



WESTZWE

REVIEWED PROVISIONAL
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS 2022

Progressing to
operational readiness



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Reviewed provisional condensed consolidated statement of financial position

as at 31 December 2022

	Notes	2022 Reviewed R'000	2021 Audited R'000
Assets			
Non-current assets			
Property, plant and equipment	7	18 782 724	15 277 600
Intangible assets		3 397	1 461
Other financial assets	8	57 234	54 256
Restricted cash	9	118 311	94 460
		18 961 666	15 427 777
Current assets			
Inventories	10	1 121 086	763 886
Other receivables		98 219	89 891
Cash and cash equivalents		224 335	374 148
		1 443 640	1 227 925
Total assets		20 405 306	16 655 702
Equity and liabilities			
Equity			
Stated capital	11	3 425 544	3 425 544
Shareholder's contributions	15	339 494	138 004
Mark-to-market reserves		37 305	34 971
Accumulated loss		(510 483)	(376 383)
		3 291 860	3 222 136
Liabilities			
Non-current liabilities			
Interest-bearing borrowings	14	8 357 998	9 725 797
Shareholder's loans	16	1 103 583	1 185 682
Lease liability		7 632	7 645
Deferred tax liability	12	387 889	398 646
Mine closure and environmental rehabilitation obligation	13	79 642	94 643
Cash-settled share-based payment liability		4 613	8 427
		9 941 357	11 420 840
Current liabilities			
Trade and other payables		238 489	264 081
Interest-bearing borrowings	14	1 091 709	278 402
Shareholder's loans	16	5 717 560	1 469 900
Lease liability		12	10
Taxation	12	124 319	333
		7 172 089	2 012 726
Total liabilities		17 113 446	13 433 566
Total equity and liabilities		20 405 306	16 655 702

Reviewed provisional condensed consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Notes	2022 Reviewed R'000	2021 Audited R'000
Operations			
Administration expenses	17	(62 007)	(37 428)
Net operating costs		(62 007)	(37 428)
Finance income and expense			
Finance income	19	33 284	48 431
Finance expense	19	(50 448)	(53 141)
Loss before tax		(79 171)	(42 138)
Income tax expense	18	(54 929)	17 618
Loss for the year		(134 100)	(24 520)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Gain on fair value movements of equity instrument at FVOCI	8	2 978	31 564
Income tax relating to fair value movements of equity instrument	18	(644)	(7 070)
Total other comprehensive income		2 334	24 494
Total comprehensive loss for the year		(131 766)	(26)
Earnings per share			
Basic and diluted loss per share (cents)		(8.24)	(1.51)
Headline and diluted headline loss per share (cents)	22	(8.24)	(1.48)

Reviewed provisional condensed consolidated statement of changes in equity

for the year ended 31 December 2022

	Stated capital R'000	Shareholder's contributions R'000	Mark-to-market reserves R'000	Accumulated loss R'000	Total R'000
Balance at 1 January 2021	3 425 544	—	10 477	(351 863)	3 084 158
Loss for the year	—	—	—	(24 520)	(24 520)
Other comprehensive income	—	—	24 494	—	24 494
Total comprehensive income for the year	—	—	24 494	(24 520)	(26)
Shareholder's contribution	—	138 004	—	—	138 004
Balance at 31 December 2021	3 425 544	138 004	34 971	(376 383)	3 222 136
Loss for the year	—	—	—	(134 100)	(134 100)
Other comprehensive income	—	—	2 334	—	2 334
Total comprehensive loss for the year	—	—	2 334	(134 100)	(131 766)
Shareholder's contribution	—	201 490	—	—	201 490
Balance at 31 December 2022	3 425 544	339 494	37 305	(510 483)	3 291 860

Reviewed provisional condensed consolidated statement of cash flows

for the year ended 31 December 2022

	Notes	2022 Reviewed R'000	2021 Audited R'000
Cash flows from operating activities			
Cash utilised in operations	21	(397 639)	(11 869)
Finance income received		12 303	3 893
Finance cost paid		(1 468)	(1 471)
Taxation received		–	209
Taxation paid	12	(3 791)	(191)
Cash utilised in operating activities		(390 595)	(9 429)
Cash flows from investing activities			
Acquisition of property, plant and equipment	21	(1 886 969)	(1 776 385)
Finance cost paid capitalised	14	(531 808)	(362 516)
Purchase of intangible assets		(3 574)	(1 828)
Cash transferred to restricted cash		(23 851)	–
Net cash outflow from investing activities		(2 446 202)	(2 140 729)
Cash flows from financing activities			
Interest-bearing borrowings repaid	14	(1 140 524)	(338 029)
Shareholder's loan raised	16	3 789 096	1 928 039
Repayment of lease liability		(10)	(9)
Net cash inflow from financing activities		2 648 562	1 590 001
Net decrease in cash and cash equivalents			
Exchange gains on cash and cash equivalents		38 422	34 899
Cash at the beginning of the year		374 148	899 406
Cash and cash equivalents at the end of the year		224 335	374 148

Notes to the reviewed provisional condensed consolidated financial statements

for the year ended 31 December 2022

1. Reporting entity

Wesizwe Platinum Limited (“Wesizwe” or the “Company”) is a company domiciled in the Republic of South Africa. The reviewed provisional condensed consolidated financial statements for the year ended 31 December 2022 (Provisional Report) comprise the Company and its subsidiaries (together referred to as the “Group”).

2. Statement of compliance

The Provisional Report is prepared in accordance with International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial 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 Limited (JSE) Listings Requirements and IFRS, IAS 34 – *Interim Reporting*.

The Provisional Report has been prepared under the supervision of the Financial Director, Jianguo Liu.

The Directors of Wesizwe take full responsibility for the preparation of the Provisional Report.

3. Report of the independent auditor

The Provisional Report has been reviewed by SizweNtsalubaGobodo Grant Thornton Inc., who expressed an unmodified review conclusion thereon. The auditor’s report does not necessarily report on all of the information contained in the Provisional Report. 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.

4. Accounting policies

The accounting policies used to prepare this Provisional Report are in terms of IFRS and are consistent with those used in the previous consolidated annual financial statements for the year ended 31 December 2021.

5. 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.

6. Judgements by Directors and management

6.1 Determination of mineral resource estimates

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

6.2 Mine closure and environmental rehabilitation obligation

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

6. Judgements by Directors and management continued

6.3 Review of asset carrying values and impairment

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

7. Property, plant and equipment

	Mine assets R'000	Other R'000	Total R'000
Balance at 1 January 2021	10 499 134	1 287 775	11 786 909
Additions	3 394 398	110 986	3 505 384
Depreciation and impairment	—	(14 693)	(14 693)
Balance at 1 January 2022	13 893 532	1 384 068	15 277 600
Additions	3 347 641	182 599	3 530 240
Depreciation	—	(25 116)	(25 116)
Balance at 31 December 2022	17 241 173	1 541 551	18 782 724

8. Other financial assets

	2022 Reviewed R'000	2021 Audited R'000
Listed equity securities		
Opening balance	54 256	22 692
Gain on fair value adjustments	2 978	31 564
Closing balance	57 234	54 256

Investment in equity is measured at fair value in the reviewed provisional 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 RBPlat 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).

9. Restricted cash

	2022 Reviewed R'000	2021 Audited R'000
Eskom – connection guarantees	44 828	44 828
Department of Mineral Resources and Energy – rehabilitation obligation	73 483	49 632
Total	118 311	94 460

Call deposits have been encumbered as a result of guarantees issued to the parties listed above.

Notes to the reviewed provisional condensed consolidated financial statements continued

for the year ended 31 December 2022

10. Inventories

	2022 Reviewed R'000	2021 Audited R'000
Run of Mine	1 003 973	663 195
Stores and materials	117 113	100 691
Total	1 121 086	763 886

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

11. Stated capital

	2022 Reviewed R'000	2021 Audited 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

12. Taxation

12.1 Taxation payable

	2022 Reviewed R'000	2021 Audited R'000
Opening balance	(333)	(230)
South African company tax	(66 330)	(85)
Interest and penalties	(61 447)	–
Taxation paid	3 791	191
Taxation received	–	(209)
Closing balance	(124 319)	(333)

12.2 Deferred tax

	2022 Reviewed R'000	2021 Audited R'000
Deferred tax liability		
Opening balance	(398 646)	(409 278)
Temporary difference on property, plant and equipment	(1 233 070)	(968 680)
Temporary difference on other financial assets	(667)	(7 070)
Temporary difference on provisions	1 230	14 672
Temporary difference on prepayments	12 017	94 787
Increase in lease liability	70	69
Tax rate change	3 343	–
Movement in unredeemed mining capex	1 227 834	876 854
Closing balance	(387 889)	(398 646)

13. 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 cash flows 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 reassessed on an annual basis for changes in cost estimates, discount rates, and escalation rates.

As required by the Department of Mineral Resources and Energy, a deposit of R73.5 million (2021: R49.6 million) is held with a financial institution. This investment has been ceded as security in favour of the guarantees that the bank issued on behalf of the Group. The guarantees have been provided to the Department of Mineral Resources and Energy for the mine closure and environmental rehabilitation.

The discount rate regarded as an appropriate long-term risk-free rate is 8.75% (2021: 7.83%) and the appropriate escalation rate is 7.20% (2021: 6.15%). The current cost rehabilitation estimate is R119.0 million (2021: R149.0 million).

14. Interest-bearing borrowings

	2022 Reviewed R'000	2021 Audited R'000
Reconciliation of China Development Bank		
Opening balance	10 004 199	9 358 295
Interest accrued	439 469	529 375
Interest repayment	(531 808)	(362 516)
Loan repayment	(1 140 524)	(338 029)
Realised foreign exchange loss	24 209	6 033
Unrealised foreign exchange loss	654 162	811 041
Closing balance	9 449 707	10 004 199
Split between non-current and current portions		
Non-current liabilities	8 357 998	9 725 797
Current liabilities	1 091 709	278 402
Total	9 449 707	10 004 199

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 during the financial year ended December 2020, as scheduled, with the final payment in 2028.

Notes to the reviewed provisional condensed consolidated financial statements continued

for the year ended 31 December 2022

15. Shareholder's contributions

	2022 Reviewed R'000	2021 Audited R'000
Opening balance	138 004	—
Contributions made during the year	201 490	138 004
Closing balance	339 494	138 004

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

Shareholder loans 1,2,7,8 and 9 were obtained at interest rates that were below market interest rates from the shareholder, Jinchuan Group (Hong Kong) Resources Holdings Limited. The excess above the nominal interest rates for these loans is accounted for as capital injection.

Contractual periods on loans 1 and 8 changed during the year and a re-measurement of these loans was done resulting in a modification gain. This was recognised by recalculating the carrying amount of the loans through discounting the new expected contractual cash flows at the original incremental borrowing rate.

16. Shareholder's loans

	2022 Reviewed R'000	2021 Audited R'000
Jinchuan Group (Hong Kong) Resources Holdings Limited		
Shareholder's loan ⁽¹⁾	728 143	673 783
Shareholder's loan ⁽²⁾	1 485 558	1 185 682
Shareholder's loan ⁽³⁾	893 183	796 117
Shareholder's loan ⁽⁴⁾	884 922	—
Shareholder's loan ⁽⁵⁾	157 926	—
Shareholder's loan ⁽⁶⁾	1 044 580	—
Shareholder's loan ⁽⁷⁾	523 248	—
Shareholder's loan ⁽⁸⁾	168 266	—
Shareholder's loan ⁽⁹⁾	935 317	—
Total shareholder's loans	6 821 143	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 2023.

(2) 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.

(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 2023.

(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 2023.

(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 2023.

(6) The Group secured a US\$60 million loan 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 2023.

(7) The Group secured a US\$31 million loan in August 2022. The interest rate is accrued quarterly in arrears at 5% of the amount drawn down and the capital is payable by 31 December 2023.

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

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

16. Shareholder's loans continued

	2022 Reviewed R'000	2021 Audited R'000
Reconciliation of shareholder's loans		
Opening balance	2 655 582	599 110
Drawdown	3 789 096	1 928 039
Interest accrued	298 938	88 212
Unrealised foreign exchange loss	307 859	178 225
Modification gain	(28 842)	–
Transfer to shareholder's contributions	(201 490)	(138 004)
Closing balance	6 821 143	2 655 582
Split between non-current and current portions		
Non-current liabilities	1 103 583	1 185 682
Current liabilities	5 717 560	1 469 900
Total	6 821 143	2 655 582

17. Administration expenses

	2022 Reviewed R'000	2021 Audited R'000
Administration expenses include:		
Internal and external auditors' remuneration	5 804	5 009
Depreciation	25 116	14 162
Amortisation	1 637	367
Directors' fees – short-term benefits	11 404	12 147
Deferred bonus plan expenses	(3 813)	2 484
Employee costs – short-term benefits	168 521	151 999
Short-term lease buildings	98	197
Short-term lease – equipment	49 273	26 386
Legal fees	6 131	11 661
Statutory publications, corporate identity and investor relations	2 468	2 625
Travel and accommodation	3 551	3 651
Consulting fees	14 661	21 411
Outsourced services	434 960	304 257
Security	12 440	10 883
Electricity and water	74 501	62 651
Communication costs	1 657	3 816
Municipal rates and services	296	265
Licence fees	3 435	4 462
Maintenance expenditure	182 381	273 485
Stock write off	5 604	6 361
Other administration expenses	214 841	152 921
Project expenses capitalised	(1 152 959)	(1 033 772)
Total	62 007	37 428

Notes to the reviewed provisional condensed consolidated financial statements continued

for the year ended 31 December 2022

18. Taxation

	2022 Reviewed R'000	2021 Audited R'000
Major components of the tax (income)/expense		
Current		
Company tax – current year	3 377	560
Company tax – prior years	62 953	(475)
	66 330	85
Deferred		
Originating and reversing temporary differences	(8 058)	(17 703)
Tax rate change effect	(3 343)	–
	(11 401)	(17 703)
Total	54 929	(17 618)
Tax on other comprehensive income		
Deferred tax – current year	(667)	(7 070)
Tax rate change effect	23	–
Total	(644)	(7 070)

	2022 Reviewed R'000	2021 Audited R'000
Reconciliation of effective tax rate		
Applicable tax rate	28.0	28.0
Disallowed overseas travel	–	(0.1)
Disallowed legal expenses	(2.2)	(5.7)
Disallowed consulting fees	(2.4)	(3.3)
Disallowed interest	(4.2)	–
Disallowed donations	–	(0.1)
Disallowed SARS penalties	(15.1)	–
Disallowed SARS interest	(6.6)	–
Deferred tax asset not raised	–	(0.7)
Mining development expenditure deducted	8.1	16.3
Deferred tax rate change	4.2	–
Under provision in prior years*	(79.2)	7.4
Effective tax rate	(69.4)	41.8

* This relates to the audit by the South African Revenue Services (SARS) on the 2018 and 2019 Income tax return and subsequent assessment. The Group has lodged an objection and is awaiting response from SARS.

19. Finance income and finance expense

	2022 Reviewed R'000	2021 Audited R'000
Finance income from financial assets measured at amortised cost:		
Finance income from financial institutions		
Interest earned on cash balances	12 303	13 461
Interest accrued on cash balances	307	71
Total	12 610	13 532
Foreign exchange gains		
Unrealised gain on conversion of bank account denominated in foreign currency	4 176	–
Realised gain on conversion of bank account denominated in foreign currency	10 037	34 899
Realised gain on payment of interest accruals denominated in foreign currency	6 461	–
Total	20 674	34 899
Total finance income	33 284	48 431
Finance expense		
Finance expense for borrowings at amortised cost	738 407	617 587
Lease liability finance costs	1 468	1 470
Finance costs other	9	4
Time value of money adjustment to rehabilitation obligation	11 530	6 845
Total	751 414	625 906
Foreign exchange losses		
Realised loss on conversion of loan denominated in foreign currency	24 209	6 033
Unrealised loss on conversion of interest accruals denominated in foreign currency	–	6 323
Unrealised loss on conversion of loan denominated in foreign currency	968 485	981 877
Total	992 694	994 233
Finance costs capitalised*		
Finance income	946	3 243
Finance expense	(738 407)	(617 587)
Net foreign exchange losses	(956 199)	(952 654)
Net finance costs capitalised	(1 693 660)	(1 566 998)
Total finance expense	50 448	53 141

* Finance costs capitalised are costs directly related to the loans in notes 14 and 16.

Notes to the reviewed provisional condensed consolidated financial statements continued

for the year ended 31 December 2022

20. Notes to the statement of cash flows

	2022 Reviewed R'000	2021 Audited R'000
Cash (utilised in)/generated from operations		
(Loss)/profit before taxation	(79 171)	(42 138)
Adjustments for:		
Depreciation	25 116	14 162
Amortisation	1 637	367
Foreign exchange loss	24 209	5 350
Interest income	(11 358)	(10 218)
Finance expenses	9	4
Impairment of property, plant and equipment	—	531
Lease liability finance costs	1 468	—
Time value of money adjustment to rehabilitation obligation	11 530	6 845
Deferred bonus plan	(3 814)	2 484
Changes in working capital:		
Inventories	(357 200)	(280 479)
Other receivables	(8 328)	347 947
Trade and other payables	(1 737)	(56 724)
Cash (utilised in)/generated from operations	(397 639)	(11 869)
Reconciliation of the acquisition of property, plant and equipment		
Additions per property, plant and equipment (note 7)	3 530 240	3 505 384
Decrease/(increase) in decommissioning asset	26 531	(45 556)
Change in capital expenditure payables	23 857	(116 445)
Unrealised foreign exchange losses capitalised	(956 199)	(952 654)
Finance cost capitalised	(737 460)	(614 344)
Acquisition of property, plant and equipment	1 886 969	1 776 385

21. Headline earnings per share

	2022 Reviewed	2021 Audited
The basis of calculation of headline loss and diluted headline loss per share is:		
Attributable loss attributable to ordinary shareholders (R'000)	(134 100)	(24 520)
Adjustment for:		
Impairment of property, plant and equipment	—	382
Headline loss	(134 100)	(24 138)
Weighted average number of ordinary shares in issue (shares)	1 627 827 058	1 627 827 058
Headline loss and diluted headline loss per share (cents)	(8.24)	(1.48)

22. Capital commitments

Capital commitments for the next 12 months amounts to R941.5 million (2021: R957.0 million).

23. 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.

24. Mineral resources

There were no material changes to the estimated mineral resources and mineral reserves for the year ended 31 December 2022.

25. Events after the reporting period

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.

26. Going concern

The Group's cash resources at the reporting date of R224.3 million (2021: R374.1 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 R5 717.6 million, exceed the current assets by R5 728.4 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. 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.

27. Dividends

No dividends were declared for the year ended 31 December 2022.

28. 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.

Notes to the reviewed provisional condensed consolidated financial statements continued

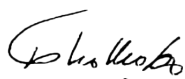
for the year ended 31 December 2022

29. Changes to the Board of Directors

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 with effect from 22 July 2022. Subsequently, Mr Long Zou was appointed as Chief Executive Officer and Executive Director of the Board on 2 August 2022.

Mr Pengfei Li resigned from the Board with effect from 29 September 2022 and Ms Qing Yu was appointed to the Board as a Non-Executive Director with effect from 29 September 2022.

By order of the Board



Dawn Mokhobo
Chairperson

31 March 2022

Johannesburg

Sponsor

PSG Capital

Directors

DNM Mokhobo (Chairman)*, L Zou (Chief Executive Officer)#, J Liu (Finance Director)#, LVJ Ngculu*
TV Mabuzo*, S Pingan**#, Q Yu**#, F Qiao**#

(* Non-executive, # Chinese)

Company Secretary

Azeyech Consulting Services Proprietary Limited

Registered address

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



Jianguo Liu
Financial Director

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

Registered address

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

Directors

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L Zou (Chief Executive Officer)#
J Liu (Financial Director)#
LVJ Ngculu*
TV Mabuza*
S Pingan*#
Q Yu*#
F Qiao*#

(* Non-executive, # Chinese)

Company Secretary

Azeyech Consulting Services Proprietary Limited
The Shere
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Auditors

SNG Grant Thornton Inc
20 Morris Street East
Woodmead 2191
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Sponsor

PSG Capital Proprietary Limited
Second Floor
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PO Box 650957
Benmore 2010
South Africa

Transfer Secretaries

CTSE Registry Services Proprietary Limited
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