b>                                 |                               |                               |                          |
| <b>Items that will not be reclassified to profit or loss</b>      |                               |                               |                          |
| Gain/(loss) on fair value movements of equity instrument at FVOCI | 12 735                        | (5 175)                       | 5 470                    |
| Income tax relating to fair value movements of equity instrument  | (2 853)                       | 1 160                         | (1 225)                  |
| <b>Total other comprehensive income/(loss)</b>                    | <b>9 882</b>                  | <b>(4 015)</b>                | <b>4 245</b>             |
| <b>Total comprehensive income/(loss) for the period</b>           | <b>254 392</b>                | <b>(1 011 589)</b>            | <b>56 027</b>            |
| Basic and diluted earnings/(loss) per share (cents)               | 15.02                         | (61.90)*                      | 3.18                     |

\* Restated. Refer to note 18.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|                                    | Stated capital R'000 | Mark to market Reserves R'000 | Shareholder's contribution* R'000 | Accumulated loss R'000 | Total R'000 |
|------------------------------------|----------------------|-------------------------------|-----------------------------------|------------------------|-------------|
| <b>Balance at 1 January 2020</b>   | 3 425 544            | 6 232                         | –                                 | (403 645)              | 3 028 131   |
| Loss for the period                | –                    | –                             | –                                 | (1 007 574)            | (1 007 574) |
| Other comprehensive loss           | –                    | (4 015)                       | –                                 | –                      | (4 015)     |
| <b>Balance at 30 June 2020</b>     | 3 425 544            | 2 217                         | –                                 | (1 411 219)            | 2 016 542   |
| Profit for the period              | –                    | –                             | –                                 | 1 059 356              | 1 059 356   |
| Other comprehensive income         | –                    | 8 260                         | –                                 | –                      | 8 260       |
| <b>Balance at 31 December 2020</b> | 3 425 544            | 10 477                        | –                                 | (351 863)              | 3 084 158   |
| Profit for the period              | –                    | –                             | –                                 | 244 510                | 244 510     |
| Other comprehensive income         | –                    | 9 882                         | –                                 | –                      | 9 882       |
| Shareholder's contribution         | –                    | –                             | 138 004                           | –                      | 138 004     |
| <b>Balance at 30 June 2021</b>     | 3 425 544            | 20 359                        | 138 004                           | (107 353)              | 3 476 554   |

\* Refer to note 9.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

|   | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|---|-------------------------------|-------------------------------|--------------------------|
|   | Reviewed R'000                | Reviewed R'000                | Audited R'000            |
| <b>Cash generated from/(utilised in) operations</b>           | <b>11 371</b>                 | <b>(44 011)</b>               | <b>(506 861)</b>         |
| Finance income received                                       | 13 764                        | 3 719                         | 90 863                   |
| Finance cost paid   | (735)                         | (2)                           | (1 472)                  |
| Taxation received   | –                             | –                             | 227                      |
| Taxation paid   | –                             | (252)                         | (3 483)                  |
| <b>Cash generated from/(utilised in) operating activities</b> | <b>24 400</b>                 | <b>(40 546)</b>               | <b>(420 726)</b>         |
| <b>Cash flows from investing activities</b>                   |                               |                               |                          |
| Acquisition of property, plant and equipment                  | (785 957)                     | (544 322)                     | (1 028 502)              |
| Finance cost paid capitalised                                 | (177 808)                     | –                             | (535 113)                |
| Acquisition of intangible assets                              | (958)                         | –                             | –                        |
| <b>Net cash outflow from investing activities</b>             | <b>(964 723)</b>              | <b>(544 322)</b>              | <b>(1 563 615)</b>       |
| <b>Cash flows from financing activities</b>                   |                               |                               |                          |
| Interest-bearing borrowings raised                            | –                             | 169 196                       | 181 943                  |
| Interest-bearing borrowings repaid                            | (64 190)                      | (7 042)                       | (80 105)                 |
| Shareholder's loan raised                                     | 1 144 970                     | –                             | 599 175                  |
| Repayment of lease liability                                  | (9)                           | –                             | (7)                      |
| <b>Net cash inflow from financing activities</b>              | <b>1 080 771</b>              | <b>162 154</b>                | <b>701 006</b>           |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>140 448</b>                | <b>(422 714)</b>              | <b>(1 283 335)</b>       |
| Exchange (losses)/gains on cash and cash equivalents          | (1 645)                       | 89 137                        | 55 184                   |
| Cash at beginning of the period                               | 899 406                       | 2 127 557                     | 2 127 557                |
| <b>Cash and cash equivalents</b>                              | <b>1 038 209</b>              | <b>1 793 980</b>              | <b>899 406</b>           |

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

- Reporting entity**  
Wesizwe Platinum Limited ("the Company") is a company domiciled in the Republic of South Africa. The condensed consolidated interim financial results ("Interim financial results") of the Company as at 30 June 2021 comprises the Company and its subsidiaries (together referred to as the "Group"). The Annual Financial Statements ("AFS") of the Group for the year ended 31 December 2020 are available at [www.wesizwe.co.za](http://www.wesizwe.co.za).
- Basis of preparation**  
The interim financial results are prepared in accordance with International Financial Reporting Standards ("IFRS"), (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by 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 accounting policies applied in the preparation of these interim financial results are in terms of IFRS and are consistent with those applied in the AFS.
- Estimates**  
The preparation of the interim financial results requires management to make judgements, 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.  
The significant unobservable inputs in determination of the recoverable amount of the Bakubung Platinum Mine are:

|   | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|---|-------------------------------|-------------------------------|--------------------------|
|   | Reviewed                      | Reviewed                      | Audited                  |
| US\$ exchange rate (ZAR) – 2021/2025        | 14.45 – 14.79                 | 15.61 – 16.16                 | 15.01 – 15.69            |
| US\$ exchange rate (ZAR) long-term          | 15.22                         | 15.70                         | 15.94                    |
| Pt price (US\$/oz) – 2021/2025              | 1 158 – 1 246                 | 913 – 1 141                   | 991 – 1 133              |
| Pt price (US\$/oz) long-term                | 1 244                         | 1 199                         | 1 177                    |
| Pd price (US\$/oz) – 2021/2025              | 1 348 – 2 660                 | 1 418 – 1 907                 | 1 481 – 2 213            |
| Pd price (US\$/oz) long-term                | 1 038                         | 1 287                         | 1 297                    |
| Rh price (US\$/oz) – 2021/2025              | 9 254 – 23 107                | 4 115 – 4 365                 | 7 957 – 12 657           |
| Rh price (US\$/oz) long-term                | 7 968                         | 6 626                         | 6 716                    |
| Au price (US\$/oz) – 2021/2025              | 1 369 – 1 776                 | 1 368 – 1 728                 | 1 375 – 1 893            |
| Au price (US\$/oz) long-term                | 1 366                         | 1 368                         | 1 347                    |
| Weighted Average Cost of Capital (%) (Real) | 10.84                         | 10.84                         | 10.84                    |

In determining the future cash flows, management reviewed all the key variables and sources of estimation. In preparing the interim financial results, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation are based on the same principles as those that applied to the AFS for the year ended 31 December 2020, except as listed above and market-related interest rate used in the valuation of shareholder's contribution relating to shareholder's loan 2 (refer to note 9).

If all assumptions remain unchanged, a 10% decrease in the basket price of commodities would result in no impairment being recognised.

If all assumptions remain unchanged, a 10% decrease in the United States Dollar to the South African Rand would result in no impairment.

If all assumptions remain unchanged, a 10% increase in the weighted average cost of capital would result in no impairment.

### 4. Going concern

The Group's cash resources of the reporting date of R1 038.2 million (June 2020: R1 794.0 million) are sufficient, based on current budgets, to conduct operations and develop the BPM Project up to the end of the year.

The ability of the Group to continue as a going concern thereafter is dependent on a number of factors. The most significant of these is the support of the majority shareholder. This condition indicates 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 majority shareholder has, however, provided a letter of comfort supporting any shortfall in funding and guaranteed repayment of the China Development Bank loan.

COVID-19 did not have a material impact on the going concern assumption as the mine is still in the development phase.

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

### 5. Property, plant and equipment

During the period under review an amount of R1 002.5 million (June 2020: R1 447.4 million) was capitalised to Construction work-in-progress as part of the activities to develop the mine and related construction activities.

|                                | Property, plant and equipment R'000 | Right-of-use-asset R'000 | Construction work-in-progress R'000 | Mining rights R'000 | Total R'000       |
|--------------------------------|-------------------------------------|--------------------------|-------------------------------------|---------------------|-------------------|
| Balance at 31 December 2020    | 60 411                              | 7 510                    | 10 661 259                          | 1 057 729           | 11 786 909        |
| Acquisitions during the period | 11 454                              | –                        | 1 002 499                           | –                   | 1 013 953         |
| Depreciation                   | (6 325)                             | (129)                    | –                                   | –                   | (6 454)           |
| <b>Closing balance</b>         | <b>65 540</b>                       | <b>7 381</b>             | <b>11 663 758</b>                   | <b>1 057 729</b>    | <b>12 794 408</b> |

|                                | Property, plant and equipment R'000 | Right-of-use-asset R'000 | Construction Work-in-progress R'000 | Mining Rights R'000 | Total R'000       |
|--------------------------------|-------------------------------------|--------------------------|-------------------------------------|---------------------|-------------------|
| Balance at 31 December 2019    | 54 869                              | 7 769                    | 8 825 822                           | 1 057 729           | 9 946 189         |
| Acquisitions during the period | 16 520                              | –                        | 1 447 430                           | –                   | 1 463 950         |
| Depreciation                   | (3 787)                             | (129)                    | –                                   | –                   | (3 916)           |
| <b>Closing balance</b>         | <b>67 602</b>                       | <b>7 640</b>             | <b>10 273 252</b>                   | <b>1 057 729</b>    | <b>11 406 223</b> |

No additions have been made in respect of mining rights during the period under review. The recoverable amount of the Construction work-in-progress is based on the discounted cash flow method. The valuation model considers the present value of estimated future cash flows, discounted using a risk-adjusted discount rate.

The present value of the discounted cash flows is greater than the carrying amount of the Construction work-in-progress, which means that the asset is not impaired.

### 6. Other financial assets

|                                       | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|---------------------------------------|-------------------------------|-------------------------------|--------------------------|
|                                       | Reviewed R'000                | Reviewed R'000                | Audited R'000            |
| Opening balance                       | 22 692                        | 17 222                        | 17 222                   |
| Gain/(loss) on fair value adjustments | 12 735                        | (5 175)                       | 5 470                    |
| <b>Closing balance</b>                | <b>35 427</b>                 | <b>12 047</b>                 | <b>22 692</b>            |

Investment in equity is measured at fair value in the condensed consolidated statement of financial position. Fair values of the listed shares have been calculated by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy. The shares in Royal Bakubung Platinum Limited 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 fair value through other comprehensive income ("FVOCI").

### 7. Restricted cash

Restricted cash covers the following guarantees:

Non-current:

- R81 million (December 2020: R81 million current) in favour of the Department of Mineral Resources and Energy for environmental obligation and Eskom for phase 1 and phase 2 bulk power supply to the BPM.
- Management's intention was to replace the restricted cash guarantees with insurance guarantees. The final contractual prices quoted for insurance guarantees was significantly higher than initially quoted. Management has decided to rather maintain the existing restricted cash guarantees as the most cost effective option and this has resulted in restricted cash being reclassified from current to non-current assets.

### 8. Inventories

|                              | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|------------------------------|-------------------------------|-------------------------------|--------------------------|
|                              | Reviewed R'000                | Reviewed R'000                | Audited R'000            |
| Run of Mine                  | 617 501                       | 142 410                       | 430 701                  |
| Stores and materials         | 88 388                        | 80 753                        | 52 706                   |
| <b>Total carrying amount</b> | <b>705 889</b>                | <b>223 163</b>                | <b>483 407</b>           |

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

### 9. Shareholder's loans

|  | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|--|-------------------------------|-------------------------------|--------------------------|
|  | Reviewed R'000                | Reviewed R'000                | Audited R'000            |
| <b>Shareholder's loan 1</b>  |                               |                               |                          |
| Jinchuan Group (Hong Kong) Resources Holdings Limited  |                               |                               |                          |
| Opening balance  | 599 110                       | –                             | –                        |
| Shareholder's loan – drawdown  | –                             | –                             | 599 175                  |
| Interest accrued   | 11 067                        | –                             | –                        |
| Unrealised foreign exchange gain   | (14 633)                      | –                             | (65)                     |
| <b>Total</b>   | <b>595 544</b>                | <b>–</b>                      | <b>599 110</b>           |
| 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 interest and capital is payable at the end of 12 months.   |                               |                               |                          |
| <b>Shareholder's loan 2</b>  |                               |                               |                          |
| Jinchuan Group (Hong Kong) Resources Holdings Limited  |                               |                               |                          |
| Opening balance  | –                             | –                             | –                        |
| Shareholder's loan – drawdown  | 1 144 970                     | –                             | –                        |
| Transfer to shareholder's contribution   | (138 004)                     | –                             | –                        |
| Unrealised foreign exchange gain   | (889)                         | –                             | –                        |
| <b>Total</b>   | <b>1 006 077</b>              | <b>–</b>                      | <b>–</b>                 |
| The Group secured a US\$80 million loan in June 2021. The interest rate is accrued quarterly in arrears at 5% of the amount drawn down. Interest is payable quarterly and the capital is payable by 30 May 2023. An equity injection is recognised as a result of the interest rate from a related party being below market rates. |                               |                               |                          |
| <b>Shareholder's loans</b>   |                               |                               |                          |
| Non-current  | 1 006 077                     | –                             | –                        |
| Current  | 595 544                       | –                             | 599 110                  |
| <b>Total</b>   | <b>1 601 621</b>              | <b>–</b>                      | <b>599 110</b>           |

|  | Six months ended 30 June 2021 | Six months ended 30 June 2020 | Year ended December 2020 |
|--|-------------------------------|-------------------------------|--------------------------|
|  | Reviewed R'000                | Reviewed R'000                | Audited R'000            |
| <b>Finance income from financial institutions</b>                                  |                               |                               |                          |
| Interest earned on cash balances   | 9 885                         | 56 672                        | 77 847                   |
| Interest accrued on cash balances  | 140                           | 66                            | 258                      |
| <b>Total</b>   | <b>10 025</b>                 | <b>56 738</b>                 | <b>78 105</b>            |
| <b>Foreign exchange gains</b>  |                               |                               |                          |
| Realised gain on conversion of loan denominated in foreign currency                | 2 107                         | 12 747                        | 12 747                   |
| Realised gain on payment of interest accruals denominated in foreign currency      | 1 632                         | –                             | 83 170                   |
| Unrealised gain on conversion of interest accruals denominated in foreign currency |                               |                               |                          |