wesizwe

CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS
for the six months ended 30 June 2022

Committed to **zero** harm, to our **people** and the **environment**

Contents

IFC Contents
IFC About Wesizwe
IFC Vision and mission
1 Values and salient features
2 Condensed consolidated statement of financial position
3 Condensed consolidated statement of profit or loss and other comprehensive income
4 Condensed consolidated statement of changes in equity
5 Condensed consolidated statement of cash flows
6 Notes to the condensed consolidated interim financial statements
IBC Administration

Feedback

For any questions or to provide feedback on this report, please contact Wesizwe – **info@wesizwe.com**

About Wesizwe

Wesizwe Platinum Ltd (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 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.

Mission

With zero harm top of mind, we are steadily progressing towards creating a sustainable mining entity that will deliver sustained value over the next 30 to 35 years.

We are committed to the socioeconomic development of communities in which we operate.

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

Additional
US$109 million
raised to fund the Bakubung Platinum Mine (BPM) Project

Construction of the **Processing Plant** continues to progress

R1.64 billion
capitalised as part of the construction activities and development of the mine

Construction of the first phase of **144 units** of the housing project completed with the second phase of **168 units** underway

Condensed Consolidated Interim Financial Results

Condensed consolidated statement of financial position

as at 30 June 2022

	Note	**Six months ended 30 June 2022 Reviewed R'000**	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	**16 918 285**	12 794 408	15 277 600
Intangible assets		**3 153**	905	1 461
Other financial assets	6	**50 848**	35 427	54 256
Restricted cash	7	**118 311**	81 028	94 460
		17 090 597	12 911 768	15 427 777
Current assets				
Inventories	8	**978 814**	705 889	763 886
Other receivables		**81 994**	243 288	89 891
Cash and cash equivalents		**409 953**	1 038 209	374 148
		1 470 761	1 987 386	1 227 925
Total assets		**18 561 358**	14 899 154	16 655 702
EQUITY AND LIABILITIES				
Equity				
Stated capital		**3 425 544**	3 425 544	3 425 544
Shareholder's contributions	9	**138 004**	138 004	138 004
Mark-to-market reserves		**32 299**	20 359	34 971
Accumulated loss		**(442 912)**	(107 353)	(376 383)
		3 152 935	3 476 554	3 222 136
Liabilities				
Non-current liabilities				
Deferred tax liability		**398 542**	409 493	398 646
Interest-bearing borrowings		**9 155 376**	8 644 125	9 725 797
Shareholder's loans	10	**–**	1 006 077	1 185 682
Mine closure and environmental rehabilitation obligation	17	**181 870**	39 595	94 643
Lease liability		**7 643**	7 649	7 645
Cash-settled share-based payment liability		**15 944**	5 712	8 427
		9 759 375	10 112 651	11 420 840
Current liabilities				
Trade and other payables		**182 945**	214 344	264 081
Interest-bearing borrowings		**813 932**	499 910	278 402
Shareholder's loans	10	**4 616 009**	595 544	1 469 900
Taxation payable		**36 156**	141	333
Lease liability		**6**	10	10
		5 649 048	1 309 949	2 012 726
Total liabilities		**15 408 423**	11 422 600	13 433 566
Total equity and liabilities		**18 561 358**	14 899 154	16 655 702

Condensed consolidated statement of profit or loss and other comprehensive income

for the six months ended 30 June 2022

	Note	**Six months ended 30 June 2022 Reviewed R'000**	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Operations				
Administration expenditure		**(27 626)**	(10 367)	(37 428)
Net operating costs		**(27 626)**	(10 367)	(37 428)
Finance income	11	**10 084**	258 714	48 431
Finance expense	11	**(11 382)**	(6 527)	(53 141)
(Loss)/profit before taxation		**(28 924)**	241 820	(42 138)
Income tax (expense)/income	12	**(37 605)**	2 690	17 618
(Loss)/profit for the period		**(66 529)**	244 510	(24 520)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
(Loss)/gain on fair value movements of equity instrument at FVOCI	6	**(3 408)**	12 735	31 564
Income tax relating to fair value movements of equity instrument		**763**	(2 853)	(7 070)
Deferred tax rate change effect		**(27)**	–	–
Total other comprehensive (loss)/income		**(2 672)**	9 882	24 494
Total comprehensive (loss)/income for the period		**(69 201)**	254 392	(26)
Earnings per share				
Basic and diluted (loss)/earnings per share (cents)	20	**(4.09)**	15.02	(1.51)

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2022

	Stated capital R'000	Mark-to-market reserves R'000	Shareholder's contributions* R'000	Accumulated loss R'000	Total equity R'000
Balance at 1 January 2021	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
	–	9 882	138 004	244 510	392 396
Balance at 30 June 2021	3 425 544	20 359	138 004	(107 353)	3 476 554
Loss for the period	–	–	–	(269 030)	(269 030)
Other comprehensive income	–	14 612	–	–	14 612
	–	14 612	–	(269 030)	(254 418)
Balance at 31 December 2021	3 425 544	34 971	138 004	(376 383)	3 222 136
Loss for the period	**–**	**–**	**–**	**(66 529)**	**(66 529)**
Other comprehensive loss	**–**	**(2 672)**	**–**	**–**	**(2 672)**
	–	**(2 672)**	**–**	**(66 529)**	**(69 201)**
Balance at 30 June 2022	**3 425 544**	**32 299**	**138 004**	**(442 912)**	**3 152 935**

** Refer to note 9.*

Condensed consolidated statement of cash flows

for the six months ended 30 June 2022

	Note	**Six months ended 30 June 2022 Reviewed R'000**	Six months ended 30 June 2021 Restated* R'000	Year ended 31 December 2021 Audited R'000
Cash flows from operating activities				
Cash utilised in operations		**(255 812)**	(77 044)	(11 869)
Finance income received		**3 245**	13 764	3 893
Finance cost paid		**(735)**	(735)	(1 471)
Taxation received		**–**	–	209
Taxation paid		**(1 149)**	–	(191)
Cash utilised in operating activities		**(254 451)**	(64 015)	(9 429)
Cash flows from investing activities				
Acquisition of property, plant and equipment	13	**(930 922)**	(697 542)	(1 776 385)
Finance cost paid capitalised		**(184 842)**	(177 808)	(362 516)
Acquisition of intangible assets		**(2 254)**	(958)	(1 828)
Cash transferred to restricted cash		**(23 851)**	–	–
Net cash outflow from investing activities		**(1 141 869)**	(876 308)	(2 140 729)
Cash flows from financing activities				
Interest-bearing borrowings repaid		**(282 332)**	(64 190)	(338 029)
Shareholder's loans raised	10	**1 707 840**	1 144 970	1 928 039
Repayment of lease liability		**(5)**	(9)	(9)
Net cash inflow from financing activities		**1 425 503**	1 080 771	1 590 001
Net increase/(decrease) in cash and cash equivalents		**29 183**	140 448	(560 157)
Exchange gains/(losses) on cash and cash equivalents	11	**6 622**	(1 645)	34 899
Cash at the beginning of the period		**374 148**	899 406	899 406
Cash and cash equivalents at the end of the period		**409 953**	1 038 209	374 148

** Refer to note 21.*

Notes to the condensed consolidated interim financial results

for the six months ended 30 June 2022

1. Reporting entity

Wesizwe 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 2022 comprise 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 2021 are available at **www.wesizwe.co.za**.

2. Basis of preparation

The interim financial results are prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, 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 accounting policies applied in the preparation of these interim financial results are in terms of IFRS and are consistent with those applied in the previous AFS.

3. 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 the determination of the recoverable amount of the Bakubung Platinum Mine are:

	Six months ended 30 June 2022 Reviewed	Six months ended 30 June 2021 Reviewed	Year ended 31 December 2021 Audited
US$ exchange rate (ZAR) – 2021/2025	**14.57 – 15.38**	14.45 – 14.79	14.76 – 15.10
US$ exchange rate (ZAR) long term	**15.51**	15.22	15.61
Pt price (US$/oz) – 2021/2025	**988 – 1 291**	1 158 – 1 246	1 088 – 1 345
Pt price (US$/oz) long term	**1 410**	1 244	1 262
Pd price (US$/oz) – 2021/2025	**1 399 – 2 660**	1 348 – 2 660	1 162 – 2 142
Pd price (US$/oz) long term	**949**	1 038	1 073
Rh price (US$/oz) – 2021/2025	**11 703 – 23 107**	9 254 – 23 107	8 435 – 16 880
Rh price (US$/oz) long term	**7 046**	7 968	8 183
Au price (US$/oz) – 2021/2025	**1 469 – 1 776**	1 369 – 1 776	1 428 – 1 698
Au price (US$/oz) long term	**1 393**	1 363	1 370
Weighted Average Cost of Capital (%) (Real)	**10.49**	10.84	10.49

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 2021, except as listed above.

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

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

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

4. Going concern

The Group's cash resources at the reporting date of R410.0 million (June 2021: R1 038.2 million) are insufficient, based on current budgets, to conduct operations and develop the BPM Project up to the end of the year. The Group's current liabilities at the reporting date, which includes shareholder's loans of R4 616.0 million, exceed the current assets by R4 178.3 million.

These conditions indicate that a material uncertainty exists, which may cast significant doubt as to the ability of the Group 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 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, has provided a letter of comfort supporting any shortfall and guaranteed repayment of the China Development Bank loan going forward and has agreed not to call on the current shareholder loans. Management has also considered its ability to obtain additional funding in the form of a new consortium bank loan and other factors in its ability to continue operating in the foreseeable future. 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 condensed consolidated interim financial statements on a going concern basis.

5. Property, plant and equipment

During the period under review an amount of R1 639.5 million (June 2021: R1 002.5 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
June 2022					
Balance at 31 December 2021	**71 525**	**7 251**	**14 141 095**	**1 057 729**	**15 277 600**
Acquisitions during the period	**10 935**	**–**	**1 639 540**	**–**	**1 650 475**
Depreciation	**(5 329)**	**(129)**	**(4 332)**	**–**	**(9 790)**
Closing balance	**77 131**	**7 122**	**15 776 303**	**1 057 729**	**16 918 285**

	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
June 2021					
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)
Closing balance	65 540	7 381	11 663 758	1 057 729	12 794 408

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.

Notes to the condensed consolidated interim financial results continued

for the six months ended 30 June 2022

6. Other financial assets

	Six months ended 30 June 2022 Reviewed R'000	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Listed equity securities*			
Opening balance	**54 256**	22 692	22 692
(Loss)/gain on fair value adjustments	**(3 408)**	12 735	31 564
Closing balance	**50 848**	35 427	54 256

* *During the 2018 financial year, Royal Bafokeng Platinum Limited (RBPlat) and Platinum Group Metals South Africa Proprietary Limited concluded a transaction of sale in which RBPlat acquired Maseve Investments 11 Proprietary Limited (Maseve), a concentrator plant and surface rights in respect of the immovable property owned by Maseve. Africa Wide, a subsidiary of Wesizwe, owned 17.1% of Maseve and other assets forming part of the RBPlat acquisition. Africa Wide received an issue of RBPlat 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 a process for litigious relief in 2018.*

In June 2022, Wesizwe and Africa Wide received notification from the court that the court had ruled in favour of RBPlat. Wesizwe and Africa Wide have decided to apply for leave to appeal the ruling.

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 Bafokeng Platinum Limited are listed on the JSE, and the Group is satisfied that there is an active market. Transactions take 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:
R118.3 million (June 2021: R81.0 million) in favour of the Department of Mineral Resources and Energy (DMRE) for rehabilitation obligation and Eskom for connection guarantees. Additional guarantees of R37.3 million have been provided to the DMRE for mine closure and environmental rehabilitation since 30 June 2021.

8. Inventories

	Six months ended 30 June 2022 Reviewed R'000	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Run of mine	**851 270**	617 501	663 195
Stores and materials	**127 544**	88 388	100 691
Total	**978 814**	705 889	763 886

While BPM is not yet in production, the 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 contributions

	Six months ended 30 June 2022 Reviewed R'000	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Below-market interest rate on shareholder's loan	**138 004**	138 004	138 004

An equity injection has been recognised as a result of the below-market interest rate loan of a fixed 5% received from shareholder Jinchuan Group (Hong Kong) Resources Holdings Limited. A market-related interest rate of 11.8% was determined by using the "three-month LIBOR" rate plus a premium for US$ inflation of 2.4%, a South African risk premium of 5.75% and a Group-specific risk premium of 3.5%.

10. Shareholder's loans

	Six months ended 30 June 2022 Reviewed R'000	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Jinchuan Group (Hong Kong) Resources Holdings Limited			
Shareholder's loan(1)	**707 431**	595 544	673 783
Shareholder's loan(2)	**1 284 553**	1 006 077	1 185 682
Shareholder's loan(3)*	**834 984**	–	796 117
Shareholder's loan(4)*	**827 068**	–	–
Shareholder's loan(5)*	**147 570**	–	–
Shareholder's loan(6)*	**814 403**	–	–
Total shareholder's loans	**4 616 009**	1 601 621	2 655 582
Reconciliation of shareholder's loans			
Opening balance	**2 655 582**	599 110	599 110
Drawdown	**1 707 840**	1 144 970	1 928 039
Interest accrued	**113 178**	11 067	88 212
Unrealised foreign exchange loss/(gain)	**139 409**	(15 522)	178 225
Transfer to shareholder's contributions	**–**	(138 004)	(138 004)
Closing balance	**4 616 009**	1 601 621	2 655 582
Split between non-current and current portions			
Non-current liabilities	**–**	1 006 077	1 185 682
Current liabilities	**4 616 009**	595 544	1 469 900
Total	**4 616 009**	1 601 621	2 655 582

(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 interest and capital are payable by 31 December 2022.
(2) The Group secured an 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. A portion of the loan has been recognised as an equity injection as a result of the interest rate from a related party being below-market rates. Refer to note 9.
(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 down and the capital is payable by 31 December 2022.
(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 and the capital is payable by 31 December 2022.
(5) The Group secured a US$9 million loan in May 2022. The interest rate is accrued quarterly in arrears at 5% of the amount drawn down and the capital is payable by 31 December 2022.
(6) The Group secured a US$60 million loan of which US$50 million was drawn in June 2022. The interest rate is accrued quarterly in arrears at 5% of the amount drawn down and the capital is payable by 31 December 2022.

* *The interest rates on the loans received from Jinchuan Group (Hong Kong) Resources Holdings Limited are below-market interest rates, however, due to them being short term, a gain/loss has not been recognised as equity as this amount is not material.*

Notes to the condensed consolidated interim financial results continued

for the six months ended 30 June 2022

11. Finance income and finance expense

	Six months ended 30 June 2022 Reviewed R'000	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Finance income from financial institutions			
Interest earned on cash balances	**3 245**	9 885	13 461
Interest accrued on cash balances	**217**	140	71
Total	**3 462**	10 025	13 532
Foreign exchange gains			
Realised gain on conversion of loan denominated in foreign currency	**–**	2 107	–
Realised gain on payment of interest accruals denominated in foreign currency	**–**	1 632	–
Unrealised gain on conversion of interest accruals denominated in foreign currency	**–**	560	–
Realised gain on conversion of bank account denominated in foreign currency	**6 622**	–	34 899
Unrealised gain on conversion of loan denominated in foreign currency	**–**	244 390	–
Total	**6 622**	248 689	34 899
Total finance income	**10 084**	258 714	48 431
Finance expense			
Finance expense for borrowings at amortised cost	**(321 177)**	(268 985)	(617 587)
Finance costs other	**(5)**	(2)	(4)
Lease liability finance costs	**(735)**	(735)	(1 470)
Time value of money adjustment to rehabilitation obligation	**(3 634)**	(1 384)	(6 845)
Total	**(325 551)**	(271 106)	(625 906)
Foreign exchange losses			
Realised loss on payment of interest denominated in foreign currency	**(10 682)**	–	(6 033)
Realised loss on conversion of bank account denominated in foreign currency	**–**	(1 645)	–
Unrealised loss on conversion of interest accruals denominated in foreign currency	**(2 153)**	–	(6 323)
Unrealised loss on conversion of loan denominated in foreign currency	**(361 542)**	–	(981 877)
Total	**(374 377)**	(1 645)	(994 233)
Finance costs capitalised			
Interest income	**(387)**	(2 761)	(3 243)
Interest expense	**321 177**	268 985	617 587
Net foreign exchange losses	**367 756**	–	952 654
Net finance costs capitalised	**688 546**	266 224	1 566 998
Total finance expense	**(11 382)**	(6 527)	(53 141)

12. Taxation

	Six months ended 30 June 2022 Reviewed R'000	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Income tax			
Current year	**(598)**	(205)	(560)
Prior years	**(36 375)**	257	476
	(36 973)	52	(85)
Deferred tax			
Current year	**(4 484)**	2 638	17 703
Tax rate change effect	**3 852**	–	–
	(632)	2 638	17 703
Total	**(37 605)**	2 690	17 618
Reconciliation of effective tax rate	**%**	%	%
Standard tax rate	**28.0**	28.0	28.0
Disallowed overseas travel	**(0.1)**	–	(0.1)
Disallowed legal expenses	**(3.8)**	0.1	(5.7)
Disallowed consulting fees	**(5.8)**	0.4	(3.3)
Disallowed donations	**(0.1)**	–	(0.1)
Disallowed sponsor fees	**(0.1)**	–	–
Disallowed interest	**(3.5)**	0.2	–
Deferred tax asset not raised	**0.7**	12.0	(0.7)
Mining development expenditure	**(31.5)**	(39.8)	16.3
Utilised assessed loss	**–**	0.1	–
Deferred tax rate change	**11.2**	–	–
Underprovision in prior years	**(125.0)**	0.1	7.4
Effective rate	**(130.0)**	1.1	41.8

On 23 February 2022, the government confirmed the companies' tax rate change from 28% to 27% with effect from 31 March 2023. The rate change affected the deferred tax for the interim period to 30 June 2022 and will affect the current tax at year end 31 December 2023. The impact of the 1% decrease resulted in a reduction of R3.9 million to the deferred tax liability as at 30 June 2022.

13. Reconciliation of the acquisition of property, plant and equipment

	Six months ended 30 June 2022 Reviewed R'000	Six months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Additions per PPE note 5	**1 650 475**	1 013 953	3 505 384
(Decrease)/increase in decommissioning asset	**(83 591)**	4 032	(45 556)
Finance costs capitalised	**(320 790)**	(266 223)	(614 344)
Unrealised foreign exchange losses capitalised	**(367 756)**	–	(952 654)
Change in capital expenditure payables	**52 584**	(54 220)	(116 445)
Acquisition of property, plant and equipment	**930 922**	697 542	1 776 385

Notes to the condensed consolidated interim financial results continued

for the six months ended 30 June 2022

14. Report of the independent auditor

The condensed consolidated interim financial results for the six months ended 30 June 2022 have been reviewed by SizweNtsalubaGobodo Grant Thornton Inc., who expressed an unmodified review conclusion. The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that, to obtain a full understanding of the nature of the auditor's engagement, the report is available for inspection at the Company's registered address or they can obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

15. 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.

16. Mineral resources

There were no material changes to the estimated mineral resources and mineral reserves for the six months ended 30 June 2022.

17. Mine closure and environmental rehabilitation obligation

The change in the obligation of R87.2 million is primarily due to the inflation adjustment for the period being recognised.

18. Events after the reporting period

Due to ill health, Mr Honglie Wang resigned from his position as Chief Executive Officer and Executive Director of the Board on 22 July 2022. Mr Long Zou has been appointed as Chief Executive Officer and Executive Director of the Board with effect from 2 August 2022. Mr Pengfei Li resigned from his position as Non-executive Director and Ms Qing Yu was appointed as Non-executive Director on 29 September 2022.

Regrettably, the mine reported a fatality that occurred in the early hours of 20 July 2022.

The Directors are not aware of any other material events that have occurred after the reporting period and up to the date of this report that required further disclosure in these financial results.

19. Commitments

At 30 June 2022 the Group had commitments to the value of R675.0 million (June 2021: R1 143.4 million). This includes capital commitments amounting to R673.0 million (June 2021: R1 139.1 million).

20. (Loss)/earnings per share

	Six months ended 30 June 2022 Reviewed	Six months ended 30 June 2021 Reviewed	Year ended 31 December 2021 Audited
The basis of calculation of basic (loss)/earnings per share is:			
Attributable (loss)/earnings to ordinary shareholders (R'000)	**(66 529)**	244 510	(24 520)
Weighted average number of ordinary shares in issue (shares)	**1 627 827 058**	1 627 827 058	1 627 827 058
Basic (loss)/earnings per share (cents)	**(4.09)**	15.02	(1.51)
The basis of calculation of diluted (loss)/earnings per share is:			
Attributable (loss)/earnings to ordinary shareholders (R'000)	**(66 529)**	244 510	(24 520)
Weighted average number of ordinary shares in issue (shares)	**1 627 827 058**	1 627 827 058	1 627 827 058
Diluted (loss)/earnings per share (cents)	**(4.09)**	15.02	(1.51)
The basis of calculation of headline (loss)/earnings per share is:			
Attributable (loss)/earnings to ordinary shareholders (R'000)	**(66 529)**	244 510	(24 520)
Adjustments:	**–**	–	382
Impairment of property, plant and equipment (R'000)	**–**	–	382
Headline (loss)/earnings (R'000)	**(66 529)**	244 510	(24 138)
Weighted average number of ordinary shares in issue (shares)	**1 627 827 058**	1 627 827 058	1 627 827 058
Headline and diluted headline (loss)/earnings per share (cents)	**(4.09)**	15.02	(1.48)

21. Restatement

Restatement of accrued interest in acquisition of property, plant and equipment

In prior year results, unpaid finance costs accrued and capitalised in accordance with IAS 23 *Borrowing Costs* were presented as part of "acquisition of property, plant and equipment" in the statement of cash flows for the Group.

To correct the error, the line item "acquisition of property, plant and equipment" has been adjusted by the unpaid finance costs accrued, to correctly reflect only such amounts paid in the reporting period. The total amount of interest paid during each of the reporting periods is presented in the statement of cash flows as either those not eligible for capitalisation expensed in profit or loss, or those capitalised as part of property, plant and equipment.

This restatement has no impact on the condensed consolidated statement of financial position and the condensed consolidated statement of profit or loss and other comprehensive income of the Group.

30 June 2021	As previously reported R'000	Restatement R'000	Restated R'000
Cash flows from operating activities			
Cash generated from/(utilised in) activities	**11 371**	(88 415)[1]	(77 044)
Finance income received	**13 764**	–	13 764
Finance cost paid	**(735)**	–	(735)
Cash generated from operating activities	**24 400**	(88 415)[1]	(64 015)
Cash flows from investing activities			
Acquisition of property, plant and equipment	**(785 957)**	88 415[1]	(697 542)
Finance cost paid capitalised	**(177 808)**	–	(177 808)
Acquisition of intangible assets	**(958)**	–	(958)
Net cash outflow from investing activities	**(964 723)**	88 415[1]	(876 308)
Cash flows from financing activities			
Interest-bearing borrowings repaid	**(64 190)**	–	(64 190)
Shareholder's loan raised	**1 144 970**	–	1 144 970
Repayment of lease liability	**(9)**	–	(9)
Net cash inflow from financing activities	**1 080 771**	–	1 080 771
Net increase in cash and cash equivalents	**140 448**	–	140 448
Exchange losses on cash and cash equivalents	**(1 645)**	–	(1 645)
Cash at the beginning of the period	**899 406**	–	899 406
Cash and cash equivalents	**1 038 209**	–	1 038 209

[1] *Please refer to the commentary above.*

Commentary

The Bakubung Platinum Mine (BPM) continues with mine infrastructure and ore reserve development despite the numerous challenges which have occurred in the past six months reporting period. Constant review and changes to the Mine Plan is required.

The mine experienced a community shutdown towards the end of January 2022 which negatively impacted the operation. The resumption of activities occurred towards mid-February 2022. This was further impacted by a slow strike action by one of the primary development contractors. The trackless mobile machines (TMM) philosophy changed mid-April, which had another negative impact on the production rates.

Construction of the Process Plant was also affected by the community shutdown at the beginning of the year.

1. Safety management

(a) The mine had a lost time injury frequency rate of 0.66 for the reporting period, measured against an annual threshold of 0.47.

(b) The mine experienced a serious injury frequency rate of 0.22 for the reporting period, versus a threshold of 0.34 for the year.

(c) In mitigation against safety risks, management continued to focus on increased training and assessments for all of our workforce. Intensive health and safety interventions were also implemented. The number of safety officers, strata control officers and strata control observers has been increased and introduced. This has resulted in increased inspections, additional stop-notes being issued for any substandard work observed and increased coaching of all line supervision regarding support standards and early entry examination. The effect of the strata control observers has increased the support compliance in the underground excavations.

(d) Visible felt leadership has been applied with management regularly visiting different sections, both underground and on surface, to engage with employees and establish what challenges they are experiencing, especially where it prohibits them from working safely.

(e) Weekly safety meetings, monthly health, safety and environment (HSE) and safety representative meetings were held to discuss and resolve all health and safety-related issues. A dedicated weekly safety meeting has been introduced at the plant construction area. This included monthly Covid-19 committee meetings where management addressed all Covid-19-related issues that affect the mine.

(f) The previously developed set of authority delegations and approvals is continued to be used to determine and ameliorate risks and to manage permissions for all working places effectively. Rock engineering has played a greater role in the workings to ensure all high-risk areas are identified, classified, risk ranked and communicated to the team and management on a weekly basis.

(g) Daily Covid-19 screening continues to take place, at the mine entrance, as well as an infection prevention control programme, at the mini-clinic of primary healthcare and wellness, established within the mine so that all chronic illness can be managed effectively and to ensure the mine has a healthy workforce.

(h) For the past six months there have been no Covid-19 deaths and 38 positive cases.

2. Human resources

(a) During the first six months of the year, the HR department initiated the integration of time and attendance with the payroll system with the ultimate goal of the introduction of face recognition for clocking. This will eliminate all challenges related to the time management of employees.

(b) The recruitment of the Community Mining Skills Programme for 101 learners was completed and a further 278 learners will be recruited during the second part of the year.

(c) The Process Plant recruitment process has peaked during the period under review to ensure that the plant is fully resourced for both cold and hot commissioning.

(d) The mine continued to implement the Mineral and Petroleum Resources Act section 29 commitments submitted to DMRE in 2021.

(e) Wage negotiations for the 2022 financial year commenced during the period under review.

(f) A total of 83 direct employment opportunities were created for local (Ledig and Phatsima) jobseekers. This was one of the resolutions of the four-a-side committee engagements between community leaders and the mine.

3. Stakeholder relations and regulatory compliance

(a) All environmental permits and licences are in order and there are no pending fines or penalties.

(b) Approval for the amendments of the water use licence; waste management licence as well as the Environmental Authorisation for the Tailings Storage Facility (TSF) has been granted.

(c) Implementation of the Social and Labour Plan (SLP) targets continues to be a key priority for the mine. SLP programmes are being implemented as planned and the current SLP will end in December 2023.

(d) The employees' housing plan continues to be implemented. The construction of the first phase (144 units) has been completed and the finalisation of the first phase is in process. The second phase of the project consisting of 168 units is currently underway and practical completion is planned for October 2022.

(e) The Company is continuing to nurture relationships with various stakeholders through stakeholder engagement forums and other platforms.

(f) Regulatory compliance is managed and monitored on a monthly basis and any changes or amendments to legislations and other regulations is implemented timeously.

4. Engineering and construction management

(a) Construction focuses on the critical items necessary to achieve 1Mtpa production. The following packages are in progress: 3 Ml reservoir, high rate clarifier, compressor shed, surface piping, 81 level dirty water dams and pumps, Merensky temporary ore handling system.

(b) Conveyor system design is complete and in tender process. The development of the conveyor excavations is also in progress.

(c) Construction of the Process Plant 33/11KV 40MVA substation phase 1 to be completed by June 2022 and phase 2 to be commissioned in September 2022. Bulk water supply has commenced and will be commissioned in July 2022.

5. Process Plant construction

(a) Various factors have affected the Process Plant construction progress which caused delays to the projected commissioning milestones.
- Rain delays – two months
- Community unrest – three weeks
- Labour unrest – five days

(b) Process Plant construction progress is at 90% overall completion with different disciplines progress reported as follows:
- Civil construction - 96% complete
- Structural - 85% complete
- Mechanical – 48% complete
- Electrical – 35% complete and
- Instrumentation - 15% complete.

(c) Cold and hot commissioning to commence in August to October 2022.

(d) Progress is also made on the operational readiness programme with key personnel for operation appointed.

Commentary continued

6. Mine development and equipping

(a) Due to the unfortunate community unrest from 24 January 2022 which ended mid-February 2022, development ends were affected by requiring start-ups to be conducted for four more days resulting in production losses. The subsequent four section 54s from the DMRE and internal transitioning of TTM contractor labour force to the two main development contractors adversely impacted mine performance as follows:

- Total development metres of 1 895m for the period under review were achieved against a target of 4 066m for the half year.
- The mine hoisted a total of 63 023 reef tonnes and 43 649 waste tonnes versus plans of 137 258 reef tonnes and 34 304 waste tonnes.
- The mine operating unit costs per metre and per tonne are 84% and 75% higher than plan due to lower efficiencies in production and the overhead costs which remained flat.

7. Financial overview

The total comprehensive loss for the six months under review is R69.2 million (compared to comprehensive income of R254.4 million for the same period in 2021) as set out in the condensed consolidated statement of profit or loss and other comprehensive income.

Total administration expenses are made up of administration expenses of R595.2 million (June 2021: R437.4 million) less capitalised cost of R567.5 million (June 2021: R427.0 million).

Included in administration expenses are:

- Maintenance – R111.8 million (June 2021: R95.3 million);
- Directors' expenses – R7.6 million (June 2021: R6.3 million);
- Salaries and payroll-related expenses – R73.1 million (June 2021: R79.6 million).

The basic loss per share for the period was 4.09 cents per share (2021: 15.02 cents earnings per share for the same period). The headline loss per share was 4.09 cents per share (2021: 15.02 cents headline earnings per share for the same period).

7.1 These interim financial results were prepared by Titus Khiba (Financial Accountant) under the supervision of Jianguo Liu (Financial Director).

7.2 The Directors take full responsibility for the preparation of the report and that the financial information has been correctly extracted from the underlying interim financial results.

8. Project funding

A further US$109 million was raised to fund the BPM Project up to the end of 2022. Refer to note 10.

9. Dividends

No dividends were declared in the current period.

10. Board changes

Mr Zhimin Li resigned from his position as Chief Executive Officer and Executive Director of the Board on 4 May 2022. Mr Honglie Wang was appointed as Chief Executive Officer and Executive Director on 4 May 2022 but, due to ill health, resigned from his position as Chief Executive Officer and Executive Director of the Board on 22 July 2022. Mr Long Zou has been appointed as Chief Executive Officer and Director of the Board with effect from 2 August 2022. Mr Pengfei Li resigned from his position as Non-executive Director and Ms Qing Yu was appointed as Non-executive Director on 29 September 2022.

By order of the Board

Dawn Mokhobo
Chairman

Jianguo Liu
Financial Director

29 September 2022

Johannesburg

Sponsor: PSG Capital

Directors: DNM Mokhobo (Chairman)*, L Zou (Chief Executive Officer)#, J Liu (Financial Director)#, LV Ngculu*, TV Mabuza*, S Pingan*#, Q Yu*#, F Qiao*#

(Non-executive, # Chinese)*

Company Secretary: Azeyech Consulting Services Proprietary Limited

Transfer Secretaries: CTSE Registry Services Proprietary Limited, 5th Floor, 68 Albert Road, Woodstock, Cape Town, 7925

Registered address:
Wesizwe House
Devcon Park
9 Autumn Road
Rivonia Ext 3
2128, South Africa

Administration

Wesizwe Platinum Limited

Incorporated in the Republic of South Africa
Registration number: 2003/020161/06
Share code: WEZ
ISIN: ZAE000075859
www.wesizwe.co.za

Corporate office and registered address

Wesizwe House
Devcon Park
9 Autumn Road
Rivonia Ext 3, 2128
South Africa

Company Secretary

Azeyech Consulting Services Proprietary Limited
The Shere,
287 Via Vicenza,
Lombardy Estate 0081
South Africa

Auditors

SNG Grant Thornton Inc
20 Morris Street East,
Woodmead 2191
South Africa

Sponsor

PSG Capital Proprietary Limited
Second Floor,
11 Alice Lane,
Sandton 2196
PO Box 650957,
Benmore 2010
South Africa

Transfer Secretaries

CTSE Registry Services Proprietary Limited
5th Floor, 68 Albert Road
Woodstock, Cape Town, 7925
South Africa

www.wesizwe.co.za
Wesizwe House
9 Autumn Road
Sandton, 2128
South Africa