



Wesizwe Platinum Limited
(Registration no. 2003/020161/06)

REVIEWED CONDENSED CONSOLIDATED RESULTS

for the six months ended 30 June 2009

HIGHLIGHTS

- Appeal of the Record of Decision by Legacy Hotels and Resorts (Proprietary) Limited, Legacy Group Holdings (Proprietary) Limited, Pilanesberg Resorts (Proprietary) Limited, Bakubung Shareblock (Proprietary) Limited and Kwa Maritane Residents Association dismissed by the MEC for Agriculture, Conservation and Environment.
- Shareholders overwhelmingly supported the acquisition of 37% participation interest and mineral rights from Rustenburg Platinum Mine Limited at a general meeting of shareholders held on 26 June 2009, the deal will only be effective once the last suspensive condition, which is obtaining Section 11 approval from the Minister of Mineral Resources is fulfilled.

CHIEF EXECUTIVE OFFICER'S REPORT FOR THE JUNE 2009 INTERIM FINANCIAL RESULTS

Project status

The six months ending in June have been, on the one hand, an extraordinary period for Wesizwe, and on the other very frustrating. The company's performance from a project perspective had until the advent of the economic downturn been exceptional, with management delivering what is a superb project a year ahead of schedule. Geologically, technically and economically the Frischgewaagd Ledig Core project is one of the best in the industry, with high head grades, an exceptional basket of metals and a flat-lying, thick and structurally stable ore body. The commencement of capital construction, originally scheduled for the first or second quarter of 2009, has inevitably been negatively impacted upon by the global economic recession.

In the period under review, two revisions of the Bankable Feasibility Study have been made in order to assess the impact of the highly volatile movement in commodity pricing and contracting environment on the project. These results are being assessed at the time of writing of this report, and will be released once management are satisfied with the results of the studies.

With the collapse in stock market prices generally, but in the exploration sector more specifically, the company found itself in a situation where it has an oven-ready project – fully explored, bankable feasibility study and final engineering design at an advanced stage with contractors waiting in the wings – and accessibility to funding extremely constrained in the midst of the recessionary environment.

Project funding

The September 2008 meltdown brought with it an evaporation of project finance, the consequence of which some nine months of negotiation with our lead financial advisors ABSA and the DBSA faltered. The company was caught between scarce project finance which, where it was available was extremely expensive and came with very onerous terms and conditions for lending, and low share prices which made equity finance highly dilutive. With this conundrum of wishing to advance the project on the one hand, but to conserve cash resources and shareholder value on the other, management was forced to review the entire approach to funding the project. After considering several options, management recommended to the board that the project construction commencement be deferred until such time the company has obtained sufficient funding.

On 21 September 2009, the board resolved that commencement of the project be deferred until such time the company has obtained sufficient funding for project construction. However, certain activities relating to the Environmental Impact Assessment, negotiations with Eskom for permanent power, negotiations with Magalies Water Board for permanent water supply and other legislative processes will continue.

Regulatory issues

A prerequisite for the mining permission was the granting of a positive Record of Decision ("ROD") in respect of the project's Environmental Impact Assessment ("EIA") in terms of the requirements of the National Environmental Management Act ("NEMA"). This was received from the North West Province Department of Agriculture, Conservation and Environment ("NW DACE") in November 2008, but was the subject of an appeal by Sun International, Legacy Hotels and the North West Eco Forum.

While we are delighted that the appeals were rejected by the MEC for Agriculture, Conservation, Environment, and Development, our stance is nevertheless that the appellants had legitimate concerns that motivated the appeals and that the appeal process is a necessary and responsible part of the granting of a mining licence. In this spirit, despite the fact that the North West Government has ruled in Wesizwe's favour, management will not only continue to interact with the appellants and other interested stakeholders but will involve them in the environmental planning aspects of the project.

The ruling in Wesizwe's favour does however in no way signify the conclusion of our stakeholder consultation process. Wesizwe management recognises that the location of the mine in a sensitive tourist area provides legitimate cause for concern for the appellants. However, Wesizwe's approach to integrated sustainability planning has been fundamental to the project planning and goes well beyond the statutory requirements for environmental and social planning. Having satisfied the authorities of the compliance with environmental and social planning regulations, it is nevertheless the company's policy to provide the appellants with comfort in Wesizwe's integrity as an ethical and responsible mining company. The company will therefore continue to engage with the appellants on a voluntary basis and include them in its land use and infrastructure diversification planning programme which is geared towards the mining operation complementing the tourist and agricultural economy in the area rather than competing with it.

Corporate action

This reporting period has seen the conclusion of the transaction for the acquisition of the outstanding share of the Frischgewaagd 11 and Frischgewaagd 3 & 4 farms from Anglo Platinum and the Western Bushveld Joint Venture ("WBJV") to give Wesizwe 100% control of its core project, a key element of the mining licence. This transaction was completed during the period under review with all but one of the conditions precedent being fulfilled, the most notable of which was the 99% majority vote by shareholders approving the transaction at the General Meeting on 26 June 2009.

The only condition precedent outstanding is the Section 11 approval for the deal from the Minister of Mineral Resources, anticipated to be received in the very near future.

The finalisation of the transaction will clear the way for capital development to proceed.

Conclusion

Development to the Frischgewaagd Ledig Core Project, will not commence until such time as management are satisfied that the prevailing economic conditions are favourable to the development of shareholder value in the project. This decision is contingent on the availability of cost effective funding options and attractive contracting facilities. Should management be of the opinion that any of these factors will have a negative impact on project NPV, it will continue to defer the project until conditions are satisfactory.

Management has created value which will not dissipate. The project life of mine is 35 years, and there is no sense in "throwing the baby out with the bathwater" in proceeding with the project for short term market perception but to the detriment of longer term shareholder value.

Management will continue to examine funding options as well as corporate action with a view to enhancing shareholder value. In the interim it is imperative for shareholders to appreciate that the project is strong and the company is healthy. Wesizwe will emerge from this recession a stronger entity.

MH Solomon

28 September 2009

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group Six months ended June 2009 Reviewed R'000	Group Six months ended June 2008 Reviewed R'000
ASSETS		
Non-current assets	1 194 419	1 025 107
Property, plant and equipment	124 565	48 115
Tangible exploration and evaluation assets	134 457	67 699
Intangible exploration and evaluation assets	261 151	240 468
Environmental deposit	436	436
Other investments	5 078	2 600
Investment in equity accounted investee	668 732	665 789
Current assets	215 205	200 292
Other receivables	4 258	6 256
Restricted cash	27 780	23 613
Cash and cash equivalents	183 167	170 423
TOTAL ASSETS	1 409 624	1 225 399
EQUITY AND LIABILITIES		
Capital and reserves	1 355 349	1 186 076
Share capital	6	6
Share premium	1 487 934	1 291 205
Share-based payment reserve	57 981	63 003
Accumulated comprehensive loss	(190 572)	(168 138)
Non-current liabilities		
Other non-current liabilities	-	13 727
Current liabilities		
Trade and other payables	54 275	25 596
TOTAL EQUITY AND LIABILITIES	1 409 624	1 225 399

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Six months ended June 2009 Reviewed R'000	Group Six months ended June 2008 Reviewed R'000
Revenue	-	-
Administration expenditure	(26 890)	(33 362)
Sundry income	95	140
Profit on sale of property, plant and equipment	49	-
Exploration and evaluation expenses	(353)	-
	(27 099)	(33 222)
Loss from operations		
Finance costs paid	-	(1)
Investment income received	12 173	12 892
	(14 926)	(20 331)
Loss before taxation		
Income tax expense	-	-
	(14 926)	(20 331)
Total comprehensive loss for the period	(14 926)	(20 331)
Basic loss per share (cents)	(2,55)	(3,66)
Diluted loss per share (cents)	(2,55)	(3,66)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Share- based payment reserve R'000	Accumu- lated loss R'000	Total R'000
Balance at 1 January 2008	6 1 285 035		62 929	(147 807)	1 200 162
Share-based payment expenditure	–	–	6 244	–	6 244
Issue of share capital	*	6 170	(6 170)	–	–
Total comprehensive loss for the period	–	–	–	(20 331)	(20 331)
Balance at 30 June 2008	6 1 291 205		63 003	(168 138)	1 186 075
Issue of share capital	*	202 500	–	–	202 500
Share issue expenses written-off	–	(5 771)	–	–	(5 771)
Share-based payment reversal	–	–	(6 244)	–	(6 244)
Share-based payment expenditure	–	–	510	–	510
Total comprehensive loss for the period	–	–	–	(7 508)	(7 508)
Balance at 31 December 2008	6 1 487 934		57 269	(175 646)	1 369 563
Share-based payment expenditure	–	–	712	–	712
Total comprehensive loss for the period				(14 926)	(14 926)
Balance at 30 June 2009	6 1 487 934		57 981	(190 572)	1 355 349

*Amount below one thousand.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Group Six months ended June 2009 Reviewed R'000	Group Six months ended June 2008 Reviewed R'000
Cash flows from operating activities	(65 048)	9 097
Finance cost	–	(1)
Cash (utilised)/generated from operations	(65 048)	9 096
Cash flows utilised by investing activities		
Acquisition of property plant and equipment as a result of increasing operations	(29 554)	(12 615)
Acquisition of tangible exploration and evaluation assets as a result of increasing operations	(12 014)	(24 245)
Expenditure on intangible exploration and evaluation assets as a result of increasing operations	(9 592)	(30 050)
Investment in equity accounted investee	–	(5 940)
Environmental guarantee deposit as a result of increasing operations	(1 279)	(2 600)
Proceeds on sale of property, plant and equipment	78	–
Investment income	12 173	12 892
Net cash outflow from investing activities	(40 188)	(62 558)
Net decrease in cash and cash equivalents	(105 236)	(53 462)
Cash and cash equivalents at the beginning of the period	316 183	247 498
Cash and cash equivalents at the end of the period	210 947	194 036
Cash and cash equivalents	183 167	170 423
Restricted cash	27 780	23 613

Pilanesberg Platinum Project: Progress

On 21 September 2009, the board resolved that commencement of the project be deferred until such time that the company has obtained sufficient funding for project construction. A review of the Bankable Feasibility Study ("BFS") to take into consideration the change in economic parameters due to the global financial crisis is still in progress.

During the first quarter of 2009, Eskom installed 2MVA temporary power supply on the Pilanesberg core project area.

Negotiations for installation and funding of permanent power are continuing. Eskom confirmed that they will be supplying Wesizwe with permanent power.

Discussions for the renewal of the current temporary water supply with Magalies Water Board and setting up of a Special Purpose Vehicle (SPV) with other mining companies and Magalies Water Board for permanent water supply are in progress.

Funding and going concern

On 21 September 2009, the board resolved that commencement of the project be deferred until such time as the company has obtained sufficient funding for project construction. Activities relating to the Environmental Impact Assessment, negotiations with Eskom for permanent power, negotiations with Magalies Water Board for permanent water supply and other legislative processes will continue.

Currently the Company has cash reserves of R119,5 million on hand and with the board decision on the 21 September 2009 to defer all major project activities until enough funding has been secured, the monthly cash utilisation of the company will be approximately R5,0 million. This will cover Wesizwe's overheads for the period of twenty one months which gives sufficient time to raise adequate funds for projection construction. Currently Wesizwe is in negotiations with various funders and some of these negotiations are at advanced stages. In addition the company has signed a three year standby equity distribution facility for R550 million with YA Global Investments, LP entitling Wesizwe to draw down cash as determined by the board in exchange for ordinary shares in Wesizwe.

The Directors of Wesizwe are of the opinion that the cash resources at the date of this report, amounting to R119,5 million, as well as the facility for R550 million, is sufficient to fund activities of the Company for at least a year.

NOTES TO THE CONDENSED RESULTS FOR THE SIX MONTHS ENDED JUNE 2009

Basis of preparation and accounting policies

The condensed consolidated financial information for the six months ended 30 June 2009 has been prepared in accordance with IAS 34: Interim Financial Reporting. The accounting policies have been applied consistently through the Group and are consistent with those for the year ended 31 December 2008.

Adoption of new and revised Accounting Standards

The Group has adopted the new and revised Standards and Interpretations issued by the International Accounting Standard Board (IASB) that are relevant to its operations and those effective for the current reporting period being, IAS1: Presentation of Financial Statements and IFRS8: Operating Segments.

Financial results

As an exploration Group, Wesizwe will not earn revenue from mining activities until such time as a mine is brought into production.

The comprehensive loss for the six months under review was R14,9 million (compared to a loss of R20,3 million for the same period in 2008). The total comprehensive loss for the period comprises total expenses of R27,1 million, offset by the net finance income of R12,1 million and other sundry income of R0,1 million.

Total expenses of R27,1 million include the following:

- Depreciation – R0,8 million
- Exploration and evaluation expenses written off – R0,3 million
- Other administrative overheads – R2,7 million
- Share based payment expenditure – R0,7 million
- Consulting and professional fees – R2,3 million
- Directors expenses – R2,5 million
- Salaries and bonuses – R4,7 million
- Marketing expenses and investor relations – R9,2 million
- Community sustainability projects – R3,9 million

The basic loss per share for the period was 2,55 cents per share (June 2008: 3,66 cents per share). The headline loss per share was 2,56 cents per share (June 2008: 3,66 cents per share).

No dividend was declared during the period ended 30 June 2009 (June 2008: Nil).

The information reported in these results is the same as those reported to the Chief Operating decision maker.

Capital Expenditure includes: intangible exploration and evaluation expenses capitalised R9,5 million; long-lead items consisting of plant and equipment R29,0 million; tangible exploration and evaluation expenses (engineering and drawings) R11,9 million and other property, plant and equipment items R0,5 million.

Exploration and evaluation expenses are capitalised in accordance with IFRS6: Exploration for and Evaluation of Mineral Resources.

The total number of shares in issue at 30 June 2009 was 585 489 846 (30 June 2008: 555 489 846).

Capital commitments

In 2008 the company signed a letter of commitment with Murray and Roberts Cementation (Proprietary) Limited to acquire long-lead capital items for mine construction. The total amount committed was R61,8 million later revised to R55,0 million. At the date of writing this report, a total of R52,0 million has been paid towards this commitment. The balance of R3,0 million will be paid before 31 December 2009.

RECONCILIATION OF LOSS FOR THE PERIOD TO CASH FLOWS FROM OPERATING ACTIVITIES

	Group Six months ended June 2009 Reviewed R'000	Group Six months ended June 2008 Reviewed R'000
Loss from operations	(27 099)	(33 222)
<i>Adjustment for:</i>		
Share based payments expenditure	712	6 244
Depreciation	817	516
Profit on sale of property, plant and equipment	(49)	-
Operating loss before working capital changes	(25 619)	(26 462)
Changes in working capital	(39 429)	35 559
Decrease in other receivables	7 740	31 655
(Decrease)/increase in trade and other payables	(40 207)	2 002
Movement in non current liability	(6 962)	1 902
Cash flows from operating activities	(65 048)	9 097

LOSS PER SHARE

	Group Six months ended June 2009 Reviewed R'000	Group Six months ended June 2008 Reviewed R'000
The basis of calculation of basic loss per share is:		
Attributable loss to ordinary shareholders (Rand)	14 926 164	20 331 413
Weighted number of ordinary shares outstanding during the period (shares)	585 489 846	555 489 846
Basic and diluted loss per share (cents)	2,55	3,66
The basis of calculation of headline loss per share is:		
Attributable loss to ordinary shareholders (Rand)	14 926 164	20 331 413
Profit on sale of property, plant and equipment	48 871	-
Taxation	-	-
Headline loss	14 975 035	20 331 413
Weighted number of ordinary shares outstanding during the period (shares)	585 489 846	555 489 846
Headline loss per share (cents)	2,56	3,66

Events after the Balance Sheet date

- **Appeal of the Record of Decision (RoD)**

On 16 February 2009, Legacy Hotels and Resorts (Proprietary) Limited, Legacy Group Holdings (Proprietary) Limited, Pilanesberg Resorts (Proprietary) Limited, Bakubung Shareblock (Proprietary) Limited and Kwa Maritane Residents Association instituted an appeal directed to the MEC for Agriculture, Conservation and Environment, in terms of Chapter 7 of the National Environmental Management Act, 198 (Act No. 107 of 1998) National Environmental Management Assessment (NEMA) regulations (Government Notice No. R385, R386 and R387 in Government Gazette of April 2006) (NEMA EIA Regulations). The appeal is against the RoD that was granted to Wesizwe by the NW Department of Agriculture, Conservation and Environment, challenging certain aspects of Wesizwe's Environmental Impact Assessment.

Appeal of Record of Decision was dismissed by the NW Department of Agriculture, Conservation and Environment on the 22 July 2009.

- **Acquisition of 37% Participation Interest and minerals rights from Rustenburg Platinum Mine Limited**

At a general meeting of shareholders held on 26 June 2009, the shareholders voted in favour of acquisition of 37% Participation Interest and Mineral Rights in Western Bushveld Joint Venture from Rustenburg Platinum Limited.

As at 30 June, 2009, the following suspensive condition had not been fulfilled.

- Obtaining Section 11 approval of the Mineral Petroleum Resources Development Act (MPRDA) transfer of title and/or Ministerial Consent from the DME to the extent necessary for the execution and implementation of the RPM Transaction.

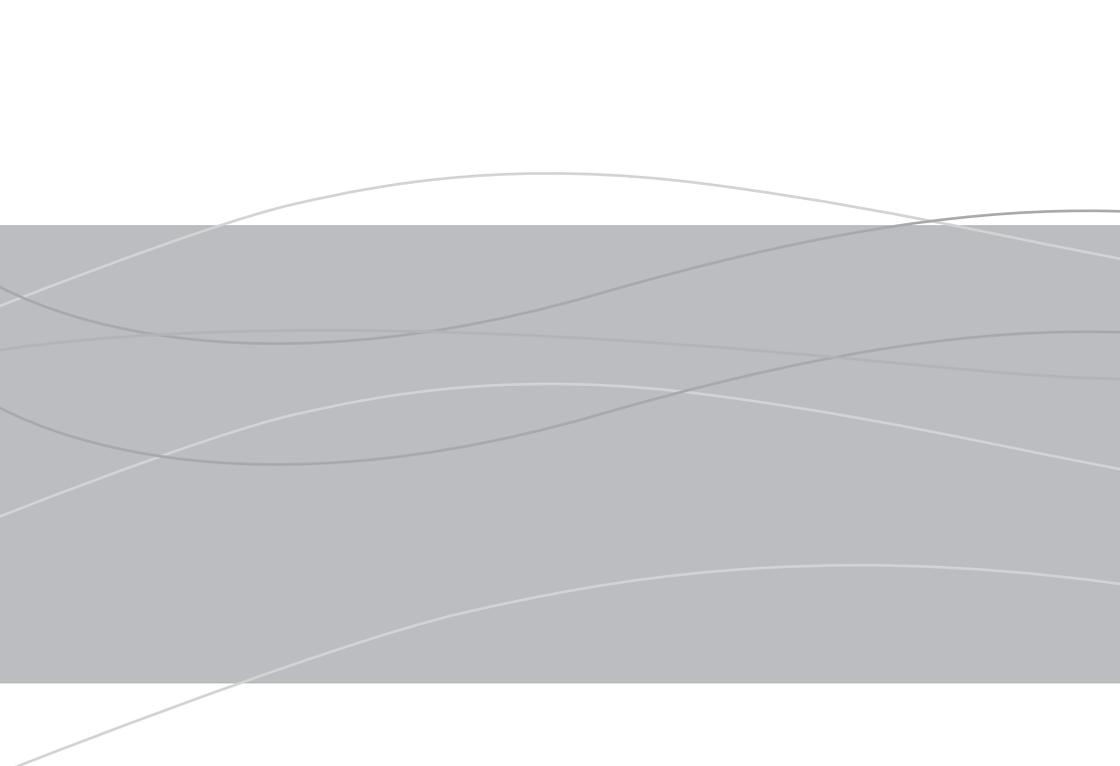
The transaction will only be effective once the above outstanding suspensive condition has been fulfilled.

- **Results of Annual General Meeting**

At the Annual General Meeting for members held on 12 August 2009, the resolutions regarding the approval of annual financial statements and re-appointment of the auditors were passed, as were the resolutions regarding the authority of directors to control the unissued shares. With respect to the election of directors, Mrs Mkhobo, Messrs Mgodlwa and Eksteen and Prof Gaylard were not re-elected as directors. Dr I Abedian, Messrs Monnakgotla and Phologane were re-elected to the Board.

Independent review

The condensed statement of financial position at 30 June 2009 and related condensed consolidated statements for comprehensive income, statements of changes in equity and cash flow for the period have been reviewed by KPMG Inc. Their unmodified review report is available for inspection at the Company's registered office.



wesizwe

Wesizwe Platinum Limited

www.wesizwe.com