AQUARIUS
PLATINUM LIMITED

ANNUAL REPORT 2015

REPORT PROFILE

This Annual Report 2015 reviews the operational and financial performance of Aquarius Platinum Limited for the 2015 financial year, that is for the 12 months from 1 July 2014 to 30 June 2015 (FY2015).

This Annual Report 2015 should be read in conjunction with our Sustainable Development Report 2015, which covers the same period. These two reports, together, give an overview of our operational and financial performance as well as our environmental, social and governance performance for FY2015.

The information and data reviewed is for the Aquarius-managed operating entities in South Africa – Kroondal (50%) and Platinum Mile (91.7%) – and in Zimbabwe, Mimosa (50%). As in the previous financial year, the Company's other assets remained on care and maintenance. One notable change during the financial year was the sale of the Everest mine.

The sustainability information in the Sustainable Development Report 2015 was compiled in line with the principles of the Global Reporting Initiative's (GRI's) G4 guidelines. Although we have not fully complied with the requirements for the 'in accordance' options, we have complied with those guidelines where these are considered relevant. Most data in the Sustainable Development Report 2015 is collated internally for reporting purposes within the Group. Much of the data reported here is not externally assured, however, in the course of the last year, environmental data relating to water and energy usage and $C0_2$ emissions have been externally assured which has resulted in a restatement of this data in some instances from that previously reported.

The annual financial statements presented in this Annual Report 2015 were prepared in accordance with International Financial Reporting Standards and audited in accordance with Australian Auditing Standards. The corporate governance statement complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles & Recommendations, the UK Corporate Governance Code and the South African King Code of Governance Principles (King III), collectively referred to as "the Recommendations".

The Mineral Resource and Mineral Reserve Technical Statement summary on pages 36 to 46, in which Aquarius' mineral resources, mineral reserves and exploration results for its operations in South Africa and Zimbabwe are reported, was compiled in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC 2007) and its equivalent, the Australian Code for the Reporting of Mineral Resources and Ore Reserves (JORC 2004). This summary statement has been signed off by the relevant Competent Persons as defined by these codes. Their details are presented in this summary.

In both these reports, platinum group metals (PGMs) refers to the three primary platinum group elements (PGE) – platinum, palladium and rhodium – and gold, which are together referred to as 3E+Au. Financial data is reported in US Dollars throughout this report and in the operational review, where applicable to South African subsidiaries, in South African Rands.

Shareholders and other interested parties may address any specific questions to info@aquariusplatinum.com.

KEY PERFORMANCE INDICATORS

The key performance indicators (KPIs) reported in this Annual Report 2015 cover operations and financial performance, health and safety, and environmental performance, and are used by the Board of Aquarius and operational management to monitor performance over time. They are reported here to provide all stakeholders with the tools necessary to assess the Company's results on a consistent basis.

CONTENTS

OF THE 2015 REPORT

CORPORATE WEBSITE

www.aquariusplatinum.com

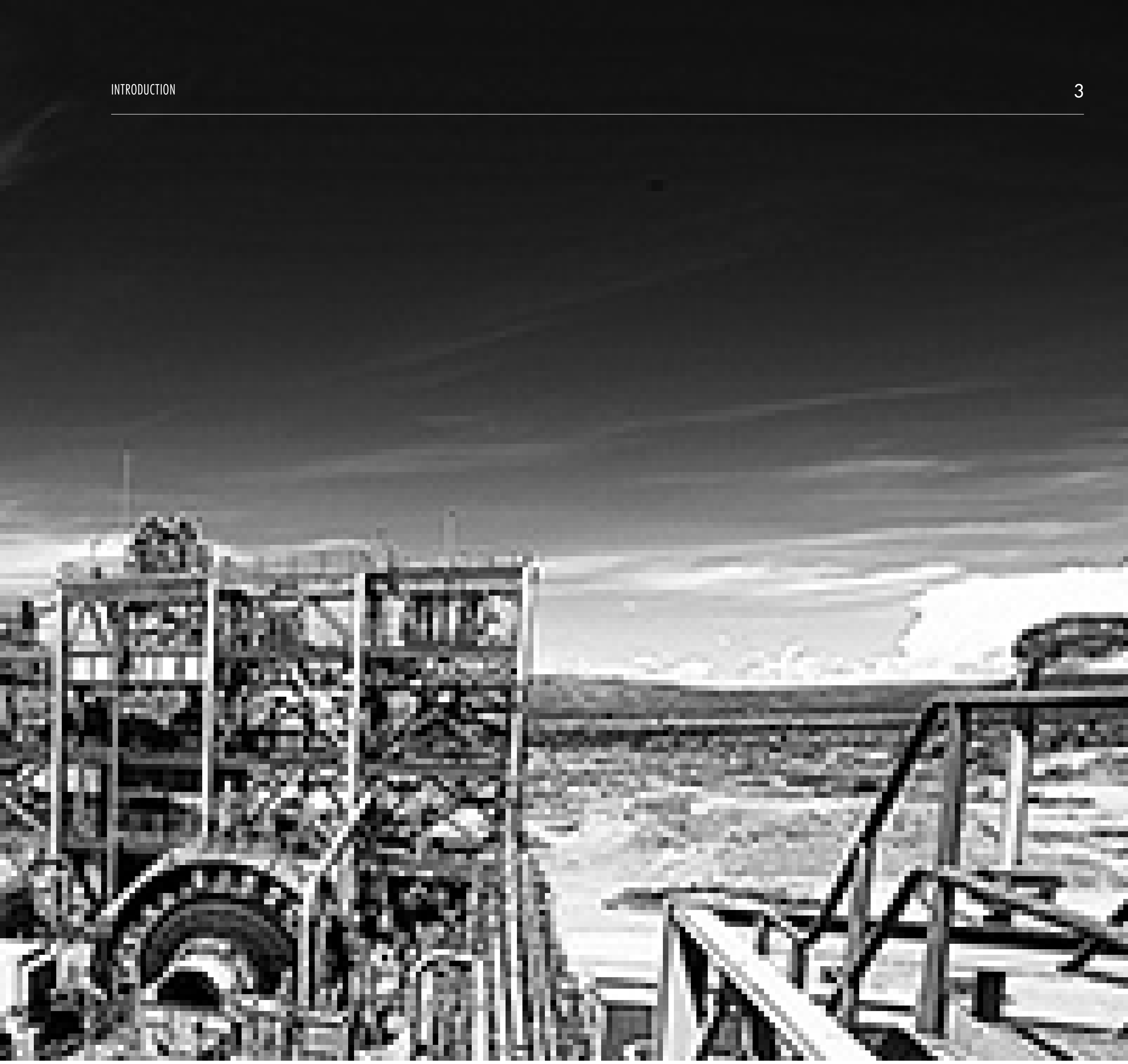
P2-21 INTRODUCTION

P22-49 REVIEW OF THE YEAR

P50-83 GOVERNANCE

P84-140 FINANCIALS

INTRODUCTION

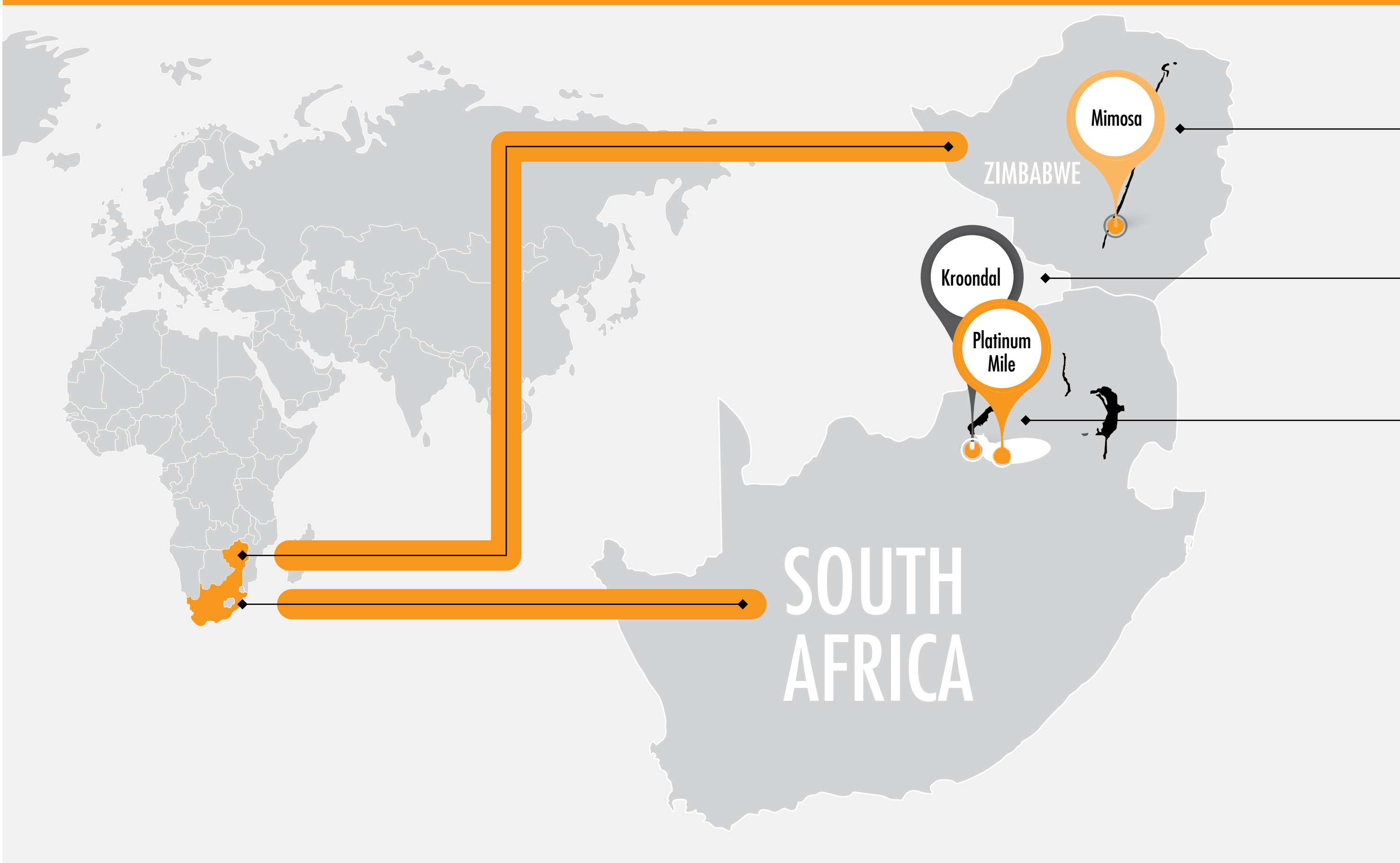


Aquarius is an independent, focused PGM producer with operating assets located on major PGM-bearing orebodies in southern Africa.

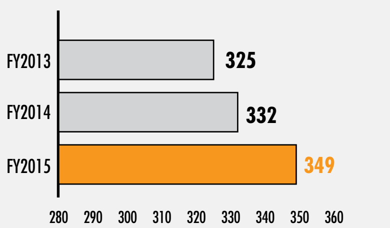
CORPORATE PROFILE

With mining assets in southern Africa, Aquarius Platinum Limited (Aquarius) is a focused, independent platinum group metals (PGMs) producer. Our mechanised, low-cost mines and processing operations produce PGMs-in-concentrate. These are sold directly to two customers in terms of life-of-mine off-take agreements for smelting and refining to produce the end product, refined PGMs.

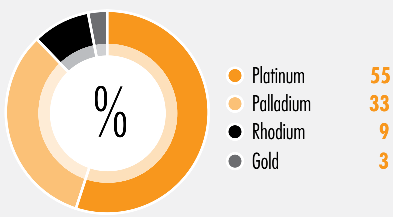
LOCATION OF OPERATING ENTITIES



Annual attributable PGM production (000oz)



Production by metal FY2015



The principal PGMs produced by Aquarius are platinum, palladium, rhodium. Together with gold, these metals are collectively referred to as 3PGM+Au. Ruthenium and iridium are produced in smaller quantities as co-products, with the base metals nickel, copper and chrome produced as by-products.

Tonnes milled
2.59Mt (2014: 2.45Mt)

Tonnes milled
7.15Mt (2014: 7.19Mt)

Tonnes processed
4.6Mt (2014: 2.4Mt)

For the 2015 financial year, Aquarius employed a total of 10,316 people (of whom 29% were contractors) and produced an attributable 349,426oz of PGMs in concentrate which generated revenue of $213 million. As at 30 June 2015, Aquarius' attributable mineral resource was 50.18Moz, which includes a Mineral Reserve of 6.94Moz.

Kroondal, on the western limb of the Bushveld Complex, is Aquarius' primary asset. Kroondal is operated through subsidiary, Aquarius Platinum (South Africa) (Pty) Limited (AQPSA), and is managed in a 50:50 pool-and-share agreement with Anglo American Platinum Limited (Amplats). The Kroondal mine exploits the UG2 reef in the Townlands and Kroondal ore bodies via five operating decline shafts to depths of up to 700m. Two concentrator plants, K1 and K2, have a combined monthly ore processing capacity of 570,000t. Following the halt to mining operations at the adjacent Marikana mine, its remaining reserves are being extracted via Kroondal's mining infrastructure.

Kroondal has a concentrate off-take agreement with Anglo American Platinum's smelting and refining arm, Rustenburg Platinum Mines Limited (RPM).

Mimosa, a relatively shallow mine, is located on the Wedza sub-chamber of the southern portion of the Great Dyke in Zimbabwe. The mine, which is 150km east of Bulawayo and 32km from the town of Zvishavane, is a relatively shallow underground operation (200m below surface) accessed by a single decline shaft. A surface concentrator has a monthly ore processing capacity of 185,000t. Mimosa is held in a 50:50 joint venture with Impala Platinum Holdings Limited (Implats).

Mimosa has an off-take agreement with Centametall AG of Switzerland, in terms of which it delivers its concentrate to the Implats smelter for toll processing and refining by Impala Refining Services prior to delivery of metal.

Platinum Mile, a retreatment facility in which Aquarius has a 91.7% stake, is located on the RPM lease area, which is adjacent to Kroondal. Platinum Mile recovers PGMs from the tailings streams of various platinum and chrome mining operations in the vicinity, with the concentrate produced being sold to RPM in terms of a profit-sharing agreement.

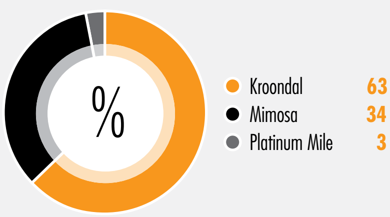
Aquarius' other assets – Marikana, Blue Ridge and the Chrome Tailings Retreatment Plant – remain on care and maintenance. The Everest mine, which had been on care and maintenance since July 2012, was sold to Northam Platinum Limited (Northam) during the course of the year.

EXCHANGE LISTINGS AND SHAREHOLDERS

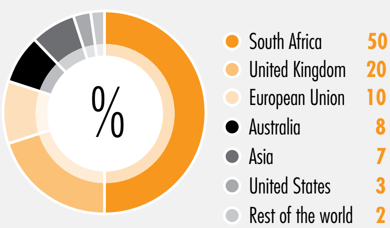
Aquarius has a primary listing on the Australian Securities Exchange, a premium listing on the London Stock Exchange (LSE) and a secondary listing on the Johannesburg Stock Exchange (JSE). The Company also has a sponsored Level 1 American Depositary Receipt (ADR) program in the United States.

At financial year-end, there were 1,505,339,079 shares on issue with 90% of shareholders in South Africa, United Kingdom, North America and Australia.

Contribution to production by mine FY2015



Geographic distribution of shareholders as at 30 June 2015



HIGHLIGHTS OF THE YEAR

2015

FINANCIAL HIGHLIGHTS

Maintaining health of balance sheet is vital – cost and capital discipline and productivity efficiencies are priorities

Lower PGM prices result in decline in revenue to $213 million

On-mine EBITDA down 10% to $26 million (2014: $29 million)

Mine operating net cash inflow of $18 million compared to inflow of $21 million in 2014

Group cash balance of $196 million at 30 June 2015 – an additional $5 million attributable to Aquarius held in joint venture entities

STRATEGIC HIGHLIGHTS

- Disposal of non-core assets – Kruidfontein prospecting rights and the Everest mine – delivered $60 million
- At Kroondal, a recognition agreement was concluded with AMCU which now represents around 65% of the semi-skilled workforce

OPERATIONAL HIGHLIGHTS

Group safety performance improves

Mimosa's DIIR of **0.03** makes it the safest underground platinum mine in southern Africa

0.65 Significant improvement in Kroondal's – DIIR

Record production at Kroondal

Record production at Mimosa

Project feasibility studies on track

Group attributable production up by 5% to 349,426 PGM ounces (2014: 331,643 PGM ounces)

The average US Dollar PGM basket price down 7% to $1,097/oz

Weaker Rand contributes to 3% increase in Rand PGM basket price received: **R12,552/oz**

Cost increases well-contained

On-mine cash costs 9% down in Dollar terms at Kroondal

Cash costs at Mimosa down by **8%**

Mimosa's cash margin up to **29%**

CHAIRMAN'S LETTER

DEAR SHAREHOLDER,

Sir Nigel Rudd

Chairman

Before I write about Aquarius' activities of the past financial year, I must report on a significant development since the financial year's end. Sibanye Gold, one of South Africa's leading gold mining companies, has offered to acquire your Company's entire share capital at an all-cash price of US$0.195 a share.

In the absence of a superior proposal and subject to an independent expert concluding that the Transaction is fair and reasonable and in the best interests of Aquarius shareholders, the Aquarius Board has resolved unanimously to recommend that Aquarius shareholders vote in favour of the Transaction. Subject to these same qualifications, each director of Aquarius intends to vote all Aquarius shares held or controlled by them in favour of the Transaction at the Aquarius shareholder meeting.

When my predecessor, Nicholas Sibley, wrote his report to you last year, he opened by saying that 2014 had not been the easiest of years but that progress had been achieved. While challenges remain, particularly from a macro perspective, progress continued in fiscal 2015 as we increased production at Kroondal in South Africa and at our Mimosa joint venture in Zimbabwe. Platinum Mile sustained its output. We also continued to dispose of assets that were not central to our overall operating strategy. Aquarius' cost conservation initiatives and care for cash have seen excellent results in low unit operating costs during the year despite the significant challenges we continue to be faced with. Pleasingly, in spite the difficult market, we increased our cash balances by $59 million to close the year at $196 million.

Our challenges came from an almost steady decline in the Dollar prices of platinum group metals (PGMs), a fall which we sought to offset by tighter cost controls and a strict focus on mining only payable ore.

Safety remains, as always, our prime concern and priority. It is then, with considerable regret that I must report a fatal accident at Kroondal. Mr Pedro Tafulane Nhabinde, a team leader at Kwezi shaft, was fatally injured in a fall of ground on 11 October 2014. Subsequently, since the financial year end, Mr Erick Mukazi lost his life in a fall of ground at Mimosa. I convey my most-sincere condolences to the families, friends and colleagues of the two men.

Notwithstanding the above, it is encouraging that safety statistics have improved at both of our mines. Based on a twelve-month rolling average, Kroondal's disabling injury incidence rate (DIIR) improved by 11% to 0.65 per 200,000 man hours from fiscal 2014's 0.73. Mimosa's DIIR improvement was even more marked, falling to 0.03 per 200,000 man hours from the preceding year's 0.08. Platinum Mile's figure remains at zero, maintaining the operation's outstanding safety record. We are not complacent about this success which, I believe, is the result of our emphasis on safe working, an emphasis which remains unremitting.

Turning to our operating and financial performances, as PGM and by-product prices continued to weaken across the past financial year, our attributable revenue suffered a 9% decrease to $213 million from the previous year's $233 million. This was despite the fact that both of our operating mines delivered record PGM production levels. As it was, the average price of our PGMs basket fell by 7% to $1,097 an ounce. The declining prices of PGMs did, however, contribute to a lower overall mine EBITDA which slipped to $26 million from the previous year's $29 million. The mines net cash inflow dropped to $18 million from $21 million, again as a result of lower overall metal prices.

Aquarius recorded a net loss after tax of $98 million for the year after $70 million of one off items including impairment. Our operations generated a headline loss (before exceptional charges) of $51 million, the details of which are provided elsewhere in this annual report.

Our balance sheet and year-end cash balances were strengthened by the sale of our Everest mine and its processing plant to Northam Platinum Limited (Northam) for $33 million, and the Kruidfontein mining rights for $27 million. Both sales not only provided us with liquid capital for future projects but have also removed the carrying costs of both properties. At the financial year end, the sale of our Blue Ridge and Sheba's Ridge properties has yet to be consummated, but

I am hopeful that this will be completed in the current, new fiscal year. During the year under review the value of the two assets was impaired by $20 million.

In South Africa, the Rand's overall slow but progressive 10% average depreciation against the Dollar had the effect of raising the Rand metal prices while unit cash costs rose by only 1% in Rand terms. In Zimbabwe, where Mimosa continued to operate at full capacity, on-mine unit cash costs were reduced by 9% measured in Dollars, the currency most widely used in the country. And in South Africa, on-mine unit cash costs increased by 1% when measured in Rand terms. All of this illustrates the tight control of costs that has been achieved as well as the higher production rate at Kroondal. This focus on costs will be continued and will be reinforced into the future.

While the prices of platinum and palladium have continued to weaken since the financial year end, I remain confident of the metals future. As we have entered the current new financial year, the metals prices, along with those of other commodities, have been affected by China's slowing economic growth rate and the effect this might have on economies around the world. Demand improvements are only to be expected when consumer spending on motor vehicles equipped with catalytic converters increases across the globe, but particularly in China.

The platinum market's challenges make it even more necessary for governments and unions to join with the corporate sector to ensure that mines remain sustainably viable. As it is, Kroondal has the deserved reputation of being South Africa's lowest-cost platinum producer, which means that it can remain profitable even as PGM prices reach towards their cyclical low.

In South Africa, since our financial year end, government, unions and mining companies have come together to find ways of curbing or halting the flood of retrenchments that have accompanied falling commodity prices and rising costs of inputs over which the mines can have little or no control – electricity tariffs and steel prices importantly. The five-month strike, which idled many mines early in calendar 2014, did not result in any measurable increase in platinum prices, it merely helped retard the metals cyclical price downturn.

The industry's challenges call for other government initiatives. A less demanding fiscal regime than those in which royalties or export taxes are levied on revenues rather than taxes being levied solely on reported profits. In Zimbabwe, the government is reconsidering the 15% export tax currently levied on PGMs that do not achieve a particular level or beneficiation, but this development remains in the legislative pipeline. It is clear that better levels of profits could assist in financing and encourage the building of the refineries that government wants to see. I would suggest that the best option for all would be to have one refinery built, owned and operated by the mines and that would treat everyone's PGMs.

In conclusion let me express my appreciation of the achievements of my predecessor, Nicholas Sibley, who chaired the preliminary stages of Aquarius' development. We shall build on that heritage. I must also express my admiration for the work done by CEO Jean Nel, his executive colleagues and last, but far from least, by the men and women whose efforts and commitments have seen Aquarius through a progressively challenging year. I am sure that together we shall continue to advance.

Sir Nigel Rudd
Chairman
30 October 2015

CEO'S REVIEW

Though the year under review, financial 2015, threw up a number of progressive challenges, I am proud to say that Aquarius and its people rose to those challenges and met them squarely. Our safety record continued to improve, production increased steadily to record levels and we succeeded in holding cost increases well below prevailing inflation rates for the third consecutive year. Our Company ended the year stronger than when it started and well prepared for anything the future might have in store.

Jean Nel

Chief Executive Officer

SAFETY AND HEALTH

The safety, health and wellbeing of our people remain our uppermost considerations, and I believe that this bears repeating regularly. Our employees have the justifiable expectation that their working places will be safe and healthy and that they will come to work and return to their homes healthy and unharmed. It is, therefore, with the deepest regret that I report the accidental death of Mr Pedro Tafulane Nhabinde in a fall of ground at Kroondal's Kwezi shaft on 11 October 2014. Mr Nhabinde was a highly valued team leader at the shaft and he will be sorely missed by his family, friends and colleagues.

Despite this lamentable incident, the safety record at our operations improved. Maintaining this record and progress is central to our planning and we will not relax our efforts in this regard. Our safest operation, perhaps understandably, remains our Platinum Mile surface tailings retreatment operation which again suffered no notifiable accidents. This is a record of which we can all be justifiably proud and a record that we shall endeavour to maintain.

At Kroondal the safety campaign – My Life, My Responsibility, I Will Comply – launched in calendar 2013 has again proved its progressive effectiveness. The mine's rolling average disabling injury incidence rate (DIIR) fell to 0.65 per 200,000 man hours from the previous year's 0.73, an advance to which the campaign contributed significantly. There is further to go until we reach our objective of zero harm, but I am encouraged by the steady rate of improvement that we are attaining.

At Mimosa the relative improvement in the mine's DIIR was even better than that achieved at Kroondal. The DIIR rate fell to 0.03 per 200,000 man hours worked from FY2014's 0.08, making it the safest platinum mine in southern Africa. This was a remarkable achievement overseen by a focussed team that delivered on its strategy, with no interference from regulators and inspectors, an approach from which South Africa could learn much.

Although we are gratified by these improvements, we will maintain our vigilance until we achieve our aim of zero harm. We are determined that safety improvements will continue, with the safety message being reinforced by all appropriate means across the Company's operations. This, in its turn, can only succeed with the active participation of all our employees – we are all responsible for the safety of our colleagues as well as for our own.

FINANCING

At this stage of the metals market, our approach to the financing of our operations remains one of caution. While our confidence in the platinum group metals' medium to longer-term prospects remains undimmed, the short-term outlook continues to be muted at best with the key driver in my opinion remaining the surplus of metal produced by unprofitable South African operations. It follows that we seek to remain financially liquid to help ensure our passage through the market's current difficulties and to enable us to effect developments needed for our operations' longer-term futures.

By the financial year's end, the Group's net cash balance stood at $70 million, an increase of $31 million over the year, and with a further $5 million attributable to us from joint ventures. The year's cash increase closely matches the total $60 million we received from the sale of our Everest mine and our Kruidfontein prospecting right, and the year-end's cash balance provides a basis for coverage for the $125 million convertible note that falls due in December 2015.

I believe that this process underscores the correctness of our policies. We will not retain interests in assets that cannot finance themselves or that are a drain on our resources. In parallel with this, we shall restrict our capital spending to projects that help reduce overall unit costs of production, that are relatively low cost and that can leverage off our existing infrastructure.

We are currently engaged in the evaluation and planning of two projects:

- The Kroondal tailings retreatment project on which the feasibility study is well advanced. This is budgeted at $23 million and is designed to produce as many as 20,000 ounces of PGMs each year and;
- The Mimosa expansion for which a bankable feasibility study is due for completion in December 2015. This is a low-cost project that leverages off the mine's existing operations.

While the feasibility studies for these projects will continue, allocation of capital will be considered against the prevailing macro-economy and, specifically, against the PGMs market. We will only allocate capital to these projects if they will, in the view of the Board, generate a real return for our shareholders. There will be no volume growth at the expense of margin.

METAL MARKETS

It is hard to recall a period in which the prices of platinum and palladium, the two principal constituents in our basket of products, have fallen so steadily. The decline had started some four years ago and would likely have drifted slowly down since then. However, the five-month wage strike that halted production at mines run by South Africa's three largest platinum companies provided artificial support for the two metals' prices during the first half of calendar 2014.

At the start of Aquarius' financial year spot platinum was trading in London at slightly below $1,500/oz, but shed 28% to stand at less than $1,080/oz as the financial year ended. Over the same period palladium's price was somewhat more volatile than platinum's. And though the two did not march in lockstep, after starting our financial year a touch below $850/oz in London, the spot palladium price rose for a month or so before settling into a decline that left the price at $677/oz, 20% lower over the year.

As it was, in South Africa, the year's average price of our basket of metals dropped by 6.9% to $1,099 per PGM ounce from $1,180/oz while in Zimbabwe it fell by 5.2% to $1,075/oz from $1,133/oz.

CEO'S REVIEW CONTINUED

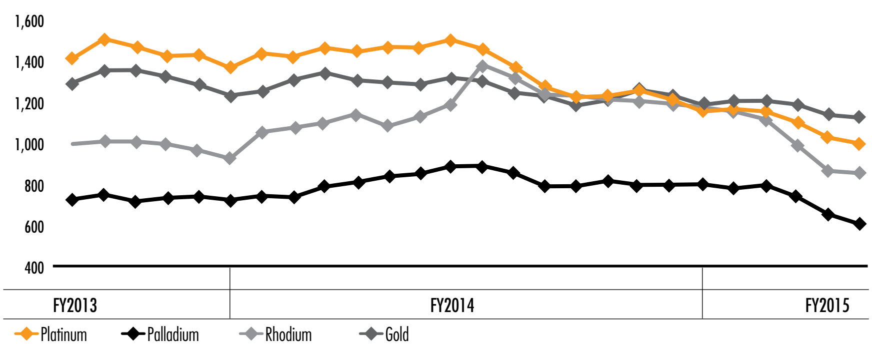
Since the end of the financial year, the prices of both principal metals have continued to decline, and it is difficult, or could be foolhardy, to predict an early recovery. In South Africa, our Rand-denominated revenues received some protection from the Rand's weakening against the US Dollar. No such protection has been received in Zimbabwe where the US Dollar is the principal internal currency.

We firmly believe that the prevailing low Dollar PGM prices cannot be sustained over the medium to long-term and that higher prices will only be sustainably possible if unprofitable mines are gradually removed from production. That is already happening, though hesitantly, in South Africa, which has been recovering from the effects of the 2014 strike in the platinum sector, and which, in round figures, produces 70% of the world's newly-mined platinum. It should be recalled, however, that this does not give the country any significant leverage over the metal's price. According to estimates from the recently formed World Platinum Council, calendar 2015 will see South Africa's mines produce 4.06Moz of the world's total 5.765Moz while recycling will deliver 2.11Moz or more than half as much as South Africa's new metal.

Global demand, on the other side of the market equation has shown little growth over the past three years, with the three major market sectors – automotive catalysts, jewellery and industrial – to all intents and purposes steady. Particularly problematic since our financial year's end has been the situation in China where government is grappling with converting the economy from being driven by infrastructure spending to one driven by consumer spending but where economic growth is slowing and where consumers have not been responding to quantitative easing or lowered interest rates. While this uncertainty persists so too will that of the platinum metals' markets.

" We firmly believe that the prevailing low Dollar PGM prices cannot be sustained over the medium to long term"

Average monthly prices: July 2013 – August 2015 ($/oz)



FINANCIAL PERFORMANCE

Aquarius' financial performance during the year under review illustrates the concatenation of difficulties with which we dealt. Though physical production of PGMs rose by more than 5%, the metals' progressive price weakening resulted in the Group's revenue dropping by 8.6% to $213 million. However, sterling work on cost controls at the operating level, careful husbanding of our resources and the Rand's weakening against the US Dollar contributed to an 8.8% reduction in cost of sales that took the charge to $211 million and resulted in a modest rise in our gross profit.

I must, however, point out that, taken on their own, the annual figures do not fully reflect the market changes that have been taking place. Second-half metals prices and revenues were significantly weaker than those of the year's first half, and it is this progressive weakness that will determine how we operate in the new financial year.

As we reach the bottom line of our income statement, the Group's net loss was significantly greater at $98 million equivalent to 6.59 US cents per share against the preceding year's $13 million loss equivalent to 1.38 US cents per share.

What we have now to consider is whether PGM prices will continue to fall and whether the Rand will continue its decline against hard and freely traded currencies. In the year under review, the Rand's average exchange rate against the Dollar was R11.45:$1 against R10.39:$1 in the preceding year. That gave our South African operations a Rand currency advantage of just over 10% year-on-year.

In South Africa, this led to costs per PGM ounce falling by 9% in Dollar terms compared to a 1% increase when expressed in Rands. While the Rand increase in costs was significantly lower than South Africa's inflation rate, the performance was even better in Zimbabwe. Measured in dollars per PGM ounce, Zimbabwean costs fell by 9% to $802/oz, a reduction that exhibited to cost-saving initiatives introduced in FY2014 and continued into the year under review.

PROFIT AND PRODUCTION SUMMARY

	Operations	Joint ventures	Total	Consolidated adjustment	Aquarius Group
Mine EBITDA ($m)	26	42	68	(42)	26
Revenue ($m)	213	137	350	(137)	213
Cost of sales ($m)	(211)	(111)	322	111	(211)
Net profit/(loss) after tax ($m)	(50)	(48)	98	–	(98)
Production (PGM oz)	231,393	118,033	349,426	–	349,426

WHERE WE OPERATE

SOUTH AFRICA

South Africa's history of platinum mining stretches back more than 80 years and, with some 80% of the world's known platiniferous ore located in the Bushveld Igneous Complex (BIC), South Africa produces some 70% of the world's newly mined metal.

The country's platinum resources are comparatively concentrated, with the BIC covering some 60,000km^2, and this has resulted in the mines occupying an important position in the local economy and in contributing to the social welfare of local people. This, in its turn, has led local and central government to call for the mines to make significant contributions to municipal infrastructures and managerial capacities. Platinum's contribution to the broader economy, to gross domestic product and to export revenues should not be underestimated – PGMs are among South Africa's largest single locally beneficiated export commodities.

"Platinum's contribution to the broader economy, to gross domestic product and to export revenues should not be underestimated"

However, the capacity of the platinum sector to deliver on all the demands made on it is frequently over-estimated. This has particularly been the case during our latest financial year when revenues have been squeezed by falling Dollar prices and where the need to drive cost savings by cutting labour complements has often led to confrontational relations with unions. On occasion, tensions have been heightened given the inter-union turf wars as the National Union of Mineworkers (NUM), the previous dominant union, has been superseded by the Association of Mineworkers and Construction Union (AMCU). In parallel, some operations across the platinum belt have been disrupted by local communities protesting at service delivery failures by central and local governments.

Notwithstanding these pressures, employment at our South African operational entities increased by 2.6% to 8,806.

CEO'S REVIEW CONTINUED

The external challenges over which we as a company and as an industry have little or no control and to which I pointed last year remain very much in place. I make no apology for restating them verbatim:

- Unaffordable demands from organised labour, firstly for wage increases that substantially exceed inflation rates and, secondly, for wages that exceed those paid to similarly-skilled employees in other sectors of the South African economy.
- Sharply rising electricity tariffs charged by the state-owned monopoly power utility, Eskom, combined with erratic electricity supply and periodic brown-outs or black-outs.
- Fractious labour relations and union rivalry that have fuelled unrealistic demands.
- High levels of employee indebtedness that can, in some ways, be attributed to historical inequities and structural issues in the country, but which are also a result of an easing in credit regulations and reckless lending.
- Continued regulatory uncertainty, with proposed amendments to the Mining Charter being a case in point.
- Inadequate infrastructure in host communities and poor servicing of that infrastructure, combined with increased competition for jobs and economic opportunity in mining communities.
- Poor educational levels of many employees.

In common with miners of other minerals, platinum producers are faced with growing demands from the state, communities and labour – demands that, if met, leave little in the way of income available for distribution to shareholders. This, in turn, has led to investors abandoning or reducing their exposure to the sector and, more importantly, to a reluctance to invest more in platinum mines. Those funds that are being directed towards the sector are targeting shallow deposits amenable to mechanised mining and that are, therefore, less reliant than deeper, labour-intensive mines that depend on labour of varying skills.

" In common with miners of other minerals, platinum producers are faced with growing demands from the state, communities and labour"

ZIMBABWE

Much commentary on Zimbabwe and doing business in the country tends to be ill-informed and largely negative. Certainly all miners face legal and financial challenges in Zimbabwe, but these align with challenges elsewhere. Governments the world over are insisting on greater shares in the minerals that are national patrimonies and for those minerals to be increasingly beneficiated domestically. This latter requirement is expected to create employment opportunities as well as to raise the general skills level of the nation's work force.

The fact is that platinum ore bodies in Zimbabwe are shallower and relatively more-easily and safely accessed than those in South Africa. And it is these geological and physical advantages that make the country attractive for platinum mining companies – an attractiveness that we recognise and which confirms our investment in the Mimosa mine. This attractiveness has not alone drawn investment to the country.

At present while relations between the mining sector and government may at times be robust, they are generally open and frank.

Zimbabwe's economy remains founded on the US Dollar rendering it relatively open but not offering the protection from Dollar strength (or weakness) enjoyed by other countries with their own currencies. This being said, however, the dollarised economy renders Zimbabwe relatively immune to the sorts of inflation that have affected it in the past and that can affect other emerging economies.

OPERATIONS

KROONDAL

During the year under review, operations at Kroondal were characterised by stability and mutually respectful labour relations. In July 2014, shortly after the start of the financial year, the mine signed a three-year wage agreement with our unions that provided for annual wage increases of slightly more than South Africa's general level of inflation as measured by the consumer price index. And, as the year progressed, we signed a recognition agreement with AMCU which, at the time of signing, represented 65% of the mine's semi-skilled workforce.

Again during the year under review, metal production (3PGM+Au) increased by 2.7% to 442,477 ounces of which half was attributable to Aquarius and represented yet another record production level. By the year's final quarter, Kroondal had achieved ten quarters of quarterly production exceeding 105,000 ounces, another record. In the process and despite a full year of higher wages and a larger workforce, costs per unit of production rose by only 1% in Rand terms and fell by 9% when measured in US Dollars. At current levels of production we can count on a life of mine of 10 years.

In the past year, total mill throughput of 7.15Mt was fractionally less than the previous year's 7.19Mt. However, the higher PGM plant head grade of 2.43g/t (2014: 2.39g/t) allowed metal production to increase as noted above. Operating costs per ton of ore rose by 4% to R567/t from R547/t in FY2014.

To build on the skills developed at our Platinum Mile operation, we are evaluating the feasibility of re-processing Kroondal's tailings – current arisings as well as those tailings already deposited. As the year under review came to an end, the project's feasibility study was well advanced and based on a capital cost of $23 million and production of an annual 20,000oz of low-cost PGMs. Post-year end we received conditional approval for the project's integrated water use licence which entails the depositing of the retreated tails into the Marikana pits. We have resubmitted our application and, pending final approval, detailed planning for the implementation of this project has begun.

MIMOSA

The Mimosa mine, in which we have a 50% interest, continued to operate efficiently and has been well maintained. Labour relations have remained cordial and the mine's workforce, though not unionised, is represented by workers' committees which meet regularly with management at all levels.

Mill throughput for the year rose by 3% to 2.6Mt and, with an unchanged head grade and improved recovery, PGM production increased to 236,067 ounces, another record, of which half was attributable to Aquarius.

We are considering proposals that would, if applied, allow Mimosa to increase its PGMs output by 25%. The pre-feasibility study was completed in February 2015 and the bankable feasibility study is expected to be completed in December 2015.

Mimosa has continued its interaction with the Ministries of Indigenisation and Mines on a sustainable resolution to the question of indigenisation. No material progress was made in the year under review and, as a result, I cannot provide an estimate of the eventual financial cost, if any.

PLATINUM MILE

The 91.7%-owned tailings reprocessing operation has recovered from the previous year's strike-affected setbacks. During the year under review, 4.65Mt of tailings material were processed and 10,154oz of PGMs recovered. The operation generated a revenue of R95 million at a cash cost or R8,237 per PGM ounce.

Anglo American Platinum will start construction of its dump reprocessing operation during the second half of calendar 2015 and, when it is brought into operation, it is expected to generate an additional monthly 280,000t of tailings for our retreatment operations.

NON-CORE ASSETS

Our approach to non-core assets has been to dispose of those that can be sold and to cease spending at those that cannot be mined profitably. Almost all have now been sold or sales agreements signed but awaiting official approval. During the year, the Everest mine and the Kruidfontein rights were sold for a combined $60 million. This was for the first part of the Everest transaction. The second part of the transfer of Everest's mining rights to the value of R50 million was completed subsequent to year-end on receipt of the consent of the Minister of Mineral Resources in October 2015. Only our 50% interest in Blue Ridge remains non-core and for sale.

" Our approach to non-core assets has been to dispose of those that can be sold and to cease spending at those that cannot be mined profitably"

CEO'S REVIEW CONTINUED

PROJECTS OUTLOOK

While we have been energetic in our evaluations of project developments, with the progressive weakening of PGM prices during the past year and the expected persistence of weakness, we have become more cautious. It bears repeating that Aquarius will not aim for growth for growth's sake. Whatever projects we take on will be planned and executed based on conservative expectations of metal prices, on capital costs that are not excessive and that can be well-controlled and based on parameters that indicate profitable operations. We shall avoid ventures that are at best marginal and ventures that do not build on our existing assets and skills.

Planning at Mimosa remains largely unchanged, though we have refined the economics and engineering of the access to the Mtshingwe block which will sustain the mine as a long-life asset. Rather than access the new ore as initially planned through a new decline shaft, access will now be gained through the Wedza shaft on the mine's 14 level using on-reef development, a much more economical alternative.

Mimosa remains committed to assessing the viability of establishing beneficiation capacity in Zimbabwe.

CONCLUSION

As I have said, the year under review was particularly challenging as metals prices deteriorated progressively. This deterioration has persisted beyond the financial year's end, with little expectation of an early recovery. Under these circumstances our focus will remain on operational improvements that contribute to tight control or even reduction of costs. At the same time we shall continue to strengthen our balance sheet and avoid unnecessary capital spending – spending that does not offer clear and profitable advantages.

I continue to have confidence that, as in the year under review, my colleagues will succeed in maintaining efficient and low-cost operations. And I would thank them for their unstinting efforts in this past year. I have been ably supported by the Company's executives who have performed their duties admirably under very difficult conditions – in South Africa, Rob Schroder, our Chief Operating Officer, and in Zimbabwe, Winston Chitando, Executive Chairman of Mimosa.

I have been ably supported by my colleagues on the board, and particularly by my chairman Sir Nigel Rudd. My thanks go to them all.

It remains for me to say that our aim remains unchanged – to ensure Aquarius' sustainable future that allows us to deliver fairly on our stakeholders' expectations.

Jean Nel
Chief Executive Officer
30 October 2015

OUR EXTERNAL ENVIRONMENT AND MATERIAL CONCERNS

IN THIS SECTION WE ADDRESS:

- Volatile PGM markets and prices
- Balance sheet focus
- Employee safety
- Labour relations and employee engagement
- Legislative revisions and uncertainty
- Securing access to and optimising the use of power and water

In this report, we endeavour to provide a balanced, concise view of our performance over the past financial year and to address the primary concerns of shareholders, investors and other significant stakeholders, such as employees, government and non-governmental organisations and other civic bodies.

Our primary concerns are those that are likely to have a significant impact on our business and its sustainability. In recognising these issues, management and the Board have taken into account the interests, concerns and expectations of various stakeholders, and of shareholders and investors in particular. These issues have the potential to influence our economic viability, our operational performance, our reputation and our ability to create value for our stakeholders – shareholders, employees, governments and communities.

VOLATILE PGM MARKETS AND PRICES

The correction in recent years in commodity markets follows the end of the so-called super-cycle which began in 2008 and peaked in 2011 when the average price of platinum for the year was $1,723/oz. This compares with an average platinum price for the year-to-date of $1,127/oz – a decline of 33%. The effects of this sharp decline in platinum prices over the past five years or so have been compounded by increasing volatility. While the prices of rhodium and gold have declined in a more-or-less similar pattern (down year-on-year by 47% and 25% respectively), the average palladium price is, in contrast, currently fractionally higher at $739/oz than it was in calendar 2011. This follows a high of $809/oz for calendar 2014.

In tandem with these developments in the PGMs market, there has also been greater volatility in foreign exchange markets, with the latter being exacerbated most recently by anticipation of higher interest rates in the United States as that country's quantitative easing programme comes to an end given improved economic performance. This has in turn led to a strengthening of the US Dollar and corresponding declines in emerging market currencies in particular – including the South African Rand. Although the weakening in the South African currency has helped to cushion the effect of the decline in PGM Dollar prices in terms of the Rand price received by our South African operations, it has been insufficient to offset totally the price declines. Our Zimbabwean operation, which operates in a dollarised economy, has not benefitted at all from currency fluctuations and has felt the full brunt of the decline in Dollar prices. In comparing price levels with those prevailing in 2007, before the start of the most recent commodities boom, only the prices of gold and palladium are currently at higher levels.

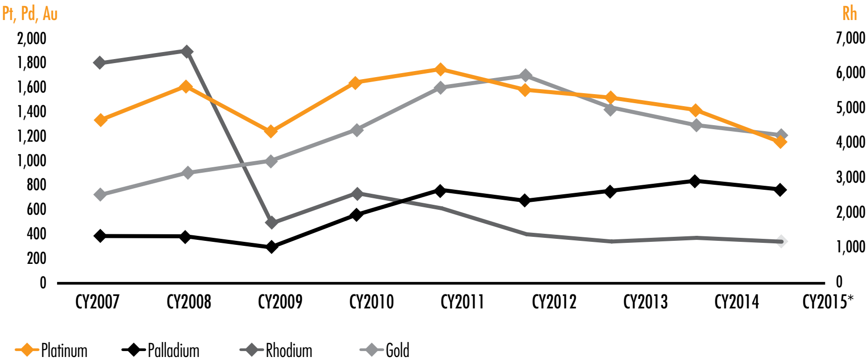
During the year under review, the average basket Dollar price declined to an average $1,097/oz in a difficult market. In Rand terms, the PGM basket price increased by 3%, directly as a result of the weaker Rand which decreased by 10% to average R11.42/US$ in FY2015. Similarly in Zimbabwe, the PGM basket price received by Mimosa declined by 5% to $1,075/oz in FY2015, compared to the previous year.

The decline in the PGM basket price represents a significant risk to our business, and threatens our economic viability. To mitigate the effects of the declining price, focused strategies to optimise production and cost-efficiencies have been implemented. Kroondal and Mimosa are operating at record levels; cost increases have been sharply curtailed and operational cash flows enhanced.

Since platinum is the largest contributor to revenue – 55% in FY2015 with palladium and rhodium jointly contributing 42% to Group revenue – the fortunes of the platinum price have the largest impact on the basket price received.

OUR EXTERNAL ENVIRONMENT AND MATERIAL CONCERNS CONTINUED

Avarage annual PGM and gold prices: 2007 – 2015* ($/oz)



For further details on the platinum and palladium markets, see the CEO's review in this annual report and the Economic Performance section in the Sustainable Development Report 2015.

BALANCE SHEET FOCUS

The steady decline in PGM prices in recent years has had an immediate, direct impact on revenue, earnings and cash flows.

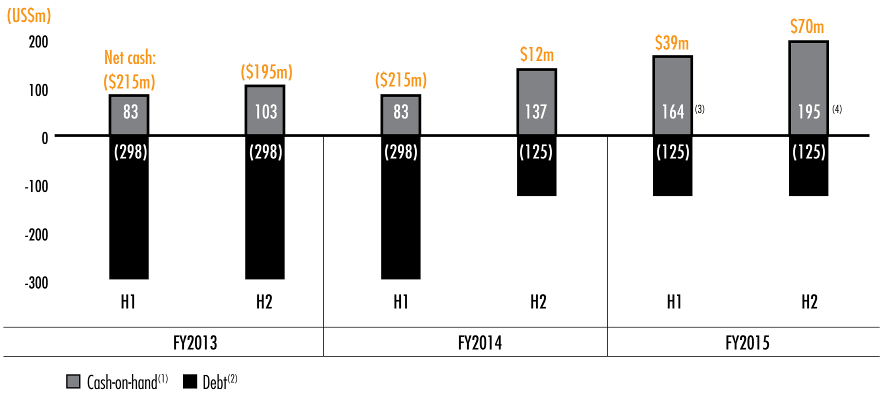
In addition to the implementation of operational efficiencies which involved concerted efforts to limit cost increases and improve operating cash flows, Aquarius also implemented a programme to dispose of non-core assets to reduce debt levels and maximise cash at hand.

Aquarius ended the 2015 financial year with cash in hand of $196 million and debt of $125 million, the outstanding balance of the convertible bond. (This followed the US$225 million rights issue and repayment of US$175 million of the convertible bond in FY2014.) The balance of the convertible bond is due in December 2015.

The sales of non-core assets, Kruidfontein and Everest, during the course of the past financial year together contributed to total cash inflows of $60m.

The current low price levels have intensified our focus on margins, the scrutinising of capital expenditure and the optimising of operational cash flow.

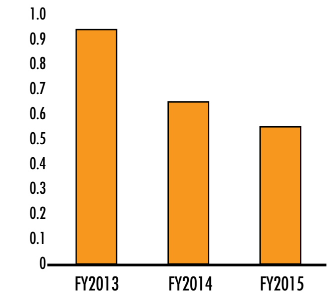
Net cash balance at end of period



(1) Includes attributable cash in joint venture entities
(2) Face value of convertible bond
(3) Excludes proceeds from sale of Everest (US$38m)
(4) Includes proceeds from sale of Everest

For further information and commentary on the financial well-being of the Company, see the CEO's review and the detailed financial statements in this annual report.

Aquarius – DIIR per 200,000 hours worked



For further information on this material concern, see the CEO's review and the individual operational reviews in this annual report, and the safety review in the Social Performance section in the Sustainable Development Report 2015.

EMPLOYEE SAFETY

Ensuring the safety and well-being of our employees is vital. Underground bord-and-pillar mining can be inherently unsafe and to minimise and eliminate the risk of injury to employees requires understanding and effective management of these risks. Every effort is made to protect employees and ensure their safety and to maintain constant, unrelenting vigilance regarding the safety of all in the workplace. All safety campaigns and initiatives are aimed at accomplishing the ultimate goal of zero harm. To achieve this requires the full participation of all stakeholders involved. At Aquarius, we understand that we need more than simply a policy aimed at zero harm. In implementing such a policy target, the attitude and behaviour of management and employees must be aligned with the aim of achieving zero harm.

Aquarius, which is subject to stringent safety regulations and legislation, seeks to comply fully in both jurisdictions in which it operates. In South Africa, Aquarius is a signatory to the South African Mine Health and Safety Council's 2014 milestone targets which include zero harm as their main objective. AQPSA is registered with Rand Mutual Assurance. In Zimbabwe, Mimosa complies with the relevant mining regulations concerning the management of safety, health and sanitation, and contributes to the Accident Prevention and Workmen Compensation Fund.

Vigilance in identifying situations which represent safety risks is essential. Employees have the right to and are encouraged to report unsafe work areas and work practices to supervisors and to request a safety break. This right is protected in our safety standards and codes of practice, which are approved by the regulator. In addition to employees having the right to request safety stoppages, an anonymous safety line is available on which employees may report any safety concerns. This is encouraged.

We regularly review and revitalise our safety training and safety awareness programmes. The importance of adhering to safety standards cannot be overemphasized. Our employees are entitled to a safe working environment and, at Aquarius, our approach to safety is based on a collaborative partnership involving management, employees, their union and worker representatives and government. Visible, hands-on safety leadership is a vital aspect of safety.

For further information on this material concern, see the CEO's review and the individual operational reviews in this annual report, and the employee review in the Social Performance section in the Sustainable Development Report 2015.

LABOUR RELATIONS AND EMPLOYEE ENGAGEMENT

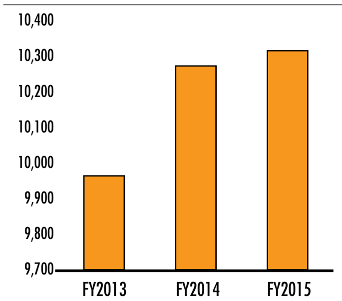
Ensuring stable labour relations is a challenge in the current socio-political environment in South Africa, and is important in the efficient operation of our business. Maintaining stable labour relations has become ever more challenging in an industrial relations environment that has been made increasingly fraught by inter-union rivalry in the South African mining sector. Much effort has been devoted to building relationships with employees and their union representatives and to establishing and maintaining trust between employees and management.

In South Africa, Aquarius' management has been involved in negotiations with several unions at the Kroondal operations. In January 2015, the Company concluded a recognition agreement with AMCU as it had achieved full organisational rights for the Category B bargaining unit (A1 – B6 levels) with representation of more than 35%. Subsequently, and after following due process, as NUM's representation had declined to less than the 35% threshold, the recognition agreement with that union was terminated. Post year-end, NUM achieved representation of 35% among category A (C Paterson band) employees and will be afforded similar opportunities to those of Solidarity, which also represents employees in this category.

AQPSA believes that, based on freedom of association, it is permissible to have more than one union representing a bargaining unit. We remain steadfast in our commitment to abiding by the relevant laws, rules and policies, and we expect a similar commitment from the unions.

At Mimosa, active employee engagement is aimed at ensuring cordial industrial relations. Monthly meetings are held to resolve employee concerns and to update employees on business performance.

Number of people employed annually (permanent and contractor employees)



OUR EXTERNAL ENVIRONMENT AND MATERIAL CONCERNS CONTINUED

LEGISLATIVE REVISIONS AND UNCERTAINTY

Resource nationalism continues in the form of demands for greater domestic production of beneficiated product and of an increased legislative burden.

Legislative amendments in South Africa, specifically those to the National Environmental Management Act during 2014 and proposed amendments to the MPRDA and associated Mining Charter, together with demands for beneficiation, increasing levels of taxation, and the looming carbon tax could have adverse financial implications for the Company.

Similarly, in Zimbabwe, increased taxation and royalty payments together with demands for further product beneficiation and the enforcement of the indigenisation law may have negative consequences for the economic viability of our operation there.

Aquarius has co-operated with fellow PGM producers in both countries in which it operates and has negotiated with the respective governments through the Chamber of Mines of South Africa and the Zimbabwean Chamber of Mines to bring about greater certainty regarding legislative and regulatory requirements.

For further information on this material concern, see the CEO's review, the Directors' Report and the individual operational reviews for Kroondal and Mimosa in this annual report, and the employee review in the Social and Environmental Performance sections in the Sustainable Development Report 2015.

SECURING ACCESS TO AND OPTIMISING ENERGY AND WATER USE

It is incumbent on us to use natural resources sparingly and responsibly. Ensuring reliable access to affordable power and water and optimising their use, while mitigating our environmental footprint and minimising waste and pollution underpins the cost-efficiency of our operations. In line with our environmental responsibilities, we carefully monitor our consumption of water and energy, our emissions and our impact on the environment. This responsible resource management extends to our planning for rehabilitation.

Energy: The energy-intensive nature of mining makes access to energy a growing challenge in the longer term. Securing a reliable, cost-effective energy supply throughout the life of a project or mine is essential and our efficient energy usage is linked to the need to reduce emissions and carbon footprints. In South Africa, the unsteady and unreliable supply of power has become of increasing concern. There are similar concerns in Zimbabwe. The cost of power now makes up a significant portion of operating costs (9% in South Africa and 8% in Zimbabwe) and its efficient use is imperative.

A consistent and cost-effective supply of energy is essential. Our energy usage is linked to our greenhouse gas (GHG) emissions. Although the introduction of a carbon tax in South Africa has been delayed to 2016, we have put in place processes to accurately determine baseline data on our emissions in preparation for this.

Water: Given that water is a scarce resource and the related supply constraints in southern Africa, we endeavour to optimise its use and to minimise any waste of water while ensuring a regular consistent supply to meet our operational requirements. Water is an essential input for mining and processing activities and must be used as efficiently as possible.

Where operations are located in water-scarce areas, there may be increased competition for water with local communities, agriculture and other industries. Water scarcity is heightened by low rainfall, changing rainfall patterns, degradation and over-use of ground water and surface water, as well as climate and demographic factors. Excessive rainfall can present a challenge with the increased risk of flooding and accidental releases of process water.

In South Africa, monitoring of water consumption is conducted daily while water quality is monitored monthly at Kroondal, in line with our water use licence requirements. AQPSA is a key member of the Elands-Hex River Catchment Forum, a stakeholder based forum which includes other water users in the catchment as well as the Department of Water and Sanitation (DWS) and relevant municipalities. The forum considers both expected demand for water and supply availability.

In addition, a water and energy committee has been set up at Kroondal to promote the sustainable supply and use of energy and water for the greatest benefit of the organisation. This committee meets monthly to discuss new risks and ways to manage and mitigate the risks identified. Outcomes from the committee and the regular risk reviews feed directly to AQPSA management which considers these risks with respect to growth strategies.

However, potable water is not necessary for our actual mining operations if enough secondary water is available. Since we operate in a water-scarce region in South Africa, the availability of good quality fresh water for surrounding communities is of concern to AQPSA.

Recycled water is vital for our processing operations and reduces our demand for potable fresh water, which is vital not only to controlling costs but also to limiting our impact on natural resources. Excess water is pumped from the underground workings via a series of dams to the return water dams on surface where it is recycled for use in the concentrator plants. More recycled water is used than is purchased at AQPSA's processing operations.

For further information on this material concern, see the Environmental Performance section in the Sustainable Development Report 2015.

At Mimosa, fresh surface water is abstracted from the Ngezi River, in line with our permit conditions, and is used at the operation. Mimosa also uses recycled tailings return water for primary production and in the processing plant.

REVIEW OF THE YEAR

Record levels of production together with a tight rein on costs help to offset the effects of lower Dollar prices.

KROONDAL

KEY OPERATIONAL HIGHLIGHTS

Kroondal – Key statistics

		FY2015	FY2014	FY2013	FY2012	FY2011
Operations						
Tonnes milled	Mt	**7.15**	7.19	6.59	5.61	6.24
Average head grade	g/t	**2.43**	2.39	2.41	2.38	2.59
Recoveries	%	**79**	78	79	78	80
Mining cash cost per ton	$/t	**50**	53	58	68	59
	R/t	**567**	547	513	524	417
Cost per PGM ounce produced	$/oz	**803**	879	948	1,130	892
	R/oz	**9,168**	9,115	8,343	8,748	6,273
Price received per PGM ounce	$/oz	**1,099**	1,180	1,243	1,322	1,454
	R/oz	**12,551**	12,243	10,937	10,236	10,222
Total no of employees (including contractors)		**8,747**	8,549	8,065	5,371	4,868
Safety – DIIR [1]		**0.65**	0.73	1.14	1.19	0.75
– No. of fatalities		**1**	0	1	2	1
Total production – in concentrate						
Platinum	oz	**257,425**	251,568	238,214	197,360	243,991
Palladium	oz	**134,854**	130,630	122,340	99,766	123,604
Rhodium	oz	**47,985**	46,380	43,879	36,112	45,369
Gold	oz	**2,212**	2,166	2,055	1,613	1,982
Total PGM production [2]	oz	**442,477**	430,743	406,497	334,850	414,946
Total PGM production [3]	oz	**539,106**	524,504	495,040	408,449	507,646
Attributable PGM production	oz	**221,238**	215,371	203,249	167,425	207,473
Financials – attributable						
Revenue [4]	$m	**198**	222	217	180	268
On-mine cash cost	$m	**178**	189	193	189	186
Gross profit	$m	**1**	9	(8)	(32)	58
Capital expenditure	$m	**24**	24	31	32	29

[1] DIIR is used interchangeably as a measure for LTIFR

[2] 3PGM+Au

[3] 5PGM+Au

[4] Net of foreign exchange sales variance

REVIEW OF THE YEAR

SAFETY

While safety performance continued to improve overall during the year under review, there was regrettably one mining-related death. On 11 October 2014, Pedro Tafulane Nhabinde, a production team leader, lost his life in a fall-of-ground related incident at Kroondal's Kwezi shaft. The requisite enquiries and investigations were conducted by management and the DMR.

Following the fatality and a deterioration in safety performance in the second quarter of the year, safety campaigns were re-energised in January 2015. Several hard-hitting visual safety campaigns were conducted focusing on injuries on duty. This included re-enactments and demonstrations that coincided with industrial theatre shows by a local cultural group. Even greater attention was paid to investigations into identifying the root causes of safety accidents while an additional safety officer was appointed to each shaft with responsibility for safety inspections and compliance audits on the afternoon and night shifts. This helped to further increase visibility during all rotational production shifts and to ensure compliance with Company standards and procedures.

All of this contributed to an improvement in the disabling injury incident rate (DIIR) to 0.65 per 200,000 hours worked for the year as a whole, compared with 0.73 the previous year – an 11% improvement.

The steady improvement in safety over the past two years – 43% improvement – can be attributed largely to the "My life, my responsibility, I will comply" safety campaign launched initially in September 2013. This campaign focuses on promoting individual and joint responsibility for safety so as to prevent injuries and safety incidents. Each employee understands and takes responsibility for their own safety as well as that of fellow employees. Safety is a company-wide responsibility and involves everyone. All safety incidents are investigated thoroughly and systems reviewed in an effort to prevent any re-occurrence.

In addition, given that one of the major causes of accidents is non-compliance with safety standards and procedures, this safety campaign has emphasized the importance of obeying safety procedures. In particular, the focus is on compliance regarding low-energy and general accidents – can be attributed to 75% of all accidents – so as to reduce the incidence of minor injuries.

Furthermore, dedicated on-site specialist services have been established to improve the management of injury sustained while on duty and have contributed to the reduction in the number of days lost due to injuries. These specialist services include those of medical practitioners, physiotherapists and wound-care specialists, which are available at our on-site clinics as well as a full-time clinic management team.

KROONDAL CONTINUED

Weekly focussed visible-felt leadership sessions are conducted together with visits underground to inspect and address areas of concern. Each weekly session focuses on a particular safety topic and/or identified challenge for which a checklist is compiled so as to address and mitigate the related risk to safety.

In all, 12 Section 54 instructions were issued during FY2015 compared to the eight instructions issued during FY2014, resulting in a total of nine production days being lost.

OPERATIONS

Kroondal's operational performance continued its steady improvement in FY2015, with the operation recording total annual production of 442,477 PGM ounces (an attributable 221,238 PGM ounces), an all-time high. A slight decline in volumes mined was offset by the higher head grade and improved recoveries, which together led to a 3% increase in production.

At year-end, Kroondal had achieved 11 consecutive quarters of production in excess of 100,000oz. This is the highest level of production in the mine's history

Production levels were maintained in the face of several operational challenges. Chief among them were the persistent challenging ground conditions and high incidence of potholes at the K6 shaft. Ground conditions appear to be improving as we mine deeper.

Given the high incidence of falls of ground at the Kwezi shaft, all ends have been reduced in width, in line with rock-engineering recommendations to ensure a more stable hanging wall.

In addition, trials continued on how to mitigate the impact on recovery rates of the presence of iron-rich ultramafic pegmatite (IRUP) in the ore mined at the Kwezi shaft. The solution involves blending the material mined with that from other shafts and using a revised cocktail of reagents in the process plants. This has contributed to improved recoveries. At Kopanang, shaft production remained steady during FY2015 following commissioning of the new chairlift and the completion of the underground workshop that has resulted in reduced travelling time for the trackless mining machinery.

At Bambanani, all stope faces mining through the oxidised shear zone had successfully done so by the end of the first quarter of FY2015. This contributed to improved grades and production. Some additional potholing has recently been encountered.

At Simunye, maintenance of trackless mining machinery and the stability of this fleet remained a priority in FY2015 with some positive results evident towards the end of the year. A dyke intersection on the east and west of the shear zone proved challenging but good progress is being made in overcoming these geological features.

Process plant operations were steady during the year albeit slightly hampered in the second half by Eskom load shedding.

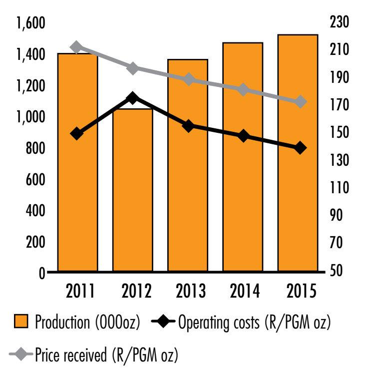
Kroondal retreatment project

The feasibility study for the Kroondal tailings retreatment project is well advanced. This project involves the recovery of residual PGMs from the retreatment of the tailings from the two Kroondal concentrator plants and the depositing of the retreated tails in the Marikana pits. This would have the effect of substantially reducing our related rehabilitation liability. Initial estimates for this project on a 100% basis are capital expenditure of $23 million and annual production of 15,000 – 20,000 PGM ounces. Post year-end, we received approval from the Department of Water and Sanitation for the project designs and conditional approval for the technical specifications. These have been resubmitted to the department and work has begun internally on detailed planning for the implementation of this project.

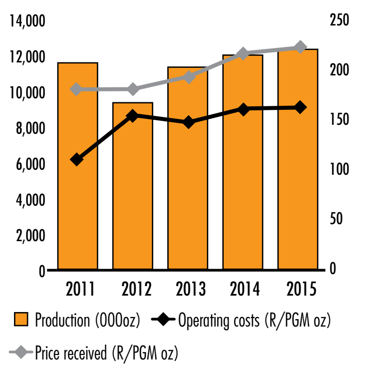
LABOUR RELATIONS

Following the upheaval in labour relations in the platinum sector in particular and mining in general in South Africa in recent years, management is keenly aware of the need to maintain good industrial relations at its operations. Engagement with employees and organised labour is continuous and ongoing.

Kroondal – Annual performance ($/oz)



Kroondal – Annual performance (R/oz)



In addition, there has been a change in the majority union representing employees. In January 2015, the Company signed a recognition agreement with AMCU which has achieved full organisational rights for the Category B bargaining unit (A1 – B6 band) with representation of more than 35%. As its representation had fallen below the 35% threshold, NUM was given notice to regain this threshold or have its existing recognition agreement for organisational rights terminated. Post year-end, this was terminated but NUM also achieved representation of 35% among category A (C Paterson band) employees and is to have similar standing to that of Solidarity, which also represents this category. This is currently being negotiated.

AQPSA believes that, based on freedom of association, it is permissible to have more than one union representing a bargaining units. The Company's remains steadfast in its commitment to abiding by the relevant laws, rules and policies, and we expect a similar commitment from the unions.

FINANCIALS

Kroondal's revenue declined by 2% to R4.5 billion compared to the previous financial year. The increase in production together with a decline in the Rand-Dollar exchange rate helped to limit the impact of the 7% decline in the Dollar basket price received. The cash margin declined to 10% for the year, from 15% the previous year.

The increase in the mining cash cost was contained to 4% with a cost per tonne of R567 for FY2015. This was well below the rate of inflation of 4.7% in the country as measured by the headline CPI. Kroondal remains the most efficient underground platinum mine in South Africa on a Rand per tonne basis. Operating costs per PGM ounce increased by just 1% to R9,168/oz. In Dollar terms, operating costs declined by 9%. This amounted to a decline of 5% in costs in Rand terms over the past three years, and to a decline of close on 30% in US Dollar costs over the same period.

Management will continue to focus on limiting unit cost increases. Additional initiatives to optimise costs and further improve productivity are being assessed.

Stay-in-business capital expenditure totalling $18 million was in line with the mine plan and mobile equipment replacement schedule.

PLATINUM MILE

Platinum Mile – Key statistics

		FY2015	FY2014	FY2013	FY2012	FY2011
Operational – total						
Tonnes processed	Mt	**4.6**	2.4	3.4	4.8	4.4
Average head grade	g/t	**0.58**	0.61	0.75	0.52	0.68
Recoveries	%	**12**	7	14	16	23
Cost per PGM ounce produced	$/oz	**702**	865	721	818	694
	R/oz	**8,237**	9,165	6,606	6,506	4,795
Price received per PGM ounce	$/oz	**1,049**	1,171	1,247	1,233	1,477
	R/oz	**11,953**	12,401	11,423	9,802	10,206
Total no of employees (incl. contractors)		**59**	15	60	62	57
Safety performance – DIIR		**0**	0	0	0	0
– No. of fatalities		**0**	0	0	0	0
Total production – in concentrate						
Platinum	oz	**6,032**	3,269	7,209	7,242	13,191
Palladium	oz	**2,949**	1,694	3,909	4,018	7,126
Rhodium	oz	**872**	474	1,075	1,053	1,927
Gold	oz	**301**	153	403	406	589
Total PGM production (3PGM+Au)	oz	**10,154**	5,590	12,596	12,719	22,833
Total PGM production (5PGM+Au)	oz	**11,896**	6,470	14,557	14,641	27,353
Attributable PGM production (3PGM+Au)	oz	**9,311**	5,126	11,551	11,663	11,417
Financial – attributable						
Revenue	$m	**8.1**	5.2	12.7	11.3	14.3
On-mine cash cost	$m	**7.3**	5.0	9.3	9.4	8.2
Gross profit	$m	**(1.9)**	(2.4)	0.03	(2.4)	1.0
Capital expenditure	$m	**0.1**	1.5	0.2	1.2	0.2

REVIEW OF THE YEAR

Platinum Mile operates an on-surface process plant and as a result the risks of disabling injuries and fatalities are considerably lower than on the mines. As in the previous year, there were no fatalities at Platinum Mile and the DIIR for FY2015 was zero.

Volumes processed more than doubled in the period under review as a full year's supply of feed was received, in contrast to the previous financial year when the principal supplier, Anglo American Platinum's RPM, experienced a five-month strike during which its operations were suspended. Operations were resumed at the start of FY2015 in July 2014, and Platinum Mile began building up production, in tandem with the hot commissioning of the three coarse grinding mills. Steady state production was achieved by June 2015. Total volumes processed in FY2015 approached levels last seen in FY2012.

With the successful full commissioning of the R26 million ($2.5 million) coarse grinding expansion, recoveries improved substantially from FY2014 to an average of 12% for the year.

Platinum Mile took advantage of the delayed start to Anglo Platinum's dump retreatment project to undertake planned and critical maintenance in the third quarter of the year. Commissioning of the dump retreatment project is expected by the end of calendar 2015 and should result in an additional 275,000 tons a month of feed for treatment by Platinum Mile.

Given the resumption of full operations at Platinum Mile in FY2015, the staff complement increased to 59.

OUTLOOK

The increased supply of feed expected in the coming financial year will make a positive contribution to the operation's production and profitability in a strained market.

MIMOSA

KEY OPERATIONAL HIGHLIGHTS

Mimosa – Key statistics

		FY2015	FY2014	FY2013	FY2012	FY2011
Operational – total						
Tonnes milled	Mt	**2.59**	2.51	2.41	2.26	2.38
Average head grade	g/t	**3.65**	3.65	3.66	3.65	3.63
Recoveries	%	**78**	77	78	77	77
Mining cash cost per tonne treated	$/t	**73**	79	79	70	63
Cost per PGM ounce produced	$/oz	**802**	878	867	769	695
Price received per PGM ounce	$/oz	**1,075**	1,133	1,206	1,277	1,280
Total no of employees (including contractors)		**1,402**	1,550	1,682	1,772	1,796
Safety – DIIR		**0.03**	0.08	0.05	0.24	0.03
– No of fatalities		**0**	0	0	0	1
Production						
Platinum	oz	**117,355**	110,158	109,234	105,950	104,915
Palladium	oz	**92,705**	87,037	84,953	82,321	80,247
Rhodium	oz	**10,205**	9,270	8,849	8,476	8,391
Gold	oz	**15,802**	14,894	14,836	14,149	14,282
Total PGM production (3PGM+Au)	oz	**236,067**	221,358	217,872	210,985	208,016
Total PGM production (5PGM+Au)	oz	**250,097**	234,633	230,626	222,810	219,666
Attributable PGM production	oz	**118,033**	110,679	108,936	105,448	104,008
Financials – attributable						
Revenue	$m	**137**	130	133	143	170
On-mine cash cost	$m	**93**	95	96	80	74
Gross profit	$m	**27**	22	25	52	87
Capital expenditure	$m	**15**	15	16	31	24

REVIEW OF THE YEAR

SAFETY PERFORMANCE

There were again no fatalities during FY2015 and just one lost-time injury to give a 12-month rolling average DIIR of 0.03 per 200,000 hours worked (FY2014: 0.08). This is equivalent to a lost-time injury rate 0.13 per 1,000,000 hours worked (FY2014: 0.38). One lost-time injury was recorded during the year compared to three the previous year, a 67% improvement. There was a corresponding decrease in the number of injuries overall, from 12 to four. More than 5 million fatality-free shifts had been recorded by the end of the year.

Post year-end, in August 2015, there was most distressingly one fatality. Mr Erick Mukazi, a face preparation supervisor, lost his life in a fall-of-ground accident.

During FY2015, management maintained its focus on safety. The regular quarterly safety, health and environment (SHE) briefs continued at which employees were addressed by executive management, members of workers' leadership structures and SHE practitioners. Similarly, work continued on the review and analysis of safety incidents over the past three years so as to compile action plans to prevent and mitigate their recurrence. Hand-in-hand with this was the on-going investigation into and analysis of near-miss incidents. In addition, quarterly, focused, themed campaigns are conducted, with these campaigns this year focusing on the protection of hands and fingers, the use of personal protective equipment (hard hats, gloves, ear plugs and protective eye-wear as and where necessary), fire safety awareness training and teamwork. There was also a focus on off-the-job safety as a means of promoting employees' overall safety awareness.

OPERATIONS

Mimosa again reported record production. The mine continued to operate optimally, exceeding design capacity for the fifth consecutive year. The record level of production was largely due to the increase in volumes processed, while the grade mined was steady. The higher volumes together with a marginal increase in recoveries contributed to a 6.6% increase in PGMs produced for the year – to give an increase of 18% in total over the last five years (2010: 99,812 attributable PGM ounces).

MIMOSA CONTINUED

Operationally, the focus at Mimosa remains on continued process stabilisation and optimisation, and cost-reduction initiatives. The record level of production achieved can be attributed to improved recoveries, good plant availability and the maintenance of the plant at steady state operation. Contributing factors to this were the optimisation of the reagents used to improve flotation efficiency, enhanced metallurgical skills training for plant operators, the installation of rod cleaning facilities on all level controllers and improved feed grades.

The plant optimisation programme aimed to ensure that production could exceed design capacity without affecting the life of the plant. The mine is also pursuing various cost-reduction initiatives involving continuous efficiency improvements.

All equipment is operating in line with design parameters. The implementation of effective maintenance strategies enabled plant availability to exceed that planned which in turn enabled the higher level of production to be achieved.

Deteriorating ground conditions remain challenging as teams continue to mine towards the outer limits to the north of the ore body towards and crossing the 6.5m and 11m faults and southwards into Mtshingwe block. These adverse ground conditions are expected to persist during the remaining life of the mine.

All mining teams are now equipped with bolters and employees are receiving additional training by the rock engineering practitioners on anticipating safety risks, particularly falls of ground, and on how to mitigate these. This training has helped to ensure safe mining in these conditions.

The mine will continue to use technology to scan the ground ahead of mining and to equip mining teams with technology necessary to make the work area safe and to conduct forward planning with regard to ground conditions.

LIFE-OF-MINE DEVELOPMENT

Expansion into the Mtshingwe block is expected to sustain Mimosa as a long-life mining asset for at least 20 years. Access to the block is being developed via the Wedza shaft and a total of 305m of on-reef development was achieved during the year under review, as planned and on budget.

Planned expansion

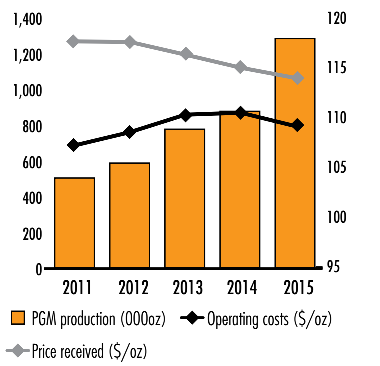
A prefeasibility study was completed earlier in the year and the bankable feasibility study currently underway is due to be completed by December 2015. Based on results of the prefeasibility study, the estimated capital requirement is $82 million (100%) over five years. This would include additional mill capacity and an upgrade to the crusher, additional fully equipped production teams and a ventilation upgrade.

Given the relatively low capital expenditure required for this expansion and the fixed cost dilution – unit costs are expected to decline by 6-8% from current levels, this expansion project is significantly value accretive. It is estimated that this project can be executed within 24 months of its start. However, guarantees of fiscal and regulatory stability would be important before the Aquarius Board made any decision to commit the capital required.

FINANCIALS

Mimosa's revenue increased by 5% year-on-year with production increases offsetting the decline in the average price received. The cash margin rose to 29% for the year compared to 24% the previous year.

Mimosa – Annual performance ($/oz)



The effect of the retrenchment process of the past two years and the 10% decline in the number of employees contributed to a decline in costs. The mining cash cost decreased by 8% while the cost per PGM ounce produced fell by 9%.

In addition, strict adherence to the business plan on spending, the focus on efficiency improvements and the implementation of department-specific cost-saving initiatives also contributed to the decline in costs.

Stay-in-business expenditure at Mimosa for FY2015 was $27.8 million ($118 per PGM ounce), spent mainly on mobile equipment, drill rigs, LHDs, the conveyor belt extension and down-dip on-reef development into Mtshingwe block.

Overall productivity improved from 142.81 PGM ounces produced per employee in FY2014 to 168.38 in FY2015 (FY2013: 129.03).

REGULATORY AND FISCAL ENVIRONMENT

During the year, the Zimbabwean political and regulatory environment remained uncertain in a number of respects. Significant regulatory fiscal issues are as follows:

Export levy on unbeneficiated PGMs

A proposal to defer the 15% export levy on unbeneficiated platinum to January 2017 was made in the 2015 National Budget Statement in Zimbabwe. However, this was not sanctioned into law, and the export levy became effective on 1 January 2015. The aim of this tax on unrefined platinum is to encourage platinum mining companies to invest in smelting and refining capacity within the country.

Platinum mining companies, represented by the local Chamber of Mines, are in negotiations with the Government of Zimbabwe to defer the levy and, at the time of writing, the Government of Zimbabwe had agreed, in principle, to this deferment to January 2017. The actual promulgation of the statutory instrument sanctioning this deferment into law is expected by mid-September 2015. Until the matter has been resolved, Aquarius has made provision for an attributable amount of $4.5 million to be paid for FY2015.

Aquarius remains confident that the matter will be resolved and we remain committed to promoting good working relations with the Government of Zimbabwe. Mimosa, together with the other platinum producers in Zimbabwe, is currently assessing the viability of various options for in-country smelting and beneficiation alternatives.

Royalties

Royalties payable by Mimosa were non-deductible for income tax purposes with effect from the year of assessment beginning 1 January 2014. The financial impact of the non-deductibility of royalties was $4.2 million for the financial year to June 2014 and $4.7 million for the financial year ended June 2015, 50% of which is attributable to Aquarius. Negotiations with the authorities on the possibility of overturning this ruling continue.

Indigenisation

While Mimosa continues to negotiate with the Ministry of Indigenisation and the Ministry of Mines and to work towards agreement on a sustainable solution regarding indigenisation, no agreements were reached or definitive terms agreed in the period under review. Discussions thus continue and management is unable to estimate the financial impact of the proposed transaction.

THREE-YEAR SUMMARY OF OPERATIONAL RESULTS

STATISTICAL INFORMATION	100% OF OPERATION	KROONDAL			MIMOSA			PLATINUM MILE		
	Unit	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013
Safety										
DIIR	Per 200,000 hours worked	**0.65**	0.73	1.14	**0.03**	0.08	0.05	**0.00**	0.00	0.00
No. of fatalities		**1**	0	1	**0**	0	0	**0**	0	0
Revenue and revenue drivers										
Gross revenue	Rm in SA/$m in Zim	**4,492**	4,606	3,839	**272**	260	266	**95**	52	118
PGM basket price	$/oz	**1,009**	1,180	1,243	**1,075**	1,133	1,206	**1,049**	1,171	1,247
	R/oz	**12,551**	12,243	10,937	**–**	–	–	**11,953**	12,401	11,423
Gross cash margin	%	**10**	15	12	**29**	24	26	**12**	(2)	25
Nickel price	$/lb	**7.00**	6.91	7.44	**7.31**	6.67	7.60	**6.43**	7.00	7.16
Copper price	$/lb	**2.89**	3.18	3.48	**2.94**	3.11	3.51	**2.69**	3.06	3.32
Average R/$ rate		**11.42**	10.37	8.80				**11.73**	10.59	9.16
Cash costs on mine										
Per ROM ton	R/ton	**567**	547	513				**18**	21	24
	$/ton	**50**	53	58	**73**	79	79	**2**	2	3
Per PGM (3E+Au)	R/oz	**9,168**	9,115	8,343				**8,237**	9,165	6,606
	$/oz	**803**	879	948	**802**	878	867	**702**	865	721
Per PGE (5E+Au)	R/oz	**7,525**	7,486	6,851				**7,031**	7,919	5,716
	$/oz	**659**	722	778	**757**	830	819	**899**	748	624
Capital expenditure										
Current/sustaining 100%	R000	**410,524**	404,002	400,440				**–**	–	–
	$000	**35,959**	38,946	45,499	**27,774**	27,308	32,296	**–**	–	–
Expansion 100%	R000	**–**	–	–				**–**	16,066	–
	$000	**–**	–	–	**543**	3,604	818	**–**	1,517	–
Mining and production										
Total run-of-mine	000t	**7,151**	(1) 7,190	(1) 6,589	**(2)2,595**	(1) 2,512	(1) 2,412	**(2) 4,648**	(2) 2,441	(2) 3,446
Plant head	g/t	**2.43**	2.39	2.41	**3.65**	3.65	3.66	**0.53**	0.61	0.75
Recoveries	%	**79**	78	79	**78**	77	78	**12**	7	14
Platinum	oz	**257,425**	251,568	238,214	**117,355**	110,158	109,234	**6,032**	3,269	7,209
Palladium	oz	**134,854**	130,630	122,349	**92,705**	87,037	84,953	**2,949**	1,694	3,909
Rhodium	oz	**47,985**	46,380	43,879	**10,205**	9,270	8,849	**872**	474	1,075
Gold	oz	**2,212**	2,166	2,055	**15,802**	14,894	14,836	**301**	153	403
Total PGM (3E+Au)	oz	**442,477**	430,743	406,497	**236,067**	221,358	217,872	**10,154**	5,590	12,596
Total PGE (5E+Au)	oz	**539,106**	524,504	495,040	**250,097**	234,633	230,626	**11,896**	6,470	14,557
Nickel	tons	**484**	450	451	**3,470**	3,329	3,164	**53**	32	85
Copper	tons	**232**	213	207	**2,704**	2,638	2,470	**21**	14	35
Chrome	000t	**465**	497	262	**–**	–	–	**–**	–	–

(1) Underground run-of-mine tons

(2) Tons of tailings processed

MINERAL RESOURCE AND RESERVE STATEMENT

A SUMMARY

This 2015 Mineral Resource and Mineral Reserve statement reflects the Mineral Resources and Mineral Reserves of Aquarius' operations and exploration projects in South Africa (held through AQPSA) and in Zimbabwe (held through Mimosa Investments Limited) as at 30 June 2015.

Reporting of the Mineral Resources, Mineral Reserves and exploration results is done in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC 2007) and the Australian Code for Reporting of Mineral Resources and Ore Reserves (JORC 2004).

The JORC code is the Australasian equivalent of SAMREC and is prepared under the auspices of the Australasian Institute of Mining and Metallurgy (AusIMM). The SAMREC Code and SACNASP (South African Council for Natural Scientific Professions) are officially recognised on a reciprocal basis by AusIMM.

This section is a summary of the full mineral resources and mineral reserves statement. For more details, refer to Aquarius' Mineral Resource and Mineral Reserve Technical Statement 2015, which is available on the Aquarius corporate website, www.aquariusplatinum.com.

HIGHLIGHTS

Total Mineral Resources

50.18Moz

Total Mineral Reserves

6.94Moz

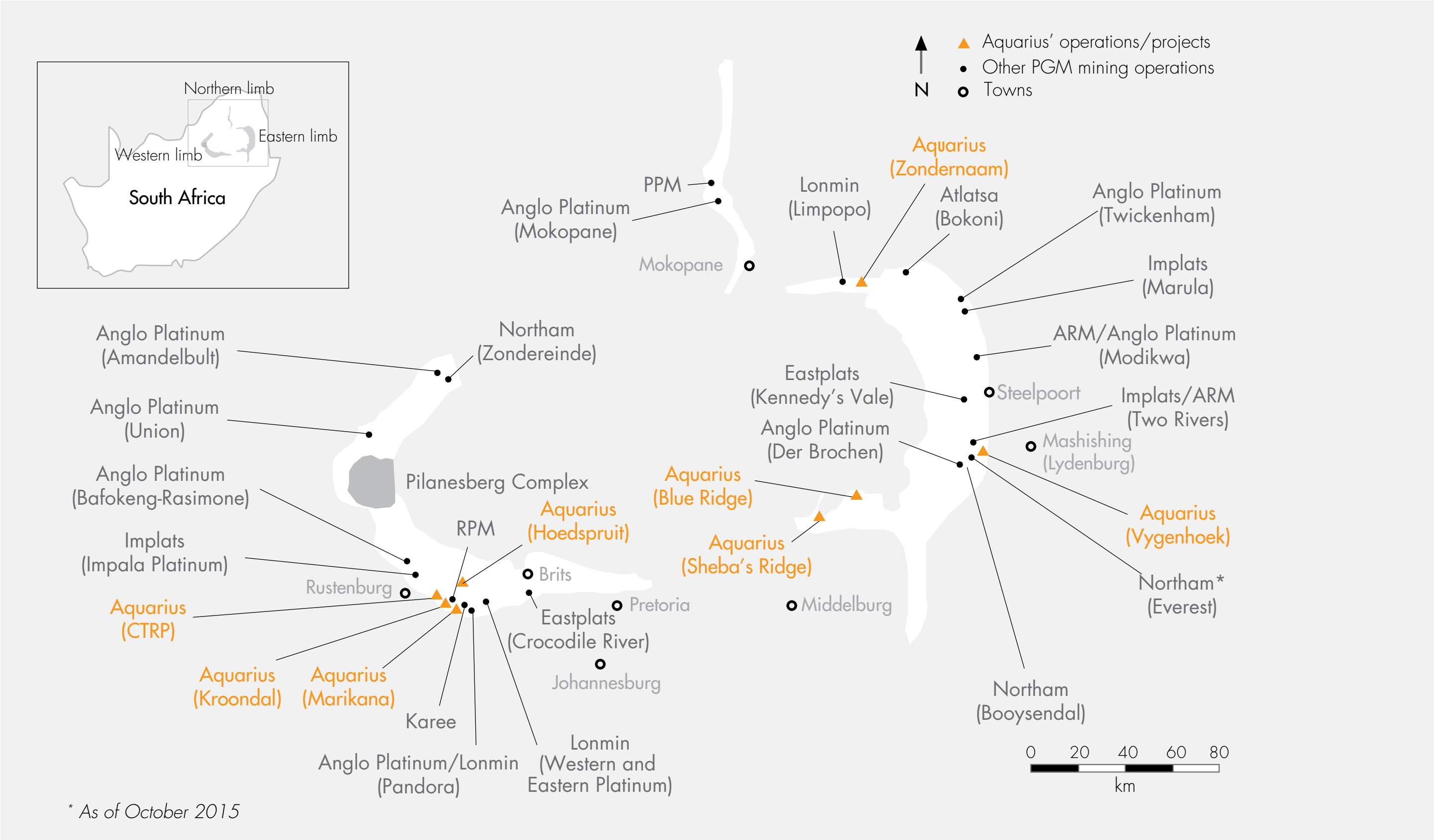
- Production continued steady and remained on target at the Kroondal mining operations in the Rustenburg area.
- The Marikana mine which was on care and maintenance is now being mined from the Kroondal underground infrastructure.
- The Everest mine, which was on care and maintenance, was sold to Northam in 2015. As AQPSA still held the mining right at year-end (30 June 2015), Everest's Mineral Resource and Mineral Reserve are reported here. The complete transfer of ownership was approved by the regulatory authorities post year-end in October 2015.
- The mineral rights held by Braggite Resources (Redbush Ridge) were disposed of during 2015.
- The Rooikraal and Fonte Verde prospecting rights were disposed of in 2014 and Section 11 approval is awaited from the DMR.
- The Kruidfontein prospecting rights for both the Merensky and UG2 Reef horizons (15.89Moz) were sold in 2014.

AQPSA continued the following arrangement with Anglo American Platinum in FY2015:

- The contribution and use of its infrastructure to the Pooling and Sharing Arrangement (PSA) with Anglo Platinum and the continued management of the PSA in line with the existing terms and conditions;
- The sale to Anglo Platinum of its share of the concentrate produced from the PSA mining area (including the recent addition to reserves), in accordance with the terms of the existing off-take agreement; and
- The payment to Anglo Platinum of a variable royalty with a base rate of R11.50/t mined, as and when mined. The royalty varies with fluctuations in the Rand metal price with a cap and a floor of R14.95/t and R8.05/t respectively.

MINERAL RESOURCE AND RESERVE STATEMENT CONTINUED

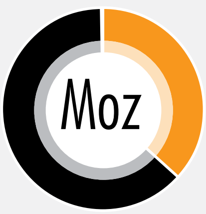
LOCALITY OF AQUARIUS OPERATIONS AND PROJECTS IN THE BUSHVELD COMPLEX, SOUTH AFRICA



* As of October 2015

SUMMARY RESOURCES AND RESERVES (OPERATIONS AND PROJECTS)

Total Mineral Resources at 30 June 2015



- Operations 18.82
- Projects 31.36

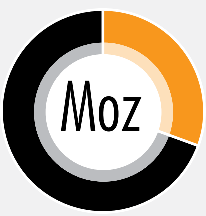
Total Mineral Resources 50.18 Moz

Total Mineral Reserves at 30 June 2015

- Operations 6.94
- Projects 0.00

Total Mineral Reserves 6.94 Moz

Total Mineral Resources at 30 June 2014



- Operations 20.94
- Projects 47.24

Total Mineral Resources 68.18 Moz

Total Mineral Reserves at 30 June 2014

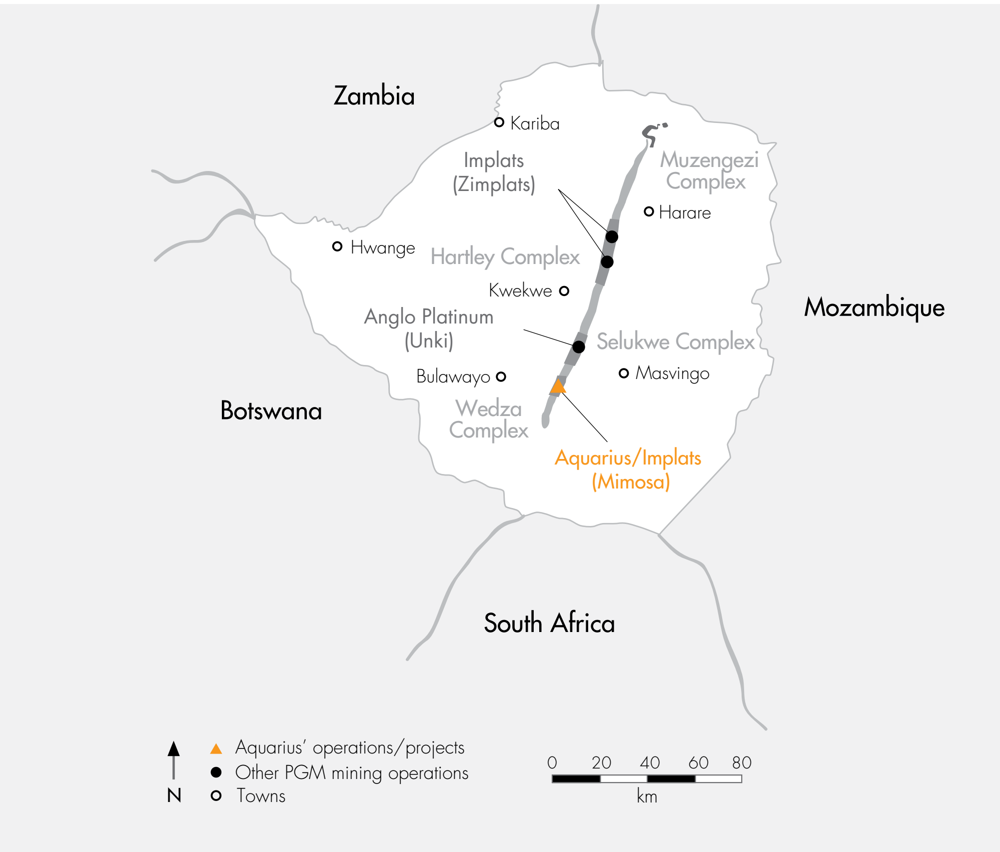
- Operations 6.65
- Projects 0.00

Total Mineral Reserves 6.65 Moz

Notes

- Mineral Reserve includes 50% of the Mineral Reserves associated with the recent addition of the Anglo Platinum Extension Blocks to the Kroondal mine.
- The increase in Mineral Reserve ounces is mainly due to Mimosa converting additional Resources to Reserve following additional exploration and changes to mine planning.
- Everest was included in Aquarius' operations' resources and reserves at 30 June 2015. The transfer of the mining right to Northam was approved by the DMR in October 2015.
- Kruidfontein sold – 15.89Moz removed from the reporting figures.
- Mineral Resource includes 50% of the Mineral Resources associated with the recent Anglo Platinum Extension Blocks to the Kroondal mine.

LOCALITY MAP SHOWING THE AQUARIUS MIMOSA MINING OPERATION AND THE GREAT DYKE, ZIMBABWE



MINERAL RESOURCE AND RESERVE STATEMENT CONTINUED

OPERATIONS

Summary of the Mineral Resources and Mineral Reserves for Aquarius' operations as at 30 June 2015 (after the application of geological losses).

		Mineral Resources					Mineral Reserves		
		Measured	Indicated	Inferred	Inferred (oxides)	Total	Proved	Probable	Total
Kroondal – UG2 (50% attributable)									
Mt		13.01	4.41	1.08	–	18.50	12.52	4.56	17.08
4E g/t		3.41	3.64	3.69	–	3.48	2.88	2.78	2.86
Moz		1.43	0.52	0.13	–	2.07	1.16	0.41	1.57
Kroondal – PSA Extension – UG2 (50% attributable)									
Mt		11.36	2.27	0.01	–	13.63	11.58	2.84	14.42
4E g/t		3.39	3.90	3.44	–	3.47	2.64	2.47	2.60
Moz		1.24	0.28	0.00	–	1.52	0.98	0.23	1.21
Marikana – UG2 [(1)] (50% attributable)									
Mt		9.88	5.67	1.96	–	17.51	9.05	3.09	12.14
4E g/t		4.21	4.05	3.25	–	4.05	2.74	2.79	2.76
Moz		1.34	0.74	0.20	–	2.28	0.80	0.28	1.08
Everest – UG2 [(2)]									
Mt		24.20	3.70	1.13	–	29.03	11.83	0.37	12.20
4E g/t		3.37	3.06	3.53	–	3.33	2.86	2.98	2.87
Moz		2.62	0.36	0.13	–	3.11	1.09	0.04	1.13
Blue Ridge – UG2									
Mt		14.77	4.14	4.18	–	23.09	–	–	–
4E g/t		3.31	3.18	3.24	–	3.27	–	–	–
Moz		1.57	0.42	0.44	–	2.43	–	–	–
AQPSA – Total									
Mt		73.22	20.18	8.35	–	101.76	44.98	10.86	55.84
4E g/t		3.48	3.59	3.34	–	3.49	2.78	2.71	2.77
Moz		8.19	2.32	0.90	–	11.41	4.03	0.95	4.98
Mimosa (50% Attributable)									
Mt	26.71	34.62	15.58	4.54	9.01	63.76	11.45	5.47	16.92
4E (g/t)	3.73	3.7	3.57	3.59	3.4	3.62	3.55	3.68	3.59
Moz	3.20	4.12	1.79	0.52	0.98	7.41	1.31	0.65	1.95
Aquarius – Total									
Mt		107.84	35.76	12.89	9.01	165.51	56.43	16.33	72.76
4E g/t		3.55	3.58	3.43	3.40	3.54	2.94	3.04	2.96
Moz		12.31	4.11	1.42	0.98	18.82	5.34	1.60	6.94

Notes:

(1) Marikana has been moved from care and maintenance into production. Production has now been started from Kroondal underground operations without starting the actual Marikana hoisting system. The reported Marikana reserve is that portion which has been scheduled for production based on current life-of-mine (LOM) planning.

(2) Everest was sold to Northam, but as the Section 11 transfer remained outstanding at year-end, it is reported here.

4E g/t – corrected 4E PGE grade (Pt+Pd+Rh+Au)

Operation	Locality	Mode of occurrence	Notes on Mineral Resource Statement
Kroondal	On the western limb, on the outskirts of eastern Rustenburg, North West Province	UG2 Reef divided into Main and Leader seam chromitites, Chrome bands are separated by a pyroxenite parting	Converted mining right. All internal waste is included in Mineral Resource estimations and reporting. The in situ corrected 4E PGE grade is used to estimate Mineral Resources. All dyke volumes are excluded in Mineral Resource estimations. A geostatistical estimation methodology is applied at Kroondal. Geological losses are determined per shaft. Mineral Resource tonnages and PGE grades are reported over a "best cut" width and in certain areas would thus include an amount of expected external waste dilution.
Kroondal – PSA Extension	Down dip of the existing Kroondal Platinum Mine	UG2 Reef divided into Main and Leader seam chromitites, Chrome bands are separated by a pyroxenite parting	The in situ corrected 4E PGE grade is used to estimate Mineral Resources. All dyke volumes are excluded in Mineral Resource estimations. A geostatistical estimation method is applied Geological losses are applied per block.
Marikana	On the western limb; 8km east of Kroondal, North West Province	UG2 Reef divided into Main and Leader seam chromitites, Chrome bands are separated by a pyroxenite parting	Converted mining right – includes Salene: Firstplats mine and Firstplats Ptn 20. The in situ corrected 4E PGE grade is used for the estimation of Mineral Resources. All dyke volumes are excluded from Mineral Resource estimations. Geostatistical estimation is applied. Geological losses are determined per shaft. Mineral Resource tonnages and PGE grades are reported inclusive of external and internal waste dilution. Major dykes is excluded from Mineral Resource & reserve estimations.
Everest	In the southern reaches of the eastern limb of the Bushveld Complex, near Mashishing in Mpumalanga	UG2 Reef is divided into Upper and Leader seams chromitites seams locally separated by pyroxenite parting	Converted mining right (While Everest has been sold to Northam Platinum, the mining right has not yet been transferred to Northam). All internal waste is included in Mineral Resource estimations. The in situ corrected 4E-PGE grade is used to estimate Mineral Resources. Mineral Resource tonnages and PGE grades are reported for full width cut. Geostatistically estimated density is used. A geological loss of 10% is applied – based on historical achievements. All dyke volumes are excluded from the Mineral Resource and reserve estimation.

MINERAL RESOURCE AND RESERVE STATEMENT CONTINUED

Operation	Locality	Mode of occurrence	Notes on Mineral Resource Statement
Blue Ridge	On the south-western extension of the eastern limb of the Bushveld Complex about 15km from the town of Groblersdal in Mpumalanga	A, B and C chromitites locally separated by internal pyroxenites similar to UG2 reef	DMR approved the conversion of the old order mining right as well Section 11 application to transfer the converted mining right from Braggite Resources to Blue Ridge Platinum All internal waste is included in Mineral Resource estimations. The in situ corrected 4E-PGE grades are used to estimate Mineral Resources. Mineral Resource tonnages and PGE grades are reported for full width cut. Geological losses: Blaauwbank block 13%, Millenium block Rietkloof 25%, Millenium block, Haakdoringdraai 30%. Statistically determined density from 94 measurements across the property is used. Aquarius is in the process of disposing of Blue Ridge.
Mimosa	Mimosa is located in Zimbabwe, east of Bulawayo in the Wedza Complex of the Great Dyke.	PGM Mineral Resources at Mimosa are located in four erosionally isolated and fault-bounded geographical blocks. The MSZ is a pyroxenite unit carrying PGMs in disseminated form	A specific gravity of 3.15 is used for all Mineral Resource tonnage calculations. The mining lease has some chrome-bearing seams situated 270m below the PGM Main Sulphide Zone (MSZ) horizon that are currently not being exploited. Mineral Resources are quoted at a 2.0m mining cut. In situ grades have been used to estimate Mineral Resources. ID2 estimation methodology is applied. Determination of the economic mining cut is based on optimisation of the PGE and base metal content and metal price. Different geological losses are applied to resource categories and areas. Currently an 18% average is reported.

COMPETENT PERSONS* FOR OPERATIONS

	Mineral Resource	Mineral Reserve
Kroondal Competent person reporting date: June 2015	M. (Martin) Bevelander Pr.Sci.Nat. 400158/07 15 years' experience in the platinum industry	J. (Jac) van Heerden Pr. Eng 20050217 Group Manager - Projects 16 years' experience in the mining industry
Kroondal PSA Extension Competent person reporting date: June 2015	M. (Martin) Bevelander Pr.Sci.Nat. 400158/07 15 years' experience in the platinum industry	J. (Jac) van Heerden Pr. Eng 20050217 Group Manager - Projects 16 years' experience in the mining industry
Marikana Competent person reporting date: June 2015	M. (Martin) Bevelander Pr.Sci.Nat. 400158/07 15 years' experience in the platinum industry	J. (Jac) van Heerden Pr. Eng 20050217 Group Manager - Projects 16 years' experience in the mining industry
Blue Ridge Bankable feasibility report reviewed by SRK 2003, updated 2006,depleted 2010 and 2011	M. (Martin) Bevelander Pr.Sci.Nat. 400158/07 15 years' experience in the platinum industry	No Mineral Reserves declared
Mimosa Competent person reporting date: June 2015	D. Mapundu Cert.Sci.Nat. 200021/05 20 years' experience in the platinum industry	Alex Mushonhiwa General Manager: Mining B.Sc. (Hon.) in Mining Engineering 20 years' relevant experience (six years at Mimosa)

* *Various Competent Persons, as defined by the SAMREC Code have contributed to the Mineral Resource and Mineral Reserve figures quoted in this report.*

As such, these statements reflect the estimates as compiled by teams of professional practitioners from the various operations and projects. The Group Consulting Geologist, Martin Bevelander, a full-time employee of AQPSA, assumes responsibility for the Mineral Resource and Mineral Reserve estimates for the Aquarius Group. He has 15 years' experience in the exploitation of PGM-bearing deposits.

OUTLOOK FOR 2016

The Marikana mine's reserves are now being mined from Kroondal underground infrastructure. Blue Ridge remains on care and maintenance. A business improvement initiative is being rolled out at our Kroondal operations. This initiative is focussed on reducing direct operational costs and aims at enhancing mining efficiencies. A mining cut (height) reduction/optimisation focus will reduce unnecessary waste dilution and optimise platinum ounces mined per square metre mined. Coupled with this initiative, the operations strive to reduce the platinum ounces lost to tailings.

Considering prevailing metal prices, a concerted focused effort is being maintained to improve production grades at all operations while reducing external dilution to the mining cut.

Aquarius' operations remain focused on the effective conversion of resources to reserves in anticipation of improved global PGM metal prices.

PROJECTS

During 2012, the first phase of drilling at Zondernaam was completed and yielded promising results on both UG2 and Merensky reefs. Results to date motivate for the continued exploration of this very promising project. However, given the current PGM market all exploration work on the project has been stopped. Applications for the renewal of both the UG2 and Merensky prospecting rights for continued exploration were submitted to the DMR.

In terms of the MPRDA, a mining right application has been lodged for Vygenhoek and is currently being processed by the DMR.

Prospecting rights for Chieftains and Walhalla have expired and AQPSA has submitted new applications for prospecting rights for these projects. These applications are still outstanding and AQPSA expects them to be granted during FY2016.

The Kruidfontein prospecting right for both Merensky and UG2 Reef horizons was sold in FY2015.

The Rooikraal and Fonte Verde prospecting rights have been sold and Section 11 approval is awaited from the DMR.

Mineral rights held under Braggite (Redbush Ridge) were also disposed of during FY2015.

MINERAL RESOURCE AND RESERVE STATEMENT CONTINUED

Summary of the Mineral Resources for Aquarius' projects as at 30 June 2015 (after the application of geological losses)

	Mineral Resources				
	Measured	Indicated	Inferred	Inferred(Oxide)	Total
Millenium – UG2					
Mt	–	14.51	2.96	–	17.47
g/t	–	3.07	3.07	–	3.07
Moz	–	1.43	0.29	–	1.73
Hoogland – UG2 (1)					
Mt	–	2.71	3.89	–	6.60
g/t	–	3.16	2.68	–	2.88
Moz	–	0.28	0.33	–	0.61
Vygenhoek – UG2					
Mt	1.39	–	–	–	1.39
g/t	5.11	–	–	–	5.11
Moz	0.23	–	–	–	0.23
Sheba's Ridge – PGEs					
Mt	31.15	37.91	167.02	–	236.08
g/t	0.88	0.85	0.96	–	0.94
Moz	0.88	1.04	5.18	–	7.10
Zondernaam – Merensky (2)					
Mt	–	–	43.07	–	43.07
g/t	–	–	5.12	–	5.12
Moz	–	–	7.09	–	7.09
Zondernaam – UG2					
Mt	–	–	34.35	–	34.35
g/t	–	–	7.98	–	7.98
Moz	–	–	8.81	–	8.81
Hoedspruit – Merensky (2)					
Mt	–	12.46	2.86	–	15.32
g/t	–	6.01	5.72	–	5.99
Moz	–	2.45	0.53	–	2.98
Hoedspruit – UG2					
Mt	–	15.60	1.64	–	17.24
g/t	–	4.98	5.36	–	5.07
Moz	–	2.53	0.28	–	2.81
Total AQPSA Projects					
Mt	32.54	83.19	255.79	–	371.52
g/t	1.06	2.86	2.74	–	2.62
Moz	1.11	7.73	22.51	–	31.36

1) Included in Everest sale agreement; awaiting Section 11 approval

(2) The resource stated here is according to the inventory received 4E g/t - corrected

4E PGE grade (Pt+Pd+Rh+Au)

Project	Locality	Mode of occurrence	Notes on Mineral Resource Statement
Vygenhoek	35km south-west of Mashishing, Mpumalanga	UG2 Reef deposited in synclinal structure in the floor rock where mineralisation has "ponded" as at Everest South	Mining right application has been submitted to the DMR. All internal waste is included in Mineral Resource estimations. The in situ corrected 4E PGE grade is used to estimate Mineral Resources. All dyke volumes are excluded from Mineral Resource estimations. Geostatistically estimated density is used. Geological loss of 10% is applied.
Hoogland	1.2km directly south of Everest orebody	UG2 Reef occurs as two erosional topographical outliers	Section 102 application for inclusion in Everest's mining right has been conditionally approved by DMR Mineral Resource tonnages and PGE grades are reported exclusive of external waste dilution, and included the upper and lower chromitite layers. The in situ corrected 4E PGE grade is used to estimate Mineral Resources. A buffer zone of 10m either side of the major dykes is excluded from Mineral Resource estimations. Geostatistically estimated density is used. Geological loss of 10% is applied.
Sheba's Ridge	Approximately 30km from Groblersdal, Mpumalanga	Wide (150-300m) pyroxenite containing disseminated platinum and base metal sulphides	All prospecting rights have been renewed by the DMR. The oxide and transition zones have been excluded from the Mineral Resource. The in situ corrected 3E PGE grade is used to estimate Mineral Resources. A cut off grade of 0.5g/t 3E PGE was used for the Mineral Resource tabulation. Geostatistically estimated density is used. Geological loss of 10% is applied.
Hoedspruit	Near Rustenburg, North West Province	Merensky and UG2 Reef developed. Project is the natural down-dip extension of Brakspruit Anglo Platinum operations	Awaiting renewal of prospecting right by the DMR. A minimum width of 1.0m has been applied to resource selections. The in situ corrected 4E PGE grade is used to estimate of Mineral Resources. Geostatistically estimated density is used. Geological loss of 20% is applied. The Mineral Resources stated here are as received from Afarak. AQPSA is currently in the process of evaluating the orebody and will update the resource statement accordingly.

MINERAL RESOURCE AND RESERVE STATEMENT CONTINUED

Project	Locality	Mode of occurrence	Notes on Mineral Resource Statement
Zondernaam	35km east of Lebowakgomo, Limpopo	Both Merensky Reef and UG2 Reef developed. Sub-outcrops with abutment against Transvaal Supergroup	Awaiting renewal of prospecting right by the DMR. All internal waste is included in Mineral Resource estimations. The in situ corrected 4E PGE grade is used for the estimation Mineral Resources. Geostatistically estimated density is used. Geological loss of 30% is applied.
Sterkfontein	Contiguous with Everest orebody	UG2 Reef occurs as two erosional outliers	Sold, awaiting section 11 transfer with DMR. AQPSA still doing the MPRDA compliance for this Project. Inside perimeter of Everest mine. Exploration target
Millenium	On the south-western extension of the eastern limb of the Bushveld Complex, contiguously north of Blue Ridge, in Mpumalanga	UG2 Reef same as Blue Ridge	All prospecting rights have been renewed by the DMR.
Rooikraal	To the east of the Blue Ridge mine, Mpumalanga	UG2 Reef, Same as Blue Ridge	Sold, awaiting Section 11 Transfer with DMR. AQPSA still doing the MPRDA compliance for this Project.
Fonte Verde	Close to the town of Delmas, Mpumalanga	Massive shear zone hosted silver deposit	Sold, awaiting Section 11 transfer from the DMR. AQPSA continues to comply with the MPRDA regarding this project.

COMPETENT PERSON

Mr M. (Martin) Bevelander competently signed off all operational and exploration project Mineral Resources. He has a total of 29 years multi-commodity experience in the mining and exploration industry of which 15 years have been in the platinum industry. He is professionally affiliated and registered with SACNAS as Pr.Sci.Nat. reg no. 400158/07. All reported projects are supported by fully detailed technical/competent person's reports. Various external geological consultancies contributed over time to all Aquarius projects in terms of technical and competent person's reports.

OUTLOOK FOR 2016

Considering the current prevailing world of PGM prices, operational cost effectiveness remains the focal point at all Aquarius operating mines. In a similar vein, the Company continues its focused drive to mine at the most effective mining height and to reduce unnecessary external dilution.

Operational excellence in combination of maximising shareholders value through effectively converting mineral resources to reserves remains paramount to Aquarius' success.

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

The principles, practices and our performance concerning sustainability and sustainable development, and in particular the economic sustainability of our business, are central to the management of Aquarius and its operations.

These principles and practices encompass Aquarius' environmental, social and corporate governance performance. This includes our performance from economic, safety and health, employee relations, community development, stakeholder engagement perspectives.

Currently, our most foremost sustainability challenge is to ensure our economic viability. Ensuring that the Company continues to operate, will enable it to continue to create value and to share this value with its various stakeholders by:

- providing employment and paying wages and salaries
- generating revenue and profits to enable the Company to contribute to the national fiscus in which it operates
- generating earnings to enable the Company to contribute to communities by funding local economic development projects and corporate social investment

At Aquarius, we aim to constantly improve our safety, health and environmental performances. We strive to achieve zero harm and to be a responsible corporate citizen in the communities in which we operate. The use of scarce resources, such as water and power, is monitored and measured, and Aquarius participates in the Carbon Disclosure Project as well as the Water Disclosure Project.

We are committed to operating cost-efficiently and to delivering shareholder value, while making every effort to ensure the well-being of all employees, whether directly or indirectly employed.

The safety, health, environmental, risk and quality (SHERQ) policy commits AQPSA, the unions and contractors to establishing a sustainable foundation for growth, and to creating value while reducing safety and health risks and the adverse impacts of operations on our employees, communities and the environment.

The policy, which is revised every three years – most recently in February 2015 – acknowledges that while Aquarius' operations have the potential to expose employees, suppliers, customers, business partners and surrounding communities to safety, health and environmental risks, every effort will be made to limit, contain, mitigate and eliminate these impacts.

Aquarius' South African operation, Kroondal, complies with the MPRDA as well as the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (the Mining Charter), as well as its accompanying scorecard and the targets set. Kroondal has in place a social and labour plan (SLP) that explains how the Mining Charter targets are to be achieved. Progress made in meeting the targets set out and committed to in the SLP is reported annually to the DMR and other relevant government departments.

In Zimbabwe, Mimosa too is committed to sustainable economic development. As a business in the extractive industries sector, Mimosa works in line with government policies regarding responsible and ecologically friendly-business practices. The Company pays particular attention to the guidelines, policies, and regulations outlined by environmental management agencies.

The Company also takes cognisance of international standards on business, ethics and socially and environmentally balanced development and practices. This guarantees sustainable future development, growth and earnings. Mimosa has partnered with other stakeholders to ensure environmental sustainability, by advocating for the reversal and/or reduced loss of environmental resources, in line with the Millennium Development Goals on the environment.

MATERIAL ISSUES AND RISK MANAGEMENT

Sustainability and sustainable development are closely allied to material issues, risks and opportunities. Our systems of risk management and internal controls – see pages 52 to 58 for a detailed discussion – identify the risks and opportunities to the business on an on-going basis. Based on an examination of our external environment and our engagement with stakeholders – investors, communities, media, and government among others – we have identified those material issues which have and are likely to have an effect on our ability to conduct our business efficiently, our performance and on how our business is perceived by stakeholders. For more detail on our material issues, see pages 17 to 21.

OUR APPROACH TO SUSTAINABLE DEVELOPMENT CONTINUED

SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee, based at Aquarius' principal subsidiary, AQPSA, was established in the second half of FY2014, and assists the Board with oversight of social and ethical concerns and its responsibilities concerning corporate governance. In particular, this committee, which meets twice a year, monitors the Company's compliance with relevant legislation, legal requirements and prevailing codes of best practice in terms of labour and employment. Following each committee meeting, the committee chairman reports to the Board.

The committee has committed to the United Nations Global Compact's 10 Principles on Human Rights, Labour, the Environment and Anti-Corruption, in terms of which it monitors the Company's compliance and performance. Formal compliance reviews are conducted twice annually. Although AQPSA strives to comply with these principles, we acknowledge that there are constraints to our ability to meet the needs of society and for more environmentally sustainable practices.

SHERQ POLICY

In compiling our Safety, Health, Environmental, Risk and Quality (SHERQ) Policy we have taken into account those of our activities, including underground mining, concentrate processing and retreatment , which may have an impact on safety, health and the environment as these key concerns apply to our employees, suppliers, customers, business partners and surrounding host communities.

In line with our commitment to good business practice, we strive to ensure that our Company provides a sustainable foundation for growth and value creation for stakeholders and society while limiting any adverse impacts.

Our SHERQ Policy states our intention to prevent, minimise and mitigate safety, health and environmental risks in line with our commitment to good business practice.

Our SHERQ Policy is revised regularly to ensure that it is aligned with Section 8 of the Mine Health and Safety Act, 1996 (Act No 29 of 1996). The Act compels us to document our approach to protecting the health and safety of our employees and other people who may be directly affected by our mining activities. As legislated, this is undertaken in consultation with our health and safety committee, and our health and safety representatives are availed of a copy of the policy, which is also displayed prominently for employees to read.

The most recent update to our SHERQ Policy was completed in March 2015, and involved expanding our commitment to improved performance regarding:

- employee health, particularly regarding tuberculosis
- our processes, activities, workplaces, equipment and procedures as related to safety, quality and risk
- relevant legislative compliance
- the environment

For effective management and to further minimise our employees' exposure to health and safety risks, our SHERQ Policy is also aligned with the international OHSAS 18000 occupational health and safety management system specification.

The latest SHERQ policy revisions were agreed with the labour unions representing our employees, the Association of Mineworkers and Construction Union (AMCU), which became the majority union in January 2015, the National Union of Mineworkers (NUM) and Solidarity. The next policy review is scheduled to take place in February 2018.

STAKEHOLDER ENGAGEMENT

Responsible, ethical conduct underpins our interaction with stakeholders – those individuals, communities, entities directly affected, whether positively or negatively, by our activities. Our stakeholders include our shareholders and our employees, government, non-governmental organisations and local communities, among others.

Aquarius reports regularly and as required to identified stakeholders, consulting with them and communicating information that is relevant and pertinent. The principles of honesty, integrity and accountability are applied to all levels of stakeholder engagement.

Aquarius complies with the laws prevailing in its operating jurisdictions and respects human rights as defined by national and international organisations. We engage with communities and their representatives in the areas in which we operate and we strive to preserve and conserve the environment.

For more detailed information on our activities regarding sustainable development, refer to the Sustainable Development Report 2015 which is available on our corporate website: www.aquariusplatinum.com.

EXECUTIVE MANAGEMENT

AQUARIUS PLATINUM LIMITED

JEAN NEL – CHIEF EXECUTIVE OFFICER

B.ACC. (HONS), CA(SA), CFA (AIMR)

Jean Nel obtained his honours degree in Accounting from the University of Stellenbosch in 1995, and completed articles with Deloitte & Touche, qualifying as a CA(SA) in 1998. He joined the corporate finance division of Investec Bank in 1999 where he focused primarily on the resources sector of southern Africa until 2003 during which time he obtained the CFA (AIMR) qualification. Jean left Investec in 2003 to act as an independent corporate finance consultant to mining and resource companies operating in southern Africa, where he consulted for, among others, Aquarius Platinum Limited. In 2009, he completed the Advanced Management Programme at Insead. He joined the Board of AQPSA in January 2012 and was appointed to the Aquarius Board in April 2012. He was appointed interim Chief Operating Officer of Aquarius in October 2012 and its Chief Executive Officer in November 2012.

ROBERT (ROB) NEVILLE SCHRODER – CHIEF OPERATING OFFICER

B.SC. (QS)

Rob Schroder joined AQPSA in January 2012 as Capital Projects Manager. Rob has 23 years' experience in the mining and engineering industry, with exposure to coal, gold, platinum, chrome, nickel and diamonds. He has three years of experience as Managing Director and four years as Commercial Director of Shaft Sinkers, as well as 14 years in the consulting industry as a partner with RSI and Venn and Milford quantity surveyors. Rob was appointed Managing Director of AQPSA in July 2012, a position he still holds, and Chief Operating Officer of the Aquarius Group in August 2014.

SOUTH AFRICA (AQPSA) – EXECUTIVE MANAGEMENT

ANTHONY (TONY) MATTHEW JOUBERT – GENERAL MANAGER: KROONDAL

NHD (MINING ENGINEERING)

Tony Joubert started his mining career in 1983, as a Learner Official with Anglovaal's Hartebeesfontein Gold Mine, progressing through the ranks to Underground Manager by 1995. He then joined Anglo American where he gained valuable experience as Manager at the companies coal, lead, copper and platinum mining operations. In 2008, on returning from the Zambian copper belt, he joined AQPSA at its Kroondal operations and, post financial year end, was appointed General Manager on 1 October 2015.

GABRIËL (GAWIE) DE WET – GENERAL MANAGER ENGINEERING

B.SC. ENG (MECH)

Gawie de Wet obtained a degree in mechanical engineering from the University of Pretoria in 1986 following which he joined the then Iscor Mining Company. He also holds a post-graduate diploma in maintenance engineering. Gawie held various positions at Iscor's Coal division until he joined Kroondal in March 2000 as Engineering Manager. He was subsequently appointed as General Manager Engineering in March 2003.

ZIMBABWE (MIMOSA) – EXECUTIVE MANAGEMENT

WINSTON CHITANDO – EXECUTIVE CHAIRMAN

B.ACC.

Winston Chitando was appointed Executive Chairman of Mimosa from April 2013, having been Managing Director since 2007. He was until September 2007, Commercial Director of Zimasco. On leaving college in 1985, Winston joined Wankie Colliery Company and worked for Anglo American Corporation Zimbabwe from 1990 until 1997 when he joined Zimasco.

PETER R CHIMBOZA – RESIDENT DIRECTOR

B.SC. (PHYSICAL SCIENCE)

Peter Chimboza joined Mimosa Mining Company in August 2004 as General Manager and was appointed Production Director in January 2006. He was appointed Resident Director in January 2010 with overall responsibility for operations at Mimosa Mine. Prior to joining Mimosa, Peter worked for Zisco Steel and Zimasco in senior management positions at their metallurgical processing operations.

FUNGAI MAKONI – MANAGING DIRECTOR

B.COM. ACCOUNTING, CTA, PART II FQE ICAZ

Fungai Makoni joined Mimosa in December 2004 as Finance Executive in the Harare office and was appointed Company Secretary in April 2005. He was subsequently appointed to the position of General Manager Finance and Administration in October 2007, a position he held until his appointment as a director in December 2012. He was subsequently appointed Managing Director in May 2013. On leaving university, Fungai trained with Deloitte & Touche in Zimbabwe before joining Zimasco in July 2002.

GOVERNANCE

Aquarius is committed to the principles of good corporate governance and aims to achieve the highest standards and best practice in its overall performance.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the Company's system of internal control which includes risk management and reviewing its effectiveness. The system of internal control is designed to identify, evaluate and manage significant risks associated with the achievement of the Company's objectives.

Because of the limitations inherent in any system of internal control, this system is designed to meet the Company's particular needs and the risks to which it is exposed rather than eliminate risk altogether. Consequently it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of these controls to the Audit/Risk Committee. In terms of its Charter, the Audit/Risk Committee is responsible to the Aquarius Board for all its operations and responsibilities. This includes the oversight and management of the Company risk profile and management thereof. The Audit/Risk Committee meets on a quarterly basis to review and update the Company risk profile, which receives input from line managers across the Aquarius business. Strategic risks facing the Company are identified, monitored and actively managed through the allocation of appropriate resources to address the risks identified. The day-to-day responsibility for managing risk and the maintenance of the Company's system of internal control is collectively assumed by the AQPSA Executive in South Africa and the Board of Mimosa in Zimbabwe.

Key risk and control issues are reviewed regularly by the Board. On behalf of the Board, the Audit/Risk Committee has established a process for identifying, evaluating and managing the significant risks faced by the Company. The Company has also adopted a risk-based approach in establishing the Company's system of internal control and in reviewing its effectiveness. To assist in managing key internal risks, it has established a number of Company-wide procedures, policies and standards and has set up a framework for reporting matters of significance. The Audit/Risk Committee is responsible for reviewing the effectiveness of the Company's risk management, internal control systems and the interim and annual financial statements before their submission to the Board.

The allocation of resources currently focuses on the alignment of an organisational strategy that will ensure:

- Continuous improvement in safety, health and environmental performance towards the goal of 'zero harm'.
- The requisite resources, skills and structures are in place to deliver on production objectives, as efficiently and cost-effectively as possible, in line with the Group's stated strategic plan.
- The Company attracts, develops, retains and motivates the requisite management, operational, technical and business skills.
- Organisational diversity and improved employee engagement and participation in all business activities.
- The most efficient management of the Group's mineral resource base, to maximise the value thereof to the Group and its business partners.
- Maintaining the safe, efficient and productive use of employees and contractors on the Group's key operations.
- Attaining unit production costs in the lowest quartile of the industry.
- Maintaining effective project management processes and skills to ensure successful project implementation and delivery on Group operations.
- Protecting and maintaining the security and reliability of physical assets.
- Retaining process, systems and management technology competitiveness.
- Retaining permission to operate, on a fully compliant basis, within a dynamic legal and regulatory environment.
- Managing the uncertainties that affect the Zimbabwe operation.
- Addressing relevant issues regarding corporate responsibility, and being recognised as a good corporate citizen in the countries and communities in which the Company operates.
- Ensuring that impacts on the business in terms of utility supply disruptions are minimised.
- Ensuring that risks associated with suppliers and logistics are minimised.
- Managing through appropriate health policies the impact of HIV and AIDS on employees.

The Board through the Audit/Risk Committee, the AQPSA Executive and the Mimosa Board continually review the effectiveness of the Company's system of internal controls. As part of this review several key elements have been established within the Company to ensure a sound system of internal control which is described in detail below. These include:

- Regular review of risk and the identification of key risks at operational management level which are reviewed by the Audit/Risk Committee.
- Clearly defined organisational and reporting structure and limits of authority applied to subsidiary companies including monitoring and reporting on the regular board meetings held at the Company's key subsidiaries.
- Clearly defined information and financial reporting systems including regular forecasts and a rigorous annual budgeting process with reporting against key financial and operational milestones.
- Rigorous investment appraisal process underpinned by the budgetary process where capital expenditure limits are applied to delegated authority limits.

- Clearly defined treasury policy monitored and applied in accordance with pre-set limits for investment and management of the Company's liquid resources.
- Internal audit by the Finance Directors/Managers of the Company's principal subsidiaries, AQPSA and Mimosa Holdings (Pvt) Limited who monitor, test and improve internal controls operating within the Company at all levels and report directly to the Audit/Risk Committee and the Board.

There are a number of components to the system of internal controls within the Company which facilitate the control procedures and these are detailed below:

- A risk matrix has been developed and is monitored and reviewed by the AQPSA Executive, the Mimosa Board and the Audit/Risk Committee.
- A framework of transaction and entity level controls to prevent and detect material error and loss.
- A budgetary and periodic reporting review process performed by the Executive management of the Group.
- A monthly cash flow and variance analysis is prepared and review by management and circulated to the Board.
- Detailed monthly production and cost management accounts are prepared for each operation and review by management including an assessment of any material variances.
- A documented structure of delegated authorities and approvals for transaction and investment decisions.

INVESTMENT PROPOSALS

A budgetary process and authorisation levels regulate capital expenditure. For expenditure beyond specified levels, detailed written proposals are submitted to the Board for approval.

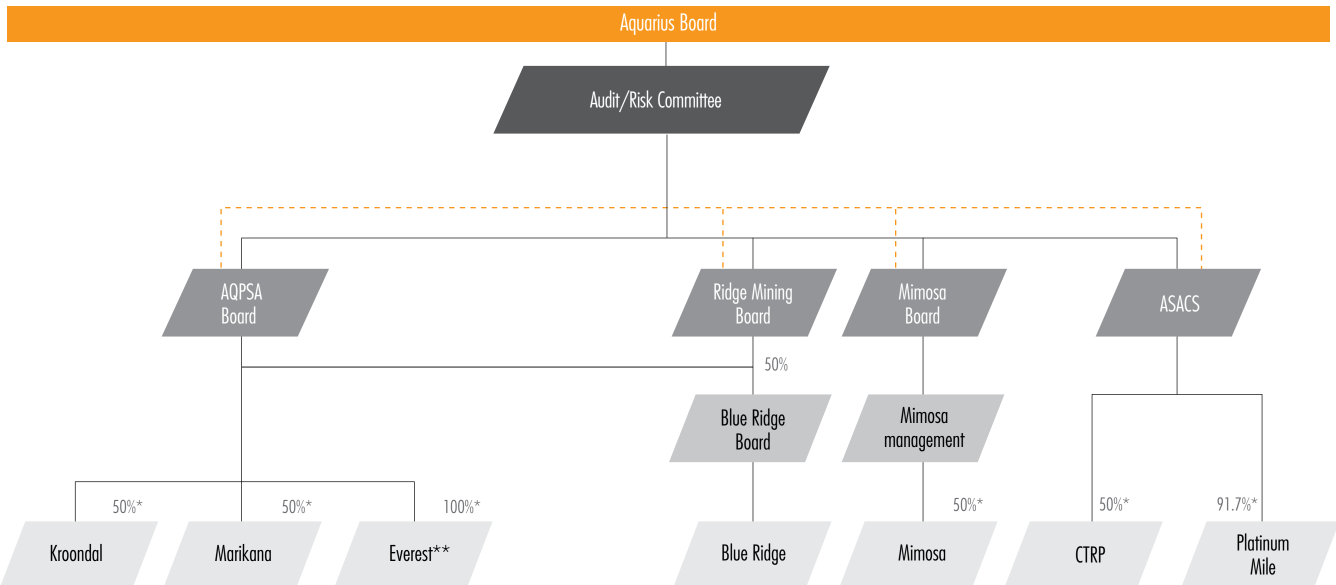
RISKS TO AQUARIUS' BUSINESS

The Company faces several risks to its business and strategy, and management of these risks is an integral part of the management of the Company. The Company's Audit/Risk Committee through the AQPSA executive and Mimosa Board has put in place a formal process to assist it in identifying and reviewing risks. Plans to mitigate known risks are formulated, and the effectiveness of and progress in implementing these plans is reviewed regularly.

The list of the principal risks and uncertainties facing the Company's business that follows below is based on the Board's current understanding.

Due to the very nature of risk it cannot be expected to be exhaustive, and in keeping with best practice reporting standards, the list has been limited to those risks that have been judged most material by the Board. New risks may emerge and the severity or probability associated with known risks may change over time.

Internal control structure of Aquarius Platinum Limited – as at 30 June 2015



* *Denotes effective holding in operation at Group level (Platinum Mile is owned 50% by AQPSA and 41.7% by ASACS)*
** *Everest mine was sold during the year with the final part of the sale, part 2, being finalised in October 2015*

RISK MANAGEMENT AND INTERNAL CONTROLS CONTINUED

RISKS RELATING TO AQUARIUS OPERATIONS

PGM PRICES AND MARKET

1. Description	2. Impact
The Company's business is dependent on price developments in the market for PGMs and their by-products. These prices depend predominantly on the prevailing and expected level of demand for PGMs. Demand for PGMs is driven mostly by economic growth, investment demand and automotive/jewellery sales. Autocatalyst and jewellery demand remain the dominant users of PGMs.	Fluctuations in PGM prices as well as demand may negatively impact the financial result of the Company. PGM market demand is largely driven by the level of activity in the auto sector particularly in Western Europe which is a large user of platinum due to the high level of diesel vehicles within the auto sector and jewellery demand particularly out of China.

3. Mitigation

Developments in the market are closely monitored by management and by the Board in order for the Company to be in a position to react in a timely manner to changes to PGM prices and demand. The Company recognises the importance of cost control in the mitigation of this risk. The Company has also improved balance sheet strength which buffers any adverse price movements.

MINING RISKS AND HAZARDS

1. Description	2. Impact
The Company's operations are subject to risks and hazards, including industrial accidents, equipment failure, unusual or unexpected geological conditions, environmental hazards, labour disputes, changes in the local regulatory environment, weather conditions and other natural phenomena. Hazards associated with hard rock underground mining include accidents involving the operation of mining and rock transportation equipment, and the preparation and ignition of large scale blasting operations, falls of ground, flooding and gas accumulation. In FY2015 the Company recorded one mining fatality which occurred at the Kroondal mine.	The Company may experience material mine or plant shutdowns or periods of reduced production as a result of any of the aforementioned factors. Any such events could negatively affect the Company's results of operations.

3. Mitigation

The Company is dedicated to a zero harm objective and the mitigation of mining risk is one of the primary operational goals of the Company. However, given the nature of mining operations there is no guarantee that accidents and fatalities will not occur in the future, despite all the safety initiatives undertaken and processes put in place. In FY2013, the Company introduced the Silo Breaker system at AQPSA to manage and facilitate AQPSA's complete enterprise risk profile. Silo Breaker consists of various modules covering Risk Management, Compliance Management, Unwanted Event Management, Task Allocation, Analytics, Production Management, Health Management and Asset Management.

LABOUR RELATIONS – CIVIL UNREST

1. Description	2. Impact
The Company's ability to conduct its operations efficiently is dependent on managing a complex industrial and community relations environment, which has become increasingly so of late as the sector deals with accommodating both the National Union of Mineworkers (NUM) and the Association of Mineworkers and Construction Union (AMCU) and their demands for wage increases within the framework of current labour legislation and collective bargaining structures.	The Company may experience material mine or plant shutdowns or periods of reduced production as a result of any of the aforementioned factors, and any such events could negatively affect the Company's results of operations. Above inflation wage demands will also have a detrimental effect on cash flows and productivity of the Group.

3. Mitigation

The Company has procedures and processes in place designed to increase communication with the workforce and union leadership on an ongoing basis. A labour unrest action plan has been developed and implemented at AQPSA. AQPSA's senior management participates in the National Joint Operating Committee and Chamber of Mines safety and security initiatives.

RETENTION OF KEY PERSONNEL

1. Description	2. Impact
The Company's ability to conduct its operations efficiently is dependent on its ability to retain current talent and attract the correct level of new talent due to competing in a narrow labour market, both technically and professionally.	The Company is at risk of losing Corporate Memory/Intellectual Property due to staff turnover.

3. Mitigation

Strategic focus on employee retention, including management philosophy, retention and incentive structures are updated periodically. A key skills retention scheme is implemented at AQPSA and Aquarius and succession planning is done at operational level to mitigate the impact of key personnel leaving the Company.

RISKS PARTICULAR TO THE SOUTH AFRICAN OPERATING ENVIRONMENT

1. Description	2. Impact
The majority of the Company's assets are located in South Africa. Factors that may impact on the operations of the Group include: • Complex industrial relations environment • Substantial electricity price increases due to shortage in generating capacity • Limited absolute availability of electricity and water for mining operations (in particular new projects) • High levels of cost inflation generally in Rand terms • Government policy changes and changes to the legislative framework that impacts the Company's operations in South Africa	Increased labour costs and electricity prices will affect the Company's operating costs and, if electricity supplies are disrupted or strikes occur for any substantial period of time, this may have a detrimental effect on the Company's ability to conduct its operations. Any changes in legislation, particularly as they relate statutory imposed taxes and increased utility fees, may also have a detrimental effect. Changes in costs of the Company's mining and processing operations could occur as a result of unforeseen events and consequently result in changes in profitability or the feasibility and cost expectations in mining existing reserves. Many of these changes may be beyond the Company's control, such as those input costs controlled by South African state regulation, including energy costs and royalties.

3. Mitigation

The factors having an impact on the Company's future cost structure are closely monitored. Cost reduction initiatives are reviewed and reported to the Board. The Company cultivates good relations with the Department of Mineral Resources and the relevant labour unions and pursues power efficient mining methodologies. AQPSA maintains ongoing monitoring and dialogue with government officials where possible and provides input to policy changes through the Chamber of Mines.

RISK MANAGEMENT AND INTERNAL CONTROLS CONTINUED

RISKS PARTICULAR TO THE ZIMBABWEAN OPERATING ENVIRONMENT

1. Description	2. Impact
One of the Company's operations, Mimosa (in which Aquarius has a 50 equity interest), is located in Zimbabwe. Factors that may impact on the operations of the Group include: • The Zimbabwean government has promulgated legislation that requires all companies valued at more than $500,000 to be 51% owned by indigenous Zimbabweans • The Zimbabwean government has levied additional taxes and royalties on mining companies and there can be no guarantee that these will not be increased again in the future • The ability of Zesa to provide uninterrupted and reliable power supply to allow operations to perform efficiently • Government policy changes	To the extent that the indigenisation law is enforced, it will reduce the Company's level of equity holding in the Mimosa mine. Increased taxes and royalties in Zimbabwe, if implemented, will have a detrimental effect on the profitability of Mimosa. Interruptions to the power supply will cause disruption to Mimosa's operations and will impact levels of production and profitability.

3. Mitigation

A non-binding term sheet regarding the planned indigenisation of Mimosa was signed on 14 December 2012. The term sheet set out key details of the plan and paved the way for the drafting of detailed agreements that would facilitate the implementation of the plan. During 2013 the Government of Zimbabwe indicated to Mimosa, and to the other platinum producers in Zimbabwe who concluded similar transactions, that it was no longer supportive of the term sheets. Following the national elections held in Zimbabwe in August 2013 a new Minister of Indigenisation was appointed. Mimosa has had frequent interaction with the Ministry, but to date no agreements or definitive terms have been agreed by Mimosa. As a result, the matter is ongoing and management is unable to estimate the financial impact of the proposed transaction. Management will continue with discussions on the way forward.

In the 2015 National Budget Statement, the deferment of the 15% export levy on unbeneficiated platinum to January 2017 was proposed. However, the Finance Act (No 3) of 2014 which gives legal effect to the budget proposals did not include the deferment of the 15% tax on unbeneficiated PGMs. This effectively meant that the tax was not deferred and hence the 15% export levy on unbeneficiated PGMs became law effective 1 January 2015. The Company continues to engage the authorities in consultation with the Chamber of Mines to have the levy deferred.

The proposal to render royalties payable by Mimosa non-deductible for income tax purposes was implemented with effect from the year of assessment beginning on 1 January 2014, and therefore impacted Mimosa from the start of the 2014 financial year on 1 July 2013. This position has remained in the 2015 national budget. Negotiations are continuing with the authorities to confirm that the royalties are deductible for income tax purposes.

The factors having an impact on the Company's future cost structure are closely monitored and cost reduction initiatives are planned and reported to the Board. Mimosa maintains ongoing monitoring and dialogue with government officials where possible and provides input to policy changes through the Chamber of Mines.

LICENCES AND BEE

1. Description	2. Impact
Mining companies operating in South Africa are required by law to have 26% ownership by Black Economic Empowerment (BEE) entities in order to be granted new order mining rights or to achieve licence conversion of their Old Order mining rights. The South African government is also continuously reviewing the Mineral and Petroleum Resources Development Act (MPRDA), and changes to that legislation could have a detrimental effect on the Company's business.	Changes to BEE legislation may impact on the Company. If BEE thresholds are increased as a result of the review of the MPRDA, this could have a detrimental effect on the Company.

3. Mitigation

The Company completed a BEE transaction with the Savannah Consortium several years ago, which exceeded the full BEE ownership requirement and enabled it to convert all its licences. The Company also complies fully with the relevant legislation in respect of Blue Ridge, acquired since. The Company cultivates good relations with the Department of Mineral Resources. The Company has through the AQPSA Board established a committee that is responsible for overseeing AQPSA's BEE compliance with the Mining Charter which Committee reviews compliance and seeks independent legal advice where required

EXCHANGE RATE RISK

1. Description	2. Impact
The Group's functional and presentation currency is US Dollars. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Mimosa has a US Dollar functional currency and the South African entities have a South African Rand functional currency. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the Group.	Variations in the exchange rate can have a significant impact on profitability. Foreign currency transactions are converted into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are included in profit or loss. The assets and liabilities of the various entities are translated to the Group presentation currency at the rate of exchange ruling at the reporting date and income/expense items are translated at the period's average exchange rate with any exchange differences being taken to the foreign currency translation reserve.

3. Mitigation

Currently there are no foreign exchange hedge programmes in place. Treasury maintains the majority of its currency in US Dollars which serves as a natural hedge against the Company's principle liability, the residual $125 million convertible bond.

ACQUISITION RISK

1. Description	2. Impact
The Company has a stated strategy of pursuing growth, including through the acquisition of other companies and assets.	New assets are by definition not as well understood as those in an existing portfolio despite any precautions that might be taken, so some financial and operation risk attaches to any acquisition. In addition, fees for advisors can be substantial and are payable even in the event that no transaction materialises. New assets are also assessed against the Company's strategy document to ensure that any acquisition fits in with the Company's strategy.

3. Mitigation

The Company conducts comprehensive due diligence assessments on prospective acquisition targets and engages the services of reputable financial and legal advisors to advise it on all aspects of such potential transactions.

CASH FLOW RISK

1. Description	2. Impact
The Company operates in a sector that is going through an extended period of low commodity prices. PGM prices have remained low, in line with the extended low level of economic activity in Western Europe and the imbalance in sector supply/demand dynamics. Coupled with this, the mining environment is facing ongoing industrial activity and inflationary costs which are placing increased stress on profit margins and cash generation.	PGM price volatility can have a detrimental effect on the profitability of operations rendering some operations unprofitable causing mine closures in some cases.

3. Mitigation

- A Group cash forecast model and a Treasury Committee is in place to monitor the net cash position of the Group
- A monthly cash flow and variance analysis is prepared and review by management and circulated to the Board
- Detailed monthly production and cost management accounts are prepared for each operation and review by management including an assessment of any material variances
- Operational budgets are compiled annually and variances measured monthly to ensure delivery against budget
- The Company has sold non-core assets to reduce care and maintenance costs and increase balance sheet strength
- The Company maintains a significant level of working capital to buffer against any negative price of cost variances

RISK MANAGEMENT AND INTERNAL CONTROLS CONTINUED

MATERIAL CONTRACTS

As with all substantial enterprises, Aquarius relies on several key material contracts for the conduct of its business. In keeping with best practice reporting standards, a summary of the most material of these arrangements is provided below.

PSA1

1. Description	2. Parties
The Kroondal pooling and sharing agreement (PSA1) reflects an arrangement whereby the parties have contributed funding, infrastructure and in situ PGM resources to the Kroondal unincorporated joint venture structure which is operated as the Kroondal mine by AQPSA. All production, costs and profits or losses are split equally.	• AQPSA • Rustenburg Platinum Mines Limited

3. Materiality

- Material
- The PSA1 arrangement remains in place for the entire life of the Kroondal mine

PSA2

1. Description	2. Parties
The Marikana pooling and sharing agreement (PSA2) reflects an arrangement whereby the parties have contributed funding, infrastructure and in situ PGM resources to the Marikana unincorporated joint venture structure which is operated as the Marikana mine by AQPSA. All production, costs and profits or losses are split equally. The Marikana operations have been placed on care and maintenance.	• AQPSA • Rustenburg Platinum Mines Limited

3. Materiality

- Highly material
- The PSA2 arrangement remains in place for the entire life of the Marikana mine

PGM CONCENTRATE OFF-TAKE AGREEMENTS

AQPSA also has concentrate off-take agreements in place at each of its mining operations. Each of these off-take agreements is a life-of-mine take-and-pay arrangement.

Off-take Agreements:

- Kroondal concentrate off-take agreement
- Marikana concentrate off-take agreement
- Everest concentrate off-take agreement

Counterparty

- Rustenburg Platinum Mines Limited
- Rustenburg Platinum Mines Limited
- Impala Refining Services (Pty) Limited

Mimosa has an off-take agreement with Centametall AG of Switzerland, but delivers the concentrate it produces to Impala Refining Services in South Africa for toll processing and refining prior to delivery of metal.

DIRECTORS' REPORT

The directors of Aquarius Platinum Limited (Aquarius) provide hereunder their report as to the results and state of affairs of the Group for the financial year ended 30 June 2015. The consolidated financial information is presented in US Dollars.

DIRECTORS

The names of the directors of the parent entity in office during the financial year and until the date of this report are as follows:

SIR NIGEL RUDD, DL

NON-EXECUTIVE CHAIRMAN

Sir Nigel is Chairman of Heathrow Airport Holdings Limited, BBA Aviation plc, Meggitt plc and Business Growth Fund plc. He is also a Non-Executive Director of Sappi Limited. Previously, Sir Nigel was Chairman of Pilkington plc from August 1994 to June 2006, Chairman of Alliance Boots plc from December 1999 to June 2007, Chairman of Pendragon plc from October 1989 to October 2010, Chairman of Invensys plc from July 2009 to January 2014, and Non-Executive Director and latterly Deputy Chairman of Barclays Bank plc and Barclays plc from 1996 until April 2009. He is a former Chancellor of Loughborough University. Sir Nigel was appointed to the Board of Directors and as Chairman Designate in November 2014 and became Chairman on 1 March 2015. He is a member of the Remuneration, Audit/Risk and Nomination Committees of the Group.

NICHOLAS T. SIBLEY

NON-EXECUTIVE CHAIRMAN

Mr Sibley is a Fellow of the Institute of Chartered Accountants in England and Wales, a director of Richland Resources Ltd, Wah Kwong Maritime Transport Holdings Ltd and a quoted investment company. He was formerly Deputy Chairman of Wheelock Capital from 1994 to 1997, as well as Executive Chairman of Barclays de Zoete Wedd (Asia Pacific) Limited from 1989 to 1993. Mr Sibley is a former director of Barclays de Zoete Wedd Holdings Ltd. He was appointed to the Aquarius Platinum Board in October 1999 and assumed the Chairmanship in July 2002. Mr Sibley was a member of the Audit/Risk and Remuneration Committees of the Group. He retired from the Board on 28 February 2015.

JEAN NEL

EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER

Mr Nel obtained his Accounting degree in 1994 and honours degree in Accounting in 1995 from the University of Stellenbosch, completed articles with Deloitte & Touche and qualified as a CA(SA) in 1998. Mr Nel joined the corporate finance division of Investec Bank in 1999 and focused primarily on the resource sector of Southern Africa until 2003 during which time he obtained the CFA (AIMR) qualification. Mr Nel left Investec in 2003 to act as an independent corporate finance consultant to mining and resource companies operating in Southern Africa, where he acted for, amongst others, Aquarius Platinum Limited. In 2009 Mr Nel completed the Advanced Management Programme at Insead. Mr Nel joined the Board of AQPSA in January 2012. He was appointed to the Aquarius Platinum Board in April 2012 and became Chief Executive Officer of the Group in November 2012.

DAVID R. DIX

NON-EXECUTIVE DIRECTOR

Mr Dix's background is in economics, law and taxation and he is a Barrister and Solicitor in the High Court of Australia. He has held various positions with Shell Australia Limited and worked for 16 years in Corporate Advisory at both Macquarie Bank Limited and UBS AG specialising in the mining industry, including Head of Resources for Asia Pacific and in London as Head of Mining. Mr Dix is Non-Executive Chairman of Troy Resources NL. He brings to Aquarius a wealth of experience gained in the international business and resources communities. Mr Dix was appointed to the Aquarius Platinum Board in March 2004. He is Chairman of the Audit/Risk Committee and a member of the Remuneration Committee.

G. EDWARD HASLAM

NON-EXECUTIVE DIRECTOR

Mr Haslam joined Lonmin plc in 1981 and was appointed a director of Lonmin plc in 1999 and Chief Executive Officer in November 2000. He retired from Lonmin plc in April 2004. In March 2011, Mr Haslam was appointed Senior Independent Director of London and Toronto listed gold miner Centamin Egypt Limited. Mr Haslam was appointed to the Aquarius Platinum Board in May 2004, and is Chairman of the Remuneration Committee and a member of the Audit/Risk and Nomination Committees of the Group.

TIM FRESHWATER

NON-EXECUTIVE DIRECTOR

Mr Freshwater is a solicitor in the UK and Hong Kong and has been involved in Asian markets for over 40 years. He is the director of a number of companies, including Swire Pacific Limited, Savills PLC and Hong Kong Exchanges and Clearing Limited. Mr Freshwater was appointed to the Aquarius Platinum Board in August 2006. He is a Senior Independent Director of the Company and a member of the Audit/Risk and Nomination Committees of the Group.

KOFI MORNA

NON-EXECUTIVE DIRECTOR

Mr Morna is an Executive Director of Savannah Resources (Pty) Ltd, the lead investor in the Savannah Consortium, Aquarius Platinum's BEE partner. Prior to joining Savannah Resources, Mr Morna worked with the International Finance Corporation as an Investment Officer, Gemini Consulting as a Senior Management Consultant and Schlumberger Oilfield Services as a Field Engineer. Mr Morna holds an MBA from the London Business School and a BS from Princeton University in the United States. He is currently a director of Mkhombi Holdings, Hall Core Drilling and a number of private mining exploration and beneficiation companies. Mr Morna joined the Board of AQPSA in February 2005 and was appointed to the Aquarius Platinum Board in February 2007. Mr Morna is a member of the Audit/Risk and Nomination Committees of the Group.

ZWELAKHE MANKAZANA

NON-EXECUTIVE DIRECTOR

Mr Mankazana is an Executive Director of Savannah Resources (Pty) Ltd, one of Aquarius Platinum's BEE partners. Mr Mankazana holds an MSc in Economics from the Patrice Lumumba University of Friendship. In addition to his interests in mining, Mr Mankazana is a founder of South African mobile operator Cell C and serves on the boards of its holding companies. He also represents BEE shareholders on the board of the holding company for Siemens and Nokia Siemens Networks in South Africa. He participates in community work through his involvement with several development and education trusts. Mr Mankazana joined the Board of AQPSA in February 2005. He was appointed to the Aquarius Platinum Board in November 2008 and is a member of the Remuneration Committee of the Group.

SONJA DE BRUYN SEBOTSA

NON-EXECUTIVE DIRECTOR

Ms De Bruyn Sebotsa is a founder and principal partner of Identity Partners, an investment, financing and advisory firm. She is the director of a number of companies including RMB Holdings Ltd, Discovery Holdings Limited and Remgro Ltd, and served on the board of Anglo American Platinum Limited from 2008 to 2013. Ms De Bruyn Sebotsa was Vice-President, Investment Banking, at Deutsche Bank where she worked in their Johannesburg, London and Tokyo offices on mergers and acquisitions, privatisations, IPO's, black economic empowerment transactions and financings. From 2002 to 2007 she was Executive Director at WDB Investment Holdings which built a portfolio of investments (an endowment) to benefit a women's empowerment trust, Women's Development Bank, through major acquisitions in large companies. Ms De Bruyn Sebotsa was appointed to the Aquarius Platinum Board in February 2013 and has also been appointed Chairman of the Board of AQPSA. Ms De Bruyn Sebotsa is Chairman of the Nomination Committee of the Group.

WILLI M.P. BOEHM

COMPANY SECRETARY

Mr Boehm joined Aquarius in June 1995. He is a member of CPA Australia. Mr Boehm has been involved in the management and listing of several companies in Australia, the UK and South Africa. He is responsible for the Company's Corporate Affairs and Group Finance. Mr Boehm sits on the Boards of Mimosa Investments Limited, the Group's 50% owned Zimbabwean joint venture entity and Aquarius Platinum Corporate Services Pty Ltd in Australia. He is a member of the Nomination Committee of the Group.

DIRECTORS' REPORT CONTINUED

INTERESTS IN THE SHARES OF THE COMPANY

As at the date of this report, the interests of the directors in the shares of Aquarius Platinum were:

Director	Common Shares
N. Rudd	2,432,768
J. Nel	6,803,539
D.R. Dix	452,152
G.E. Haslam	197,512
T. Freshwater	1,119,556
K. Morna*	13,679,900
Z. Mankazana*	13,679,900
S. De Bruyn Sebotsa	152,512

* *The interests held by Mr Morna and Mr Mankazana include a deemed beneficial interest in 13,527,388 common shares held by Savannah Resources Limited.*

PRINCIPAL ACTIVITIES

The principal activities of companies within the Group during the financial year were mine development, concentrate production and investment. During the year, the principal focus revolved around the operations of the Kroondal mine, the Mimosa mine and the Platinum Mile retreatment facility. Part A of the Everest sale agreement was finalised during the year. The Group's other mines – Marikana, Blue Ridge and the Chrome Tailings Retreatment Plant, remain on care and maintenance.

RESULTS OF OPERATIONS

The Group's net loss for the year after income tax was $98 million (2014: net loss of $13 million).

REVIEW OF OPERATIONS

Strategic:

- Disposal of non-core assets program (Kruidfontein prospecting rights and Everest mine) delivered $60 million in cash
- A recognition agreement has been concluded with AMCU at Kroondal, which now represents approximately 65% of Kroondal's semi-skilled work force

Financial:

- Revenue down by 9% to $213 million (2014: $233 million) due to lower PGM metal prices
- On-mine EBITDA[1] decreased by 10% to $26 million (2014: $29 million) due to lower metal prices
- Headline loss[2] (before exceptional charges) of $51 million at 3.47 cents per share (2014: loss of $11 million at 1.13 cents per share)
- Dividend of $20 million received from Mimosa joint venture

Operational:

- Group attributable production increased by 5% to 349,426 PGM ounces (2014: 331,643 PGM ounces)
- Average US Dollar PGM basket price of $1,097 was 7% lower compared to the prior year
- Average Rand basket price increased by 3% compared to the prior year due to a weaker Rand
- The Rand weakened by 10% on average against the US Dollar compared to the prior year
- On-mine unit cash costs at Kroondal increased by 1% in Rand terms compared to the prior year
- Mimosa continued to produce at capacity but was impacted by a low PGM Dollar price
- On-mine unit cash costs at Mimosa decreased by 9% compared to the prior year

Group attributable production for the year increased by 5% to 349,426 PGM ounces. Significantly, Kroondal recorded its tenth consecutive +105,000 PGM ounce production quarter, a record for the mine.

On a per PGM ounce basis, Dollar unit costs in South Africa decreased 9% to $803 but increased 1% in Rand terms. In Zimbabwe the cash cost per PGM ounce was $802, a 9% reduction demonstrating the impact of the cost saving initiatives implemented in the 2014 financial year. Maintaining operating unit cost increases well within inflationary targets will continue to be a point of focus particularly in the ongoing low metal price environment.

MIMOSA 15% EXPORT LEVY ON UNBENEFICIATED PGMS

In the 2015 National Budget Statement, the deferment of the 15% export levy on unbeneficiated platinum to January 2017 was proposed. However, the Finance Act (No 3) of 2014 which gives legal effect to the budget proposals did not include the deferment of the 15% tax on unbeneficiated PGMs. This effectively meant that the tax was not deferred and hence the 15% export levy on unbeneficiated PGMs became law effective 1 January 2015. The Company continues to engage the authorities in consultation with the Chamber of Mines to have the levy deferred. In the absence of the formal deferment in law, and having considered the above the directors believe it is prudent to provide for the impact of this levy. Accordingly an attributable amount of $4.5 million has been accrued for the financial year ended June 2015. Aquarius and Mimosa are confident that the matter will be resolved and remains committed to building good working relations with the Government of Zimbabwe. Furthermore Mimosa, together with the other Platinum producers in Zimbabwe, are currently in the process of assessing the viability of a number of in-country smelting and beneficiation alternatives. The outcome of these assessments will be communicated to all relevant stakeholders in due course.

MIMOSA ROYALTIES

The proposal to render royalties payable by Mimosa non-deductible for income tax purposes was implemented with effect from the year of assessment beginning on 1 January 2014, and therefore impacted Mimosa from the start of the 2014 financial year on 1 July 2013. This position has remained in the 2015 national budget. The financial impact of the non-deductibility of royalties was $4.2 million for the financial year to June 2014 and $4.7 million for the financial year ended June 2015, 50% of which is attributable to Aquarius. Negotiations are continuing with the authorities to confirm that the royalties are deductible for income tax purposes.

MIMOSA INDIGENISATION

Mimosa continues to interact with the Ministry of Indigenisation and Ministry of Mines to work towards a sustainable solution in relation to indigenisation, but in the period under review no agreements or definitive terms were agreed between Mimosa and the Ministry of Indigenisation. As a result, the matter is ongoing and management is unable to estimate the financial impact of any proposed transaction.

SALE OF KRUIDFONTEIN PROSPECTING RIGHTS

On 29 January 2014, Aquarius agreed terms to dispose of 100% of C&L Mining and Resources (Pty) Limited (C&L), which holds the Kruidfontein prospecting right, to Pilanesberg Platinum Mines (Pty) Ltd, a subsidiary of Sedibelo Platinum Mines Limited (previously Platmin Limited) for a total sale consideration of $30 million. The material asset of C&L is a prospecting right known as Kruidfontein in which C&L has a 90% economic benefit. The sale was completed in December 2014 with cash of $27 million being received. Aquarius retained the gross proceeds of the sale and satisfied settlement of the original vendors rights to 40% of the proceeds via the issue of 36,505,657 shares in Aquarius. An accounting profit of $19 million was recorded.

The Kruidfontein asset, being held by a South African subsidiary with a Rand functional currency, has been translated to US Dollars each month end since the original date of purchase, with any exchange differences going to the foreign currency translation reserve (FCTR). The Rand has devalued against the USD since acquisition. In accordance with International Accounting Standards, when a foreign operation is disposed of the cumulative amount of foreign exchange differences contained within the foreign currency translation reserve is required to be reclassified through the income statement. Accordingly, a non-cash adjustment of $13 million has been made, representing reclassification of the cumulative amount of foreign exchange differences relating to Kruidfontein up to the date of disposal.

SALE OF EVEREST

On 10 February 2015 Aquarius entered into an agreement to sell its Everest mine and related assets to Northam Platinum Limited for R450 million to be completed in two parts, being R400 million for the concentrator and other mining assets of Everest Mine (Part A), plus R50 million for the Everest Mining Right (Part B). Part A proceeds were received in June 2015. Part B of the disposal process is subject to the consent of the Minister of Mineral Resources in terms of section 11 of the Mineral and Petroleum Resources Development Act. The section 11 application has been submitted to the Department of Mineral Resources.

OPERATING RESULTS

Aquarius recorded a net loss of $98 million for the financial year. The result included $70 million of one off items listed below:

- profit on sale of non-core assets (Kruidfontein & Everest) of $20 million
- recycling of foreign exchange losses from the foreign currency translation reserve through the income statement of $13 million arising on the disposal of 100% owned subsidiary C&L Mining and Resources (Pty) Limited which held the Kruidfontein prospecting right
- impairment in the carrying value of the Platinum Mile assets of $28 million
- impairment of the carrying value of Blue Ridge/Sheba's Ridge investment of $20 million following termination of the agreement to sell the Company's indirect interests in Blue Ridge Platinum (Pty) Ltd and Sheba's Ridge Platinum (Pty) Ltd
- discounting of the RBZ receivable due to Mimosa by $29 million

DIRECTORS' REPORT CONTINUED

On-mine EBITDA[1] from controlled entities was $26 million, a $3 million decrease from the prior year. The decreased EBITDA was despite a 5% increase in production from controlled entities and excellent cost control due to PGM prices being 7% lower. Kroondal recorded a 1% increase in unit costs in Rand terms compared to the prior year despite significantly higher mining cost inflation.

Revenue (PGM sales, interest) for the year of $213 million was $20 million lower compared to the prior year. The lower revenue reflects the difficult PGM market which saw the average basket Dollar price reduce to an average $1,097 per PGM ounce in the 2015 financial year, a 7% decrease. In Rand terms, the PGM basket increased by 3% directly as a result of a weaker Rand which decreased 10% to average R11.42 in the current year. In Zimbabwe, the Mimosa PGM basket price was similarly subdued recording a 5% decrease to $1,075 in the current year compared to the prior year.

Total cost of sales was $211 million, down $20 million despite a 3% increase in production at Kroondal. This was primarily due to good cost control and the weakening Rand.

Exchange rate movements continued to have a volatile effect on earnings. The Rand weakened significantly to average R11.45 to the US Dollar compared to R10.39 in the prior year. During the year, Aquarius recorded a net foreign exchange gain of $2 million comprising gains on sales adjustments and revaluation of cash, intercompany loans and pipeline debtors.

The Group's cash balance at 30 June 2015 was $196 million (2014: $137 million) with a further $5 million (2014: $8 million) attributable to Aquarius held in joint venture entities. The directors are of the view that the Group's present cash reserves are sufficient to manage its operating mines for the next twelve months based on present market dynamics.

DIVIDENDS

No dividend has been declared for the year ended 30 June 2015.

SIGNIFICANT CHANGES IN THE GROUP'S STATE OF AFFAIRS

The directors are not aware of any significant changes in the state of affairs of the Group that occurred during the financial year, which have not been covered elsewhere in this Annual Report.

EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no material events subsequent to 30 June 2015 that have not been reflected in the financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Other than matters referred to in this report, the directors make no comments regarding the likely developments in the operations of the Group and the expected results of those operations in subsequent financial years. In the opinion of the directors, any further disclosures might prejudice the interests of the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

Companies within the Aquarius Platinum Group are required, on cessation of mining operations, to rehabilitate the relevant mining area on which mining operations have been conducted. Mr Rob Schroder, Managing Director of AQPSA, is the officer responsible for compliance on these matters for all South African properties within the Group. Mr Winston Chitando, Managing Director of the Mimosa Group of Companies in Zimbabwe, is the officer responsible for all Zimbabwean located properties within the Group. In South Africa, the Company makes annual contributions to established trusts in order to provide for its obligations in respect of environmental rehabilitation. Environmental activities are continuously monitored to ensure that established criteria from each operation's environmental management programme, approved by relevant authorities, have been met. There have been no known significant breaches of any environmental conditions.

MEETINGS OF DIRECTORS

The number of meetings of the Board of Directors of the parent entity held during the year ended 30 June 2015 and the number of meetings attended by each director are tabled below:

Director	Number of meetings held whilst in office				Number of meetings attended			
	Board	Audit/Risk	Remuneration	Nomination	Board	Audit/Risk	Remuneration	Nomination
N. Rudd	2	2	1	1	2	2	1	1
N.T. Sibley	3	3	2	–	3	3	2	–
J. Nel	4	–	–	–	4	–	–	–
D.R. Dix	4	4	3	–	4	4	3	–
G.E. Haslam	4	4	3	4	4	4	3	4
T. Freshwater	4	4	–	4	4	4	–	4
K. Morna	4	4	–	4	3	3	–	4
Z. Mankazana	4	–	3	–	4	–	3	–
S. De Bruyn Sebotsa	4	–	–	4	4	–	–	4

DIRECTORS' AND OFFICERS' INSURANCE

During the year, the parent entity paid an insurance premium in respect of a contract insuring against the liability of current directors and officers. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, as such disclosure is prohibited under the terms of the contract.

GOING CONCERN

The directors are satisfied that the Company has adequate financial resources to continue in operational existence for the foreseeable future. The financial statements have been prepared on the going concern basis.

Signed in accordance with a resolution of the directors.

Jean Nel

Director

30 September 2015

[1] On-mine EBITDA has been provided to enable normal mining industry comparison and assists users in understanding on-mine cash flows. The on-mine EBITDA has not been audited and reconciles to the Gross profit in the statement of profit or loss & other comprehensive income as follows:

	2015	2014
	$'000	$'000
Gross profit	2,092	1,898
Interest income	(7,391)	(5,676)
Depreciation and amortisation	22,558	29,000
Foreign exchange gain	9,124	3,851
On-mine EBITDA	26,383	29,073

[2] *Refer to Note 9(d)*

REMUNERATION REPORT

The directors of Aquarius Platinum Limited present the Remuneration Report for the Group for the financial year ended 30 June 2015.

STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

The Remuneration Report has been divided into two sections - the Policy Report which sets out the directors' remuneration policy for all directors and executive management, and the Annual Remuneration Report which sets out details of how the directors and executive management were paid during the 2015 financial year and how the policy will be applied in 2016. Both reports will be tabled for discussion at the 2015 Annual General Meeting (AGM).

Mr Nel is the only executive director. He has an arrangement approved by shareholders in 2013 whereby his base salary is paid approximately 30% in cash and 70% in shares using a share price of 35 cents which is currently 43% above the average price of shares issued to Mr Nel during the 2015 financial year. His current bonus is also paid completely in shares using a share price of 35 cents. As a result, the value of his base salary paid in shares has actually reduced by 43% based on the average price of shares issued to him during the 2015 financial year. The value of his bonus for the 2015 financial year has likewise reduced in value. This share in lieu arrangement is due to end in June 2016. When introducing the arrangement for Mr Nel the dramatic fall in the price of platinum and the resulting fall in the Company share price was not anticipated. Mr Nel has advised the Remuneration Committee (the Committee) that he does not wish the current arrangement to be reviewed.

The Committee nevertheless has introduced a change to the remuneration structure for Mr Nel for the 2016 financial year in order to secure his continued commitment to driving the business objectives over the next few years. The maximum amount of annual bonus has been increased from 100% to 150% with an additional 50% deferred element being delivered in shares and subject to a deferral of 50% for 12 months and the remaining 50% for 24 months from the financial year end. This extra element will act as a retention tool. The current value of the remuneration package using the 35 cents share price and the lock in bonus is still less than the value of the original remuneration package without the share arrangement.

In addition to the bonus deferral, following the year end Mr Nel received an award of shares that will be released in thirds in August 2016, 2017 and 2018 subject to performance. Mr Nel has not received a long-term incentive award since 2012 and the final element of the 2012 award vested in 2015, leaving Mr Nel without any long-term incentive awards outstanding. The vesting of the share award just made is subject to a combination of business, strategic and individual performance targets and will vest in thirds over the next 3 years. This award is intended as a further lock in and to act as a transitional arrangement, as next year it is proposed to make awards under the Aquarius Restricted Share Scheme which has a standard 3 year vesting period.

The deferred bonus and the share award will ensure that there is both a potential reward each year until the awards under the Aquarius Restricted Share Scheme mature and act as a retention tool as awards would be forfeited should Mr Nel leave. More details of these changes are provided below.

REMUNERATION COMMITTEE

The Committee has been established by the Board of Directors (the Board) to assist the Board by reviewing and providing recommendations on remuneration arrangements for the directors and executive management. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on an annual basis by reference to industry and market conditions. In determining the nature and amount of officers' emoluments, the Board takes into consideration the Company's financial and operational performance.

During the financial year the Committee initially comprised four non-executive directors all of whom are independent. On 1 March 2015 Sir Nigel Rudd, who was appointed as non-executive chairman of the Company, was also appointed a member of the Committee. None of the members of the Committee participated in any bonus scheme, long-term incentive, pension or other form of remuneration other than the fees disclosed below. There is no actual or potential conflict of interest arising from the other directorships held by members of the Committee.

TERMS OF REFERENCE

Name	Position	Attendance in 2015	Attendance in 2014
G.E. Haslam	Chair of Committee	3 of 3	2 of 2
N.T. Sibley	Member	2 of 2 (up to the time of retirement on 28 February 2015)	2 of 2
D.R. Dix	Member	3 of 3	2 of 2
Z. Mankazana	Member	3 of 3	2 of 2
N. Rudd	Member and Chairman of the Company	1 of 1 (following appointment on 9 February 2015)	N/A

The responsibilities of the Committee include:

- framework of remuneration for the Company and in particular the executive team;
- remuneration of executive directors;
- making recommendations to the Board on the fees offered to the non-executive directors;
- the adoption and implementation of equity-based incentive plans and other employee benefit programs; and
- the Company's recruitment, retention, termination and superannuation policies.

ACTIVITIES OF THE COMMITTEE

The Committee meets as required but at least twice a year. During the financial year the Committee met formally in August 2014, October 2014 and February 2015. At these meetings the Committee considered, amongst other things:

Date of meeting	Principle activities of the meeting
4 August 2014	Approving the conversion factor with respect to adjusting the share price used in share entitlements that have been applied for but remained unissued pursuant to the Aquarius Director/Employee Share Plan (2013) following conclusion of the Aquarius rights issue in May 2014. The approval and issue of retention scheme shares which fell due on 1 July 2014 following fulfilment of the performance criteria.
31 October 2014	Discussion on long-term incentives for the Company and their application.
9 February 2015	Drafting of a replacement long-term incentive program, subject to shareholder approval, to provide a platform for ongoing long-term incentive rewards, eligibility and appropriate performance conditions reflective of the commodity market that the Company operates within.

ADVICE TO THE COMMITTEE

The Committee is supported by the Company Secretary who also acts as secretary to the Committee. Mr Nel may attend meetings at the invitation of the Committee but he is not present when his remuneration is under consideration.

During the year the Committee appointed Meis to provide remuneration advice. The fees paid for this advice are based on a 12 month retainer of £8,000 p.a. Meis provides no other services to the Company.

REMUNERATION POLICY

In developing its remuneration policy, the Committee has had regard to the fact that the business of the Company is operated in multi jurisdictions from both an operating and regulatory environment and in a market which requires very particular operational and managerial skills. As has been seen recently the business is also subject to the volatility of commodity prices.

The principles underlying the structure and quantum of director and senior management remuneration are as follows:

- to provide remuneration packages that are competitive but not excessive, taking into account all elements of remuneration;
- use external benchmark data on a transparent and open basis using comparator groups that reflect the industry and size of the Company;
- divide variable components of senior management remuneration between short-term incentive payments and long-term incentive payments in a manner which allows immediate reward of positive achievements in the delivery of short-term deliverable goals, but reinforces the importance of running the business for the long-term, creating value for both shareholders and all other stakeholders in the Company;
- provide long-term incentives that align remuneration to the long-term performance of the Company; and
- encourage executives, and in particular executive directors, to build and maintain a meaningful shareholding in the Company.

CONSIDERATION OF EMPLOYMENT CONDITIONS GENERALLY IN THE COMPANY

While there is no mechanism for formal consultation with employees, the Committee nevertheless takes into account the remuneration and employment conditions elsewhere in the Company when determining remuneration for executive directors. The Committee is also provided with updates on employee remuneration practices and trends across the Group, which while not used in a formulaic manner, nevertheless informs the Committees' discussions on executive remuneration.

When reviewing or amending executive remuneration arrangements the Committee will consider the remuneration and pay practices across the Company. In particular the Committee will consider the salary increases applying across the rest of the business in the relevant market.

REMUNERATION REPORT CONTINUED

TABLE OF REMUNERATION POLICY

Remuneration element	Purpose and link to strategy	Driving factors	Operation
Base pay	Basic element of the remuneration package ensuring the ability to recruit and retain staff of the appropriate level	Role requirements and technical skill sets Geographic and industry Value potential in role	Pay is reviewed following the release of the full year results to the market. Pay increases will take account of the benchmark data and performance of the individual, and any increases in percentage terms will not generally exceed that of the general workforce. Reviews take effect from 1 January. The next pay review will be in January 2016. Pay is positioned at about the median of comparator companies of similar size, complexity and operations. Pay reviews may occur at times other than 1 January and pay increases may exceed general pay increases in the case of a change of responsibilities, change in complexity of the role, change in the size or complexity of the organisation or pay levels being substantially out of line with the market data. For the current CEO, for a period of three years from July 2013, a proportion of pay (approximately 70%) will be paid in shares using a fixed share price of 35 cents. The remainder of base pay will be paid in cash. The shares issued in lieu of cash are issued quarterly in arrears. The policy for the current CEO is specific to the individual and is not a policy for directors generally. This arrangement may not be renewed when it expires in June 2016.
Benefits	To provide market competitive benefits consistent with the recruitment and retention of staff of the appropriate level	To retain a market competitive remuneration package	Normal benefits such as car or car allowance, life insurance, private medical, subscriptions, phones, accommodation, security or similar assistance may be provided however the total cost of such benefits may not exceed an amount equivalent to 5% of base pay.
Pensions	To provide market competitive benefits consistent with the recruitment and retention of staff of the appropriate level	To retain a market competitive remuneration package	A payment in lieu of up to 15% may be provided which can be used for the provision of pension. Where payment is required to be made under any statutory provisions then such provision will be included in the above amount unless the statutory provision exceeds such amount.

<table>
<tr><th>Remuneration element</th><th>Purpose and link to strategy</th><th>Driving factors</th><th>Operation</th></tr>
<tr><td>Annual bonus</td><td>To reward the delivery of short-term performance against agreed measures critical to the organisation's success</td><td>Market practice – geographic and industry standards

Degree of value creation potential through out performance</td><td>Performance criteria are set at the beginning of each year. The bonus scheme is based on a combination of Company and individual targets. The Company targets are aimed at encouraging and rewarding achievement of both operational and financial targets at organisational level with performance indicators such as ounces produced, cost per ounce and safety being key. The Committee will decide at the beginning of each year the balance and selection of these measures that meet the requirements for the coming year.

The measure and the balance between the measures shall normally be:-

• 40% operational objectives of improved safety, production (quality tonnes) and cost reduction and similar measures;
• 40% corporate objectives of ensuring continuous regulatory compliance and governance within the regions of operation; and
• 20% strategic objectives (longer term) in establishing a credible pipeline of growth projects for the Company's future.

Subject to the achievement of the performance conditions, the grant of a bonus is still subject to the discretion of the Committee.

The maximum bonus opportunity is 150% of base pay and on target is 75% of base pay, and the bonus for threshold performance is 15%.

Any bonus paid in excess of 100% of base pay will be deferred, 50% for 12 months and the remaining 50% for 24 months from the financial year end.

Clawback may be applied to any bonus if matters come to light (in respect of the current or previous years) which would, in the Committee's view, be such that it would be inappropriate to pay a bonus.</td></tr>
</table>

REMUNERATION REPORT CONTINUED

Remuneration element	Purpose and link to strategy	Driving factors	Operation
Long-term incentives	To link executives interests to the longer term share performance of the Company and hence drive long-term shareholder value	To reward by reference to the return delivered to shareholders of the longer term	The Company has the following long-term share schemes: • The Employee Retention Share Scheme (ERSS) which is designed to retain and incentivise senior executives and managers deemed key to the rollout of the Group's business plan. • The Aquarius Director/Employee Share Plan approved in 2013 under which awards in shares may be made in lieu of salary or bonus or may be made otherwise to retain management. While the plan has no limit as such, in practice the maximum annual award that would be made under the Plan, to an executive director, would be limited to the payment of base pay and bonus in shares in lieu of cash, the provision of the deferred element of the annual bonus and a share award of up to 50% of base. • The Aquarius Restricted Share Scheme (RSS). The RSS was approved at last year's AGM (2014) but no awards have been made under the scheme so far. The scheme allows awards to be made in the 42 days following the announcement of interim or final results. Awards can be made up to a maximum value of 200% but consistent with current market practice, awards would normally only be made up to 100% of base. Awards only vest subject to the achievement of predetermined performance conditions and normally three years following grant. It is proposed to make awards next year under this plan and then make annual awards thereafter. The performance conditions for those awards, which will be considered over a three year period, will reflect discussion with shareholders and proxy advisory services and will be fully disclosed in next year's report. Clawback may be applied to any long-term incentives if matters come to light (in respect of the current or previous years) which would, in the Committee's view, be such that it would be inappropriate to vest awards.
Share ownership	To encourage ownership of shares and build a union of interest with shareholders	To encourage meaningful share ownership in the Company	Executive directors are required to build a shareholding equal to 100% of their base salary within 5 years of becoming an executive director.

AQUARIUS RESTRICTED SHARE SCHEME (2014)

This scheme was approved at the AGM last year. The scheme has not been used so far but the intention is that it will be used next year and that it will then become the primary vehicle for long-term incentive awards to executive directors and eligible employees.

AQUARIUS DIRECTOR/EMPLOYEE SHARE PLAN (2013)

The Aquarius Director/Employee Share Plan (2013) was established to ensure the Company has appropriate incentives to continue to attract and in particular retain the services of directors and employees of a high calibre and allow the Company to offer shares to directors and employees in lieu of part of their salary or directors' fees, as a mechanism to conserve cash resources during the present difficult operating environment.

During the year 4,523,063 shares were issued to directors and employees in lieu of cash salary and bonuses.

The long-term incentive award granted to Mr Nel in November 2012 matured in June 2015 and hence there are no long-term incentive arrangements in place for him. As a result it was decided to make an interim award to him under the plan following the financial year end. The details of the award are as follows:

- grant of 3 million shares (which is approximately equal to 50% of base pay) which will vest one third (up to 1 million shares) each year in August 2016, 2017 and 2018 subject to three performance criteria being achieved:
  - performance against the annual business plan;
  - performance against agreed business key performance indicators; and
  - performance against agreed individual key performance indicators.

No part of the award will vest unless Mr Nel is in employment at each annual vesting date (August), failing which any unvested awards will lapse.

EMPLOYEE RETENTION SHARE SCHEME

Mr Nel does not participate in this scheme and no awards have been made to him under the scheme. The scheme was established on 1 July 2012 and is designed to retain and incentivise senior executives and managers deemed key to the rollout of the Group's revised business plans in South Africa which include the successful transition to owner operator model, implementation of the revised mining support system, management of care and maintenance projects and returning the South African operating business to profitability.

The grant of shares is a long-term incentive plan to cover three years. The ERSS is only available to senior management who do not participate in the Aquarius Director/Employee Share Plan (2008).

The estimated aggregate number of shares required for the participants is acquired by the Company on the open market (JSE) on a piecemeal basis and retained in a treasury pool until allocated each year. To qualify, participants need to be in the employment of the Group at 30 June of each determinant year. Shares awarded each year comprise a long-term incentive portion and a short-term incentive portion which is determined based on the safety, production, financial and transformation performance of the Company at the end of each financial year. During the year 2,305,000 shares were purchased for the ERSS and 1,145,330 shares were issued to employees.

AQUARIUS DIRECTOR/EMPLOYEE SHARE PLAN 2008 (no current intention to use)

The Aquarius Director/Employee Share Plan (2008) was established to provide the long-term incentive portion of executive remuneration. It was designed to retain the services of key executives and to ensure that a portion of executive remuneration is directly aligned with the long-term strategic goals of the Company and shareholder value.

As disclosed last year there is no current intention to use this scheme in future with the Aquarius Restricted Share Scheme 2014 having been approved. During the year 609,667 shares were issued to directors and employees of the Company.

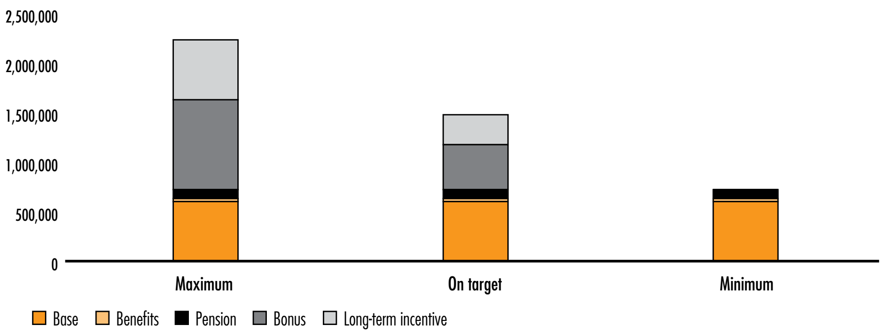
REMUNERATION POLICY OF OTHER EMPLOYEES

Our approach to remuneration is generally consistent across the Company. Certain elements of remuneration will differ by reference to the seniority of the individual concerned. Below the Board the senior executives participate in annual bonus schemes on a similar basis as the executive directors with the level of benefit being dependent upon the seniority of the individual. Performance conditions are set to be reflective of the individual within the organisation. The main differences in remuneration policy between the executive directors and employees across the Group are the increased emphasis on performance related pay and the inclusion of a significant share-based long-term incentive plan for executive directors and certain elements of benefits.

ILLUSTRATION OF APPLICATION OF POLICY

The graph below shows the remuneration package based on the policy for Mr Nel without the shares in lieu element and assumes for maximum full face value for the long-term incentive and maximum annual bonus. For the on target range the value of the long-term incentive and annual bonus is assumed to be half the value of the maximum. The graph also assumes the provision of pension and benefits, which are currently not provided.

CEO's remuneration package (US Dollars)



REMUNERATION REPORT CONTINUED

POLICY FOR THE APPOINTMENT OF A NEW EXECUTIVE DIRECTOR

When hiring a new executive director or promoting an individual to the Board, the Committee will offer a package that is sufficient to attract and motivate while aiming to pay no more than is necessary taking account of market data, the impact on other existing remuneration arrangements, the candidate's location and experience, external market influences and internal pay relativities.

The structure of the remuneration package of a new executive director will follow the policy above, however in certain circumstances, the Committee may use other elements of remuneration, or different performance conditions, if it considers it appropriate to do so, with due regard to the best interests of the shareholders. In particular, it may use a service contract that contains a longer initial notice period, tapering down to 12 months over a set period of time. The overall value of the package will not exceed the aggregate of the policy above.

The Committee may, where necessary and in the interests of shareholders, also offer recruitment incentives to facilitate the recruitment of an appropriate individual but this shall be within the overall limits of the policy above and where necessary making use of FSA Listing Rule 9.4.2 if an alternative structure (but not quantum) was required.

POLICY ON PAYMENT ON CEASING EMPLOYMENT

The Company's approach to payment on loss of office will take account of the circumstances of the termination of employment.

Where an executive director retires from the Company they will not normally receive a termination payment but will be entitled to a proportionate allocation of any annual bonus and the release of the long-term incentives as provided below and in accordance with the plan rules.

In the case of a good leaver, the individual will be expected to work through the notice period and will be entitled to all the benefits under the service agreement during that period.

In the case of termination as a result of poor performance or a breach of any of the material terms of the agreement, the Company may terminate with immediate effect without notice and with no liability to make any further payment to the individual, other than in respect of amounts accrued due at the date of termination.

In the case that the Company wishes to terminate the agreement and make a payment in lieu of notice, this payment will be phased in monthly or quarterly instalments over a period of no longer than 12 months (or the notice period if less). Any payment will be reduced in accordance with the duty on the executive to mitigate his or her expenses owing to the Company.

Payout under incentive arrangements

For the annual bonus scheme:

- a good leaver shall be paid out at the normal time when the bonus matures but the amount payable shall be scaled back on a time proportionate basis;
- a bad leaver shall have no bonus entitlement; and
- on death or disability, the Remuneration Committee shall determine the bonus to be paid taking into account the duration of employment and performance of the Company.

For the long-term incentive arrangements:

- on death or disability, the Remuneration Committee shall determine any payout taking into account the duration of the employment and performance of the Company; and
- for other leavers, the entitlements on termination are restricted to the number of shares that have vested at the time of termination unless determined otherwise by the Remuneration Committee in exceptional circumstances. The exercise of this discretion shall take into account the circumstances of the case and the performance and duration up to the date of cessation of employment.

POLICY ON EXTERNAL APPOINTMENTS

The Company encourages the directors to have external appointments provided that such appointments do not adversely impact the duties required to be performed to the Company. Where there are external appointments the director will retain any fees for such appointments and will not be liable to account to the Company for such fees. The existing executive director has no external appointments.

SERVICE AGREEMENT FOR EXECUTIVE DIRECTOR

At the time of his appointment as Chief Executive Officer in November 2012, Mr Nel's contractual arrangements were reviewed. The terms of Mr Nel's revised contract are in line with his previous contract as Commercial Director of the Group and no increase in salary was sought. Mr Nel's contract provides for an incentive bonus up to a maximum of 100% (increased to 150% next year) of base salary. The grant of a bonus is subject to the discretion of the Remuneration Committee and is based on bonus parameters determined by the Remuneration Committee. Mr Nel's service agreement provides for 12 months notice from the Company to terminate the agreement and 12 months notice from Mr Nel to the Company to terminate the agreement.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

Non-executive directors receive fixed remuneration only, which comprises annual board fees and committee fees based on membership of the various committees of the Board. Remuneration is paid quarterly. In November 2013 at the AGM of the Company, shareholders approved resolutions to allow directors to receive 25% of their directors' fees in shares as opposed to cash (commencing 1 January 2014) as part of the Company's cash conservation initiatives. In addition, directors agreed to a 10% reduction in fees effective 1 January 2014. In November 2014 at the AGM of the Company, shareholders approved a resolution to allow the newly appointed Chairman-elect Sir Nigel Rudd to receive 100% of his directors' fees in shares for the period from his appointment as a director on 1 November 2014 until 31 December 2016 under the terms of the Aquarius Director/Employee Share Plan (2013) instead of cash. There is no variable or other performance related component to the remuneration structure for non-executive directors.

Remuneration element	Purpose and link to strategy	Driving factors	Operation
Fees	Market competitive reward to facilitate recruitment and retention of individuals with the skills and experience to be able to support the short and long-term development of the Company.	Market practice globally for the individual with the necessary skills and experience.	Non-executive directors' remuneration is reviewed annually by the full Board, taking into account the findings and recommendations of the Remuneration Committee. Non-executive director fees are benchmarked against the remuneration of non-executive directors serving on the Boards of comparable companies in terms of size, industry and geography. Fees are paid quarterly and the current basic fee is $198,000 for Chairman and $90,000 for non-executive directors. 100% of the Chairman's director's fee and 25% of non-executive director fees are paid in shares that the Company may issue under the terms as approved by shareholders at the AGM held in November 2013. Non-executive director fees were last reviewed in the 2011 financial year and no increases were made. Fees will be reviewed every two years but a review will not necessarily result in an increase. The next review will be in January 2017.
Additional fees			In addition to the basic fee, non-executive directors are entitled to the following additional fees for chairing any committee (or being a committee member): Chair audit $15,000 Chair remuneration $12,000 Chair nomination $12,000 Membership of committees attracts a $7,500 annual fee Senior independent director fee $15,000
Other payments			No awards or options of any kind have been granted to non-executive directors.

REMUNERATION REPORT CONTINUED

ANNUAL REMUNERATION REPORT

BASE PAY

The base pay of the CEO is currently $641,000 comprising $451,000 and ZAR1.9 million ($190,000 at an exchange rate of ZAR10:$1.00) following a 6% increase that was awarded at the review in January 2015. The $451,000 element is paid quarterly in arrears in shares using a conversion price of 35 cents. The terms of this proposal were approved by shareholders at the AGM held in November 2013. 1,289,588 shares were issued to Mr Nel in lieu of salary at the agreed share price of 35 cents.

PENSION AND BENEFITS

The CEO's current remuneration package does not include any pension or benefits.

2015 ANNUAL BONUS

The Remuneration Committee approved a bonus equal to 100% of the CEO's base salary for the 2015 financial year. The bonus was converted to shares using a share price of 35 cents.

The Remuneration Committee established the following KPIs for the purposes of determining the 2015 annual bonus:

% of bonus	Performance requirement	Details	Performance against measure
40%	Operational and safety	Achievement of improved targets for production, costs and safety at Aquarius' controlled entities	Each indicator was exceeded with production being 3% above the previous year, unit cost being 3% better than target, and safety improved against target by 11%
40%	Corporate	Completion of the refinance of the convertible bond, completion of the sale of identified non-core assets and compliance with the MPRDA/Mining Charter requirements	Refinancing completed in May 2014 Conclusion of the sale of non-core assets including Everest mine and Kruidfontein mining rights Ongoing full compliance with the MPRDA/Mining Charter requirements
20%	Long-term objectives	Development of the Group's Strategic Plan including the establishment of a credible pipeline of growth projects	Detailed phase 2 strategy developed and delivered to the Board with list of pipeline projects, details of which remain in progress and commercially sensitive

2016 ANNUAL BONUS

The performance conditions for the 2016 annual bonus will be the same as for 2015 and are as described in the table below. The annual bonus opportunity will be 150% of base for the CEO. Any such bonus payment up to 100% of base will be made in shares using a share price of 35 cents to calculate the conversion. Any bonus in excess of 100% will be paid in deferred shares released 12 and 24 months following the financial year end.

% of bonus	Performance requirement	Details
40%	Operational and safety	Achievement of budget targets for production, costs and safety at Kroondal and Mimosa
40%	Corporate	Completion of the refinance of the convertible bond, completion of the sale of identified non-core assets, and compliance with the MPRDA/Mining Charter requirements
20%	Long-term objectives	Development of the Group's Strategic Plan including the establishment of a credible pipeline of growth projects

DIRECTORS' AND EXECUTIVES' EMOLUMENTS

Details of the nature and amount of each element of the emolument of each director of the Group and the other key management personnel during the financial year are shown in the table below. The Group operates in an industry that has a limited number of participants, is under constant pressure from skills shortages and is exposed to a high level of staff poaching. For these reasons, remuneration of other key management personnel is shown in aggregate. Refer also to Note 32 – Share-based payment plans and Note 33 – Related party disclosures for participation by the directors and key management personnel in the Company's Share Plan.

	Short-term benefits				Post-employment benefits	Share-based payments	
Name	Board fee	Committee fee	Cash salary	Cash bonus	Superannuation/ ex gratia	Options/ shares	Total
	$	$	$	$	$	$	$
J. Nel	–	–	164,638	–	–	598,195 (a)	762,833
N. Rudd	–	–	–	–	–	78,486 (b)	78,486
N.T. Sibley	99,000	–	–	–	–	34,985 (c)	133,985
D.R. Dix	67,500	22,500	–	–	–	19,231 (d)	109,231
G.E. Haslam	67,500	27,000	–	–	–	19,231 (d)	113,731
T. Freshwater	67,500	30,000	–	–	–	19,231 (d)	116,731
K. Morna	67,500	15,000	–	–	–	19,231 (d)	101,731
Z. Mankazana	67,500	7,500	–	–	–	19,231 (d)	94,231
S. De Bruyn Sebotsa	67,500	12,000	–	–	–	19,231 (d)	98,731
	504,000	114,000	164,638	–	–	827,052	1,609,690
Other key management personnel	–		1,241,051	548,289	135,996	345,241	2,270,577

a) *represents 295,000 shares at $0.40 per share granted under the Aquarius Director/Employee Share Plan (2008); 958,084 shares at $0.23 per share granted in lieu of salary and 1,784,160 shares at $0.12 per share granted in lieu of bonus. In addition, it includes an accrual of $35,681 for which 331,504 shares were issued in lieu of salary subsequent to year end at $0.11 per share.*

b) *represents 228,600 shares granted in lieu of directors' fees at $0.15 per share. In addition, it includes an accrual of $43,502 for which shares were issued subsequent to year end.*

c) *represents 119,582 shares granted in lieu of directors' fees at $0.24 per share. In addition, it includes an under-accrual of $6,750 relating to the prior year.*

d) *represents 66,062 shares granted in lieu of directors' fees at $0.22 per share. In addition, it includes an accrual of $4,943 for which shares were issued subsequent to year end.*

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Aquarius Platinum is committed to the principles of good corporate governance and aims to achieve the highest standards and best practice in its overall performance. In accordance with the Australian Securities Exchange Corporate Governance Council's (the Council's) Corporate Governance Principles & Recommendations, the UK Corporate Governance Code, the South African King Code of Governance Principles (King III), collectively (the Recommendations), it has established systems of accountability and control through its corporate governance framework as outlined in its corporate governance statement.

The Board is conscious that the corporate governance environment is constantly evolving and the charters and policies under which it operates its business will continue to be monitored and amended. The Company will disclose the extent to which it has followed the guidelines and any reasons for departure from these. The charters or their summaries referred to in the following statement are available in the Corporate Governance section on the website at www.aquariusplatinum.com.

BOARD OF DIRECTORS

STRUCTURE OF THE BOARD

The bye-laws of the Company determine that the Board consists of not less than two and no more than nine directors. At the date of this report, the Board is comprised of eight directors, seven of whom are non-executive directors, including the Chairman, Sir Nigel Rudd, and one executive director, Mr Jean Nel, Chief Executive Officer.

The names of the current directors, their relevant qualifications and experience are set out in the Directors' Report within this Annual Report. Their status as non-executive, executive or independent directors and tenure on the Board is set out in the table below:

Board Structure

Name of director in office at the date of this report	Date appointed to office	Executive/Non-executive	Independent
N. Rudd - Chairman	1 November 2014	Non-executive	Yes
J. Nel - Chief Executive Officer	3 April 2012	Executive	No
D.R. Dix	31 March 2004	Non-executive	Yes
G.E. Haslam	1 May 2004	Non-executive	Yes
T. Freshwater	9 August 2006	Non-executive	Yes
K. Morna	6 February 2007	Non-executive	Yes
Z. Mankazana	6 November 2008	Non-executive	Yes
S. De Bruyn Sebotsa	6 February 2013	Non-executive	Yes

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall effective management of the Group. It seeks to ensure that its activities conform to the regulatory and ethical requirements of its business affairs by establishing policies and controls to monitor the Group's long-term strategic direction and financial decision making. The Board aims to create sustainable value for shareholders and act in the best interests of its stakeholders, including employees, suppliers and the communities in which it operates. The schedule of matters specifically reserved for decision by the full Board is set out in Appendix One to the Board Charter and is available on the Company's website.

The Board is governed by a Charter which establishes guidelines to ensure its members act in the best interests of the Company. A summary of the Charter can be found on the website at www.aquariusplatinum.com.

The division of responsibilities between the Chairman and executive management, led by the Chief Executive Officer, are separate and clearly defined below:

- The Chairman, Sir Nigel Rudd, is a non-executive independent director. He is responsible for leadership of the Board ensuring its members receive accurate, timely and clear information in order to facilitate effectiveness of its role. He sets the Board's agenda, conducts its meetings and facilitates effective communication with shareholders.
- The Chief Executive Officer and Managing Director, Mr Jean Nel, has responsibility for the management of the Group and leads executive management. He has been delegated responsibility by the Board for the day-to-day operation and administration of the Company. The Chief Executive Officer is assisted in managing the business of the Group by executive management and the Board of Aquarius Platinum (South Africa) (Pty) Ltd. Mr Nel represents the Group's interests as a director of the Mimosa Group of companies which owns the Mimosa Platinum Mine in Zimbabwe.

APPOINTMENTS TO THE BOARD

The Company's bye-laws authorise the Board to appoint new Directors. The Board of the Company has created a Nomination Committee to ensure a rigorous and structured process for appointing new directors to the Board.

New Board members will be sought who possess the particular skills, experience, independence, knowledge and diversity that will best complement Board effectiveness at the time. In considering overall Board balance, the Nomination Committee will give due consideration to the value of diversity of backgrounds, skills and experiences among the members. At times, an external search firm may be used to advise and/ or assist in identifying appropriate candidates.

DIRECTORS' RETIREMENT AND RE-ELECTION

Aquarius' bye-laws determine that at each Annual General Meeting, at least one third of the Board are retired by rotation, therefore holding their positions for no longer than three years. This period of time provides continuity. Non-executive directors are appointed for a three-year term and may be invited to seek reappointment. A director appointed during the year is subject for election at the forthcoming Annual General Meeting. Pursuant to the bye-laws of the Company, the Chief Executive Officer is not subject to retirement by rotation.

DIRECTOR INDEPENDENCE

The Board works to ensure the majority of directors are non-executive, therefore bringing independence, objectivity and a broad range of expertise to the Group.

To facilitate their decision making, each director has the right to seek independent professional advice on matters relating to their position as a director or committee member of the Company at the Company's expense, subject to prior approval of the Chairman, which shall not be unreasonably withheld.

Independence of directors in essence means those directors independent of management and free of any business or other relationship that could, or could reasonably be perceived to, materially interfere with the exercise of unfettered and independent judgement.

In line with the Recommendations, the Board has accepted the guidelines outlined below in determining the independence of non-executive directors. In accordance with these guidelines, all directors, with the exception of Mr Jean Nel as Chief Executive Officer of the Company, are deemed independent.

The Board has accepted the following definition of an independent director.

An independent director is someone who is not a member of management, is a non-executive director and who:

a) is not a substantial shareholder (5%) of the Company or an officer of, or otherwise associated directly with a substantial shareholder of the Company;
b) within the last three years has not been employed in an executive capacity by the Company or another Group member, or been a director after ceasing to hold any such employment;
c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
d) is not a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; and
e) has no material contractual relationship with the Company or another Group member other than as a director of the Company.

BOARD EVALUATION

The Nomination Committee is responsible for determining and overseeing the process for evaluating the performance of the Board and each director in accordance with the Company's Policy of Evaluation of the Board. This process includes individual interviews conducted by the Senior Independent Director with each Board member. Evaluations are conducted on an annual basis and cover:

- Board performance against the requirements of the Board Charter;
- Committee performance against their respective Charters;
- the performance of the Chairman, both in his capacity as Chairman and as an individual member of the Board; and
- the performance of individual directors.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Questionnaires are completed by each director. The questionnaires are appropriate in scope and content to effectively review the performance of the Board and each of its Committees against the requirement of their respective Charters. The questionnaires also cover individual director performance. The questionnaires are completed by each director annually and the responses compiled by the Nomination Committee and reported to the Board as a basis for consideration of the Board and each Committee's performance.

MEETINGS OF THE BOARD

In order to retain full and effective control over the Company and monitor the executive management team, the Board meets regularly and at least on a quarterly basis. Details of directors' attendance at these meetings are set out in the Directors' Report. An agenda set by the Chairman and briefing materials are distributed to each director approximately seven days prior to each meeting to ensure each director is familiar with the scheduled matters of business. All directors may add a matter to the agenda or raise matters not on the agenda at any Board meeting. Key executives and senior management of the Company contribute to board papers and are invited to attend Board meetings from time to time.

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The senior independent non-executive director, Mr Tim Freshwater, is appointed by the Board. The senior independent director's role is primarily to provide a sounding board for the Chairman and to serve as an intermediary for the other directors when necessary.

SUCCESSION PLANNING

The Board brings the range of skills, knowledge, international experience and expertise necessary to govern the Group, but it is aware of the need to ensure processes are in place to assist with succession planning, not only for the Board, but within senior management. The Board periodically assesses its balance of skills and those of the Group in order to maintain an appropriate balance within the Company.

INDUCTION AND EDUCATION

In order to assist directors in fulfilling their duties and responsibilities within the Company, a comprehensive induction programme is provided, including meetings with other Board members, the executive team, senior management and visits to the operating sites of the Company in South Africa and Zimbabwe. The program enables the new appointees to gain an understanding of the Company's financial, strategic, operational and risk management position at all times. Full access to all documentation pertaining to the Company is provided.

COMPANY SECRETARY

The Company Secretary, Mr Willi Boehm, is responsible for supporting the effectiveness of the Board by monitoring that Board policy and procedures are complied with, coordinating the flow of information within the Company and the completion and despatch of briefing materials for the Board. The Company Secretary is accountable to the Board on all governance matters. All directors have access to the services of the Company Secretary. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

CODE OF CONDUCT

The Aquarius Code of Conduct has been developed by the Board to provide a framework for all employees to conduct the business of the Company in an ethical and legal manner. The Board believes it is important that the Company maintains its obligations to shareholders and stakeholders.

There are areas in which the Company must develop detailed policies in accordance with the requirements of local authorities and comply with local laws. The Code of Conduct stands as a set of principles developed by the Board to guide all employees to act with integrity and make informed choices when communicating or acting on behalf of the Company.

The Board and senior executives of the Company have a clear commitment to the Code of Conduct. A summary of the Code of Conduct is available at www.aquariusplatinum.com.

DIVERSITY POLICY

The Diversity Policy outlines the Company's commitment to create a work environment that is fair and inclusive. Diversity within the Group encompasses but is not limited to gender, age, ethnicity and cultural background. Aquarius employment policies and procedures are guided by the Mineral and Petroleum Resources Development Act no. 28 of 2002 and the accompanying Broad-Based Socio-Economic Charter for the South African Mining Industry. The Board believes that diversity contributes to its business and benefits shareholders and stakeholders. The Board has responsibility for oversight of this Policy and it is reviewed on an annual basis. More information can be found in the Corporate Citizenship Report on the website at www.aquariusplatinum.com.

SECURITIES TRADING POLICY

The Board has adopted a policy covering dealings in securities by directors and relevant employees. The policy is designed to reinforce to shareholders, customers and the international community that Aquarius' directors and relevant employees are expected to comply with the law and best practice recommendations with regard to dealing in securities of the Company.

In addition to the Australian Securities Exchange Listing Rules, a director and relevant employees must comply with the Model Code on directors' dealings in securities, as set out in Annexure 1 to Listing Rule 9 of the Rules of the United Kingdom Listing Authority, a copy of which can be found on the Aquarius website at www.aquariusplatinum.com.

In addition to restrictions on dealing in closed periods, a director and relevant employees must not deal in any securities of the Company on considerations of a short-term nature and must take reasonable steps to prevent any dealings by, or on behalf of, any person connected with him in any securities of the Company on consideration of a short-term nature. In line with the listing rules of the Australian Securities Exchange, the UK Listing Authority and the Johannesburg Stock Exchange South Africa, all dealings by directors in the securities of the Company are announced to the market.

COMMITTEES OF THE BOARD

The Board has established four standing committees to assist in the execution of its responsibilities: the Audit/Risk Committee, the Remuneration Committee, the Nomination Committee and the Social & Ethics Committee. The Social & Ethics Committee was established at AQPSA level to manage the Group's South African obligations with respect to the Companies Act (no 71 of 2008) of South Africa. Other committees are formed from time to time to deal with specific matters.

In line with best practice, each of the committees operates under a Charter approved by the Board detailing their role, structure, responsibilities and membership requirements. Each of these Charters is reviewed annually by the Board and the respective committee. Summaries of the Remuneration Committee, Nomination Committee, Social & Ethics Committee and a complete Audit/Risk Committee Charter can be found on the Aquarius website at www.aquariusplatinum.com.

AUDIT/RISK COMMITTEE

The Audit/Risk Committee (the Committee) assists the Board of Aquarius in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process, internal control structure, risk management systems (financial and non-financial) and the external audit process. The Committee is governed by a charter approved by the Board.

The Committee consists of:

- five members;
- only non-executive directors;
- a majority of independent directors; and
- an independent chairperson, who shall be nominated by the Board from time to time but who shall not be the chairperson of the Board.

The members of the Committee at the date of this report are as follows:

- Mr David Dix (Chairman)
- Mr Tim Freshwater
- Mr Edward Haslam
- Mr Kofi Morna
- Sir Nigel Rudd

Qualifications of Audit/Risk Committee members

Mr Dix was appointed to the position as Chairman of the Committee following the retirement of Sir William Purves in November 2012. Mr Dix's background is in economics, law and taxation and he is a Barrister and Solicitor in the High Court of Australia. He has held various positions with Shell Australia Limited and worked for 16 years in Corporate Advisory at both Macquarie Bank Limited and UBS AG specialising in the mining industry, including Head of Resources for Asia Pacific and in London as Head of Mining. Mr Dix is Non-Executive Chairman of Troy Resources NL.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Mr Freshwater is a solicitor in the UK and Hong Kong and has been involved in Asian markets for over 40 years. He is the director of a number of companies, including Swire Pacific Limited, Savills plc, and Hong Kong Exchanges and Clearing Limited. Mr Freshwater was appointed to the Audit/Risk Committee in February 2013.

Mr Haslam is the former Chief Executive of Lonmin plc. He joined Lonmin in 1981, was appointed a director in 1999 and Chief Executive Officer in 2000. He retired from Lonmin in April 2004. In 2011, Mr Haslam was appointed Senior Independent Director of London and Toronto listed gold miner Centamin Egypt Limited.

Mr Morna is an Executive Director of Savannah Resources (Pty) Limited, the lead investor in the Savannah Consortium, Aquarius Platinum's BEE partner. Prior to joining Savannah Resources, Mr Morna worked with the International Finance Corporation as an Investment Officer, Gemini Consulting as a Senior Management Consultant and Schlumberger Oilfield Services as a Field Engineer. Mr Morna holds an MBA from the London Business School and a BSc from Princeton University in the United States. He is currently a director of Mkhombi Holdings, Hall Core Drilling and a number of private mining exploration and beneficiation companies.

Sir Nigel was appointed to the Board of Directors and as Chairman Designate in November 2014 and assumed the Chairmanship on 1 March 2015. He is a member of the Remuneration, Audit/Risk and Nomination Committees of the Group. Sir Nigel is Chairman of Heathrow Airport Holdings Limited, BBA Aviation plc, Meggitt plc and Business Growth Fund plc. He is also a Non-Executive Director of Sappi Limited. Previously, Sir Nigel was Chairman of Pilkington plc from August 1994 to June 2006, Chairman of Alliance Boots plc from December 1999 to June 2007, Chairman of Pendragon plc from October 1989 to October 2010, Chairman of Invensys plc from July 2009 to January 2014, and Non-Executive Director and latterly Deputy Chairman of Barclays Bank plc and Barclays plc from 1996 until April 2009. He is a former Chancellor of Loughborough University.

The Board deems all members of the Committee have the relevant experience and understanding of accounting, financial issues and the mining industry to enable them to effectively oversee audit procedures.

The Committee reviews the performance of the external auditors on an annual basis and meets with them at least twice a year to:

- review the results and findings of the audit at year end and half year end and recommend their acceptance or otherwise to the Board;
- review the results and findings of the audit, the appropriateness of provisions and estimates included in the financial results, the adequacy of accounting and financial controls, and to obtain feedback on the implementation of recommendations made; and
- review the annual audit plan and audit fee for the audit of Aquarius and its controlled entities.

The Committee receives regular reports from the external auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

The Committee assesses the Company's structure, business and controls annually. It ensures the Board is made aware of internal control practices, risk management and compliance matters which may significantly impact upon the Company in a timely manner.

The Committee meets when deemed necessary and at least twice a year. The Company Secretary acts as secretary of the Committee and distributes minutes to all Board members.

Details of attendance at Committee meetings is set out in the Directors' Report.

REMUNERATION COMMITTEE

The members of the Remuneration Committee (the Committee) at the date of this report are:

- Mr Edward Haslam (Chairman)
- Sir Nigel Rudd
- Mr David Dix
- Mr Zwelakhe Mankazana

The Committee is governed by a charter approved by the Board, a summary of which is available on the Company's website at www.aquariusplatinum.com. The Board deem all members of the Committee have the relevant experience and understanding to enable them to effectively oversee their responsibilities. The members of the Committee are non-executive directors the majority of whom are considered independent.

The Committee reviews compensation arrangements for the directors and the executive team. The Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum shareholder benefit from the retention of a high quality executive team.

In carrying out its responsibilities, the Committee is authorised by the Board to secure the attendance of any person with relevant experience and expertise at Committee meetings, if it considers their attendance to be appropriate and to engage, at the Company's expense, outside legal or other professional advice or assistance on any matters within its charter or terms of reference.

The Committee meets as necessary, but must meet at least once a year. The Company Secretary acts as secretary of the meetings and distributes minutes to all Board members. Details of attendance at Committee meetings are set out in the Directors' Report.

NOMINATION COMMITTEE

The Nomination Committee (the Committee) consists of six members. In February 2015 Sir Nigel Rudd was appointed to the Committee following his appointment as Chairman of Aquarius. The members of the Committee at the date of this report are:

- Ms Sonja De Bruyn Sebotsa (Chairman)
- Mr Tim Freshwater
- Mr Ed Haslam
- Mr Kofi Morna
- Sir Nigel Rudd
- Mr Willi Boehm

The Committee is governed by a Charter and will have reference to the following Company policies in its activities:

- the policy for selection, appointment and re-election of directors; and
- the policy for evaluation of the Board.

The Board deem all members of the Committee have the relevant experience and understanding to enable them to effectively oversee their responsibilities. The members of the Committee comprise a majority of non-executive directors the majority of whom are considered independent.

If the appointment of a new director is required to fill a vacancy on the Board, or to complement the existing Board, a range of candidates are considered. Qualifications of the proposed director are assessed by the Committee to determine if their skills and experience will enhance the Board and whether they will have the availability to commit to the Board's activities. A director appointed during the year is subject for election at the forthcoming Annual General Meeting. The Committee may at times take into consideration the advice of external consultants to assist with this process.

New directors are provided with a letter to formalise their appointment. This sets out the Company's expectations once they accept the position, their duties, rights, responsibilities and policies of the Company.

Meetings take place as often as necessary, but the Committee must meet at least once a year. The Company Secretary acts as secretary of the meetings and distributes minutes to all Board members.

Appointments are referred to shareholders at the next available opportunity for election in general meeting.

SOCIAL & ETHICS COMMITTEE

Whilst the Board monitors adherence to social and ethical issues of the Company via its various committees and governance policies, a specific Social & Ethics Committee has been established at its principal subsidiary, AQPSA, to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's South African obligations as required by the Companies Act (no 71 of 2008) of South Africa.

This Committee is governed by a charter, a summary of which is on the Company's website. The Committee consists of a minimum of three members, one of which must be a non-executive director.

The members of the Committee at the date of this report are as follows:

- Mr Z Mankazana (Chairman)
- Ms S De Bruyn Sebotsa
- Mr C Kendall
- Mr J Nel
- Mr R Schroder

CORPORATE GOVERNANCE STATEMENT CONTINUED

The aims and objectives of the Committee are to monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, in relation to:

1.1 Social and economic development, including the Company's standing in terms of the goals and purposes of:

- the United Nations Global Compact's Ten Principles;
- the OECD recommendations on corruption prevention;
- the Employment Equity Act;
- the Mineral and Petroleum Resources Development Act 2002 (South Africa); and
- the Mining Charter.

1.2 Good corporate citizenship, including the Company's:

- promotion of equality, prevention of unfair discrimination, elimination of corruption and ethics performance in general;
- contribution to development of the communities in which its activities are predominately conducted; and
- record of sponsorships, donations and charitable giving.

1.3 The impact of the Company's activities on the environment and the health and safety of its employees and surrounding communities.

1.4 Labour and employment, including:

- the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
- the Company's employment relationships, and its contribution toward the educational development of its employees.

CONTINUOUS DISCLOSURE

The Company has in place a Continuous Disclosure Policy, a summary of which is available on the website at www.aquariusplatinum.com. It outlines the Company's commitment to disclosure, ensuring that timely and accurate information is provided to all shareholders and stakeholders. The Company Secretary is the nominated Communication Officer and is responsible for liaising with the Board to ensure that the Company complies with its continuous disclosure requirements.

A three member Disclosure Committee has been formed comprising the Chief Executive Officer, Mr Jean Nel, the Company Secretary, Mr Willi Boehm, and any one non-executive director. The Disclosure Committee is responsible for overseeing and coordinating the disclosure of information and announcements to the regulatory authorities, analysts, brokers, shareholders, the media and the public.

The Disclosure Committee regularly reviews the Company's compliance with its continuous disclosure obligations.

COMMUNICATIONS WITH SHAREHOLDERS

Shareholder communication is given high priority by the Company. In addition to statutory requirements, such as the Annual Report and Financial Statements for the half and full year, Aquarius Platinum maintains a website which contains announcements and quarterly reports which have been released to the listing authorities – the ASX, LSE and the JSE, and forwarded to the US Securities and Exchange Commission (SEC). Meetings are held with institutional shareholders when this is believed to be in the Company's best interest but no information is shared which is not available to shareholders generally. Presentations that senior executives may deliver to conferences or analysts are also placed on the website as they occur.

Shareholders are able to contact the Company via the email address at info@aquariusplatinum.com. Through the website, shareholders are also given the opportunity to provide an email address by which they are able to receive these documents. The Chief Executive Officer hosts webcasts for the half year and full year results and notification of these is provided on the Company's website.

MEETINGS

The Company's Notice of Meeting materials are distributed to shareholders with an accompanying explanatory memorandum. These documents present the business of the meeting clearly and concisely and are presented in a manner that will not mislead shareholders or the market as a whole. The Notice is despatched to shareholders in a timely manner providing at least 21 days notice pursuant to the bye-laws of the Company. Each notice includes the business of the meeting, details of the location, time and date of the meeting and proxy voting instructions.

Upon release of the Notice of Meeting and Explanatory Memorandum to the ASX, LSE and JSE, a full text of the Notice of Meeting and Explanatory Memorandums is placed on the website at www.aquariusplatinum.com for shareholders and other market participants. Notification of the documents release is provided on the Company's website.

RISK MANAGEMENT

The Company has established policies on risk oversight and management. The Board is committed to monitoring, identifying and managing the material risks of the business activities across the Group. The Company has risk registers across its operations that are updated by the director responsible for risk on a quarterly basis. The Audit/Risk Committee reviews the risk registers on a quarterly basis and the full Board of Aquarius annually. This ensures the Board is made aware of internal control practices, risk management and compliance matters which may significantly impact upon the Company in a timely manner.

The registers set out risks that have been identified. The risks are categorised based on the severity of risk and the probability of the event occurring, and subsequently assessed to ensure adequate control measures are identified to ensure all risks are appropriately mitigated. Further information on risk management is located in the Corporate Citizenship Report available on the Company's website at www.aquariusplatinum.com.

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Note	$'000	$'000
Revenue	7	212,908	233,056
Cost of sales	7	(210,816)	(231,158)
Gross profit		2,092	1,898
Other income	7	173	174
Administrative costs	7	(6,230)	(7,353)
Foreign exchange gain		1,572	1,843
Finance costs	7	(15,437)	(28,091)
Impairment losses	7	(29,445)	(3,084)
Profit on repurchase of bonds	25	–	10,925
Profit on sale of assets	7	20,511	653
Foreign currency translation reserve recycled on disposal		(13,262)	–
BEE partner guarantee		(2,093)	–
Rehabilitation cost reversal	7	–	5,342
Share of (loss)/profit from joint venture entities	13	(48,298)	5,055
Loss before income tax		(90,417)	(12,638)
Income tax expense	8	(7,660)	(544)
Net loss for the year		(98,077)	(13,182)
Other comprehensive income that may be recycled to profit or loss			
Foreign currency translation adjustments		(27,329)	(15,979)
Total other comprehensive loss		(27,329)	(15,979)
Total comprehensive loss		(125,406)	(29,161)
Loss is attributable to:			
Equity holders of Aquarius Platinum Limited		(96,310)	(13,048)
Non-controlling interests		(1,767)	(134)
		(98,077)	(13,182)
Total comprehensive loss is attributable to:			
Equity holders of Aquarius Platinum Limited		(123,746)	(29,064)
Non-controlling interests		(1,660)	(97)
		(125,406)	(29,161)
Earnings per share*			
Basic loss per share (cents per share)	9	(6.59)	(1.38)
Diluted loss per share (cents per share)	9	(6.59)	(1.38)

** Earnings per share for the 2014 financial year reflects the impact of the bonus element of the rights issue undertaken.*

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Assets			
Non-current assets			
Receivables	11	14,233	9,180
Available-for-sale investments	12	392	451
Investments in joint venture entities	13	150,609	230,410
Mining assets	15	163,439	209,211
Deferred tax asset	8	293	14,652
Restricted cash in environmental trusts	16	13,905	16,902
Intangible asset	17	17,727	54,499
Total non-current assets		360,598	535,305
Current assets			
Cash and cash equivalents	18	195,773	136,820
Trade and other receivables	19	29,231	30,104
Inventories	20	8,463	15,246
Total current assets		233,467	182,170
Total assets		594,065	717,475
Equity and liabilities			
Capital and reserves			
Issued capital	27	75,266	73,216
Treasury shares	28	(26,056)	(26,239)
Reserves	29	761,134	781,692
Accumulated losses		(456,760)	(360,450)
Total equity attributable to equity holders of Aquarius Platinum Limited		353,584	468,219
Non-controlling interests		3,889	5,549
Total equity		357,473	473,768
Non-current liabilities			
Payables	21	2,059	2,065
Interest bearing loans and borrowings	22	2,020	118,919
Deferred tax liabilities	8	7,687	16,837
Provisions	23	61,345	65,763
Total non-current liabilities		73,111	203,584
Current liabilities			
Trade and other payables	24	34,523	34,189
Interest bearing loans and borrowings	25	124,880	1,362
Income tax payable	8	1	90
Provisions	26	4,077	4,482
Total current liabilities		163,481	40,123
Total liabilities		236,592	243,707
Total equity and liabilities		594,065	717,475

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital	Treasury shares	Share premium reserve	Foreign currency translation reserve	Equity benefits reserve	Ridge replacement options reserve	Equity reserve	Convertible bond equity component	Accumulated losses	Owners of the parent	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2014	73,216	(26,239)	1,201,126	(108,343)	466	92	(338,019)	26,370	(360,450)	468,219	5,549	473,768
Loss for the period	–	–	–	–	–	–	–	–	(96,310)	(96,310)	(1,767)	(98,077)
Other comprehensive income	–	–	–	(27,436)	–	–	–	–	–	(27,436)	107	(27,329)
Total comprehensive income for the period	–	–	–	(27,436)	–	–	–	–	(96,310)	(123,746)	(1,660)	(125,406)
Transactions with owners in their capacity as owners:												
Equity benefits issued to employees	225	697	683	–	–	–	–	–	–	1,605	–	1,605
On market purchase of share plan shares	–	(514)	–	–	–	–	–	–	–	(514)	–	(514)
Shares issued on Kruidfontein settlement	1,825	–	6,195	–	–	–	–	–	–	8,020	–	8,020
At 30 June 2015	75,266	(26,056)	1,208,004	(135,779)	466	92	(338,019)	26,370	(456,760)	353,584	3,889	357,473

	Issued capital	Treasury shares	Share premium reserve	Foreign currency translation reserve	Equity benefits reserve	Ridge replacement options reserve	Equity reserve	Convertible bond equity component	Accumulated losses	Owners of the parent	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2013	24,343	(26,526)	1,030,810	(92,327)	466	92	(361,826)	62,666	(347,402)	290,296	5,646	295,942
Loss for the period	–	–	–	–	–	–	–	–	(13,048)	(13,048)	(134)	(13,182)
Other comprehensive income	–	–	–	(16,016)	–	–	–	–	–	(16,016)	37	(15,979)
Total comprehensive income for the period	–	–	–	(16,016)	–	–	–	–	(13,048)	(29,064)	(97)	(29,161)
Transactions with owners in their capacity as owners:												
Rights issue	48,810	–	169,584	–	–	–	–	–	–	218,394	–	218,394
Repurchase of convertible bonds	–	–	–	–	–	–	23,807	(36,296)	–	(12,489)	–	(12,489)
Equity benefits issued to employees	63	1,012	732	–	–	–	–	–	–	1,807	–	1,807
Participation in rights issue by controlled entities	–	(2,297)	–	–	–	–	–	–	–	(2,297)	–	(2,297)
On market purchase of share plan shares	–	(1,477)	–	–	–	–	–	–	–	(1,477)	–	(1,477)
Consideration received by controlled entities from sale of equity rights in the parent entity	–	3,049	–	–	–	–	–	–	–	3,049	–	3,049
At 30 June 2014	73,216	(26,239)	1,201,126	(108,343)	466	92	(338,019)	26,370	(360,450)	468,219	5,549	473,768

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		221,579	231,520
Payments to suppliers and employees		(210,565)	(215,959)
Foreign exchange gain on currency contract		773	–
Interest received		6,431	5,714
Other income		172	398
Income taxes paid		(538)	(581)
Net cash from operating activities		17,852	21,092
Cash flows from investing activities			
Payments for mining assets		(23,139)	(28,073)
Proceeds from sale of Kruidfontein prospecting rights		26,811	–
Tax payment relating to sale of Kruidfontein prospecting rights		(3,041)	–
Proceeds from sale of Everest		32,783	–
VAT collected on sale of Everest		4,512	–
Proceeds from sale of mining assets		608	849
Net cash from/(used in) investing activities		38,534	(27,224)
Cash flows from financing activities			
Interest and other finance costs paid		(6,015)	(12,709)
Payment for repurchase of bonds including transaction costs		–	(162,429)
Proceeds from rights issue		–	223,845
Transaction costs relating to rights issue		(1,262)	(8,351)
Proceeds from sale of rights		–	3,049
Proceeds from borrowings		4,652	2,989
Repayment of borrowings		(2,596)	(4,274)
Purchase of shares reserved for share plan		(514)	–
Loans to joint venture entities		(1,725)	(2,222)
Dividends from joint venture entities		20,000	22,373
Net cash from financing activities		12,540	62,271
Net increase in cash held		68,926	56,139
Cash and cash equivalents at the beginning of the financial year		136,820	77,773
Net foreign exchange differences		(9,973)	2,908
Cash and cash equivalents at the end of the financial year	18	195,773	136,820

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. CORPORATE INFORMATION

The consolidated financial statements of Aquarius Platinum Limited (Aquarius or the Company) for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 30 September 2015. Aquarius Platinum Limited is a limited company incorporated and domiciled in Bermuda whose shares are publicly traded. The principal activities of the Group are described in the Directors' Report.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost accounting convention except for available-for-sale investments and derivative financial instruments that have been measured at fair value.

STATEMENT OF COMPLIANCE

The consolidated financial statements of Aquarius Platinum Limited and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial information is presented in US Dollars and has been rounded to the nearest thousand US Dollars unless otherwise stated.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the accounts of Aquarius Platinum Limited and its controlled subsidiaries, after the elimination of all material intercompany balances and transactions.

Subsidiaries are consolidated from the date the parent entity obtains control and continue to be consolidated until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated accounts include the results for the part of the reporting period during which the parent entity had control. A list of subsidiaries appears in Note 33(a).

The accounts of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2014. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies as set out below:

Reference	Title	Summary	Impact
IFRS 21	Levies	This interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	There was no material impact on the Annual Report.
IAS 32	Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities	The IASB adds application guidance to IAS 32 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of IAS 32, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	There was no material impact on the Annual Report.
IAS 36	Amendments to IAS36 – Recoverable Amount Disclosures for Non-Financial Assets	The IASB amends the disclosure requirements in IAS 36 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	There was no material impact on the Annual Report.

Reference	Title	Summary	Impact
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	The IASB makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	There was no material impact on the Annual Report.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Group's accounting policies, management has made the following judgements and estimations, which have the most significant effect on the amounts recognised in the financial statements. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

• Joint arrangements

Judgement is required to determine when the Group has joint control, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, such as: the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the joint arrangement. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:

- The structure of the joint arrangement – whether it is structured through a separate vehicle.
- When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
  - the legal form of the separate vehicle; and
  - the terms of the contractual arrangement.

This assessment often requires significant judgement, and a different conclusion on joint control and also whether the arrangement is a joint operation or a joint venture may materially impact the accounting.

• Determination of mineral resources and ore reserves

Aquarius estimates its mineral resources and ore reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC code'). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC code.

There are numerous uncertainties inherent in estimating mineral resources and 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 the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

• Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved and probable mineral reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES CONTINUED

• Impairment of capitalised exploration and evaluation expenditure continued

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

• Impairment of capitalised mine development expenditure

The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved and probable ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

• Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs to sell'.

In determining value in use, future cash flows are based on estimates of the quantities of economically recoverable ore reserves and mineral resources for which there is a high degree of confidence of economic extraction, future production levels, future commodity prices and future cash costs of production.

Variations to the expected future cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which could in turn impact future financial results.

• Impairment of intangible assets

For intangible assets with limited lives, the Group determines whether the asset is impaired when an indication of impairment exists.

In determining recoverable amount, future cash flows are based on estimates of the quantities of economically recoverable ore reserves and mineral resources for which there is a high degree of confidence of economic extraction, future production levels, future commodity prices and future cash costs of production.

• Restoration provisions

The Group records the present value of the estimated cost of restoring operating locations in the period in which the obligation arises, which is typically at the commencement of construction or disturbance to the environment. The nature of the restoration activities includes the removal of facilities, abandonment of mine sites and rehabilitation of the affected areas. In most instances this arises many years in the future. The application of this policy necessarily requires judgemental estimates and assumptions regarding the date of abandonment, environmental legislation, engineering methodology adopted, technologies to be used, expected future inflation rates and the asset specific discount rates used to determine the present value of these cash flows.

• Revenue recognition

The accounting policy for sale of goods is set out in Note 5(j). The determination of revenue from the time of initial recognition of the sale on a provisional basis through to final pricing requires management to continuously re-estimate the fair value of the price adjustment feature. Management determines this with reference to estimated forward prices using consensus forecasts.

• Production start date

The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine is substantially complete, including, but not limited to, the following:

- the level of capital expenditure compared to the construction cost estimates;
- completion of a reasonable period of testing of the mine plant and equipment;
- ability to produce product in saleable form (within specifications); and
- ability to sustain ongoing production of metal.

When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs that qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development. It is also at this point that depreciation/amortisation commences.

- **Inventories**

Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale. Stockpile and concentrate tonnages are verified by periodic surveys.

- **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5. SIGNIFICANT ACCOUNTING POLICIES

(A) EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

Pre-license costs are expensed in the statement of profit or loss & other comprehensive income as incurred.

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets (E&E assets) on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as either tangible or intangible E&E assets according to the nature of the assets acquired. When a licence is relinquished or a project is abandoned, the related costs are recognised in the statement of profit or loss & other comprehensive income immediately.

E&E assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, E&E assets are allocated to cash-generating units consistent with the determination of reportable segments.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and probable reserves are determined to exist. Upon determination of proven and probable reserves, tangible and intangible E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to the relevant category within mining assets.

Expenditure deemed to be unsuccessful is recognised in the statement of profit or loss & other comprehensive income immediately.

(B) MINING ASSETS

Mining assets which consist of mineral and surface rights, option and prospecting fees, mine development costs, process plants and buildings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any cost directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

While a mine is being developed these costs are accumulated and capitalised until mining commences after which they are accounted for as follows:

Mining tenements

- **Mineral rights**

Mineral rights are depreciated over their estimated useful lives using the unit-of-production method based on proven and probable platinum ore reserves. Proven and probable platinum ore reserves reflect estimated quantities of economically recoverable resources which can be recovered in future from known mineral deposits.

- **Surface rights**

Surface rights in respect of freehold land are held for mining purposes only and are not depreciated, as their values should not be depleted through mining activities.

- **Option and prospecting fees**

Option and prospecting fees are depreciated from the commencement of mining on the same basis as mineral rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(B) MINING ASSETS CONTINUED

Mining development

Mine development costs incurred to develop new ore bodies and to expand the capacity of the mine are accounted for as follows:

- Where development is on-reef these costs are expensed.
- Where development is off-reef these costs are capitalised.
- Dip conveyors are capitalised.
- Only the first installation of strike conveyors are capitalised with all further extensions being expensed. Associated underground infrastructure, including dams, sub-stations and compressed air piping are also expensed.

Depreciation is first charged on mine development from the date on which the asset is in the condition necessary for it to operate in a manner intended by management.

Mine development costs are depreciated using the unit-of-production method based on estimated proven and probable platinum ore reserves, unless the useful life of the mine development is less than the life of mine, in which case a straight line method will be applied. Proven and probable reserves reflect estimated quantities of economically recoverable platinum resources which can be recovered in the future from known mineral deposits.

Useful lives and residual values are reassessed annually.

Development costs to maintain production are expensed as incurred against the related production.

Process plant

Process plant is depreciated using the unit-of-production method based on estimated proven and probable platinum ore reserves, unless the useful life of the plant is less than the life of mine, in which case a straight line method is applied. Proven and probable reserves reflect estimated quantities of economically recoverable platinum resources which can be recovered in future from known mineral deposits.

Useful lives and residual values are reassessed annually.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the group through an extended life, the expenditure is capitalised. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets that is to be immediately written off. All other day-to-day maintenance costs are expensed as incurred.

Buildings and equipment

Depreciation is charged to the statement of profit or loss & other comprehensive income on a straight line basis over the estimated useful lives of each part of an item of buildings and equipment. The estimated useful lives range from 3 to 12.5 years.

Useful lives and residual values are reassessed annually. Where parts of an item of the mining assets have different useful lives, they are accounted for as separate items of the related mining asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within the statement of profit or loss & other comprehensive income.

Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance lease are stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

(C) IMPAIRMENT

Non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset (or CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's/CGU's fair value less costs of disposal (FVLCD) and its value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU to which it belongs. Where the carrying amount of an asset/CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. Management has assessed its CGUs as being an individual mine, which is the lowest level for which cash inflows are largely independent of those of other assets.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions (where available) are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated, based on the life-of-mine plans. The estimated cash flows are based on expected future production, metal selling prices, operating costs and forecast capital expenditure, and cash flows beyond five years are based on life-of-mine plans.

VIU does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in FVLCD calculations.

Impairment losses of continuing operations, including impairment of inventories, are recognised in the statement of profit or loss & other comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets/CGUs excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's/CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset/CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in the statement of profit or loss & other comprehensive income.

Financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is considered to be impaired if objective evidence as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event'), indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the impairment losses are recognised in the statement of profit or loss & other comprehensive income.

Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. The financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the statement of profit or loss & other comprehensive income.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in other comprehensive income is transferred to the statement of profit or loss & other comprehensive income.

For available-for-sale financial assets that are debt securities, the reversal is recognised in the statement of profit or loss & other comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

(D) FAIR VALUE MEASUREMENT

The Group measures derivatives at fair value at each balance sheet date and, for the purposes of impairment testing, uses fair value less costs of disposal to determine the recoverable amount of some of its non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(D) FAIR VALUE MEASUREMENT CONTINUED

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

On an interim basis, management presents the valuation results to the Audit/Risk Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(E) INVESTMENTS AND OTHER FINANCIAL ASSETS

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised at the trade date i.e. the date the Group commits to purchase the asset.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as either financial assets at fair value through profit or loss, loans and receivables or held to maturity financial assets. After initial recognition, available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(F) DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(G) FOREIGN CURRENCIES

The consolidated financial statements are stated in US Dollars which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in each entity are measured using that functional currency.

Foreign currency transactions

Transactions in foreign currencies are recorded in the applicable functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All exchange differences on monetary items are included in determining profit or loss. Non-monetary items are recorded in the applicable functional currency using the exchange rate at the date of the transaction.

Translation of financial reports of foreign operations

The Mimosa Investments Limited Group financial statements incorporating its controlled entities in Zimbabwe, have been prepared using US Dollars as the functional currency. The functional currency of subsidiaries in South Africa is considered to be the South African Rand. The functional currency of subsidiaries in Australia is considered to be the Australian Dollar.

The assets and liabilities of these entities are translated to the Group presentation currency at the rate of exchange ruling at the reporting date. Income and expense items are translated at average exchange rates for the period. Any exchange differences are taken directly to the foreign currency translation reserve. On disposal of a foreign entity, cumulative deferred exchange differences are recognised in comprehensive income as part of the profit or loss on sale.

(H) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The acquisition method requires that the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, at acquisition date. Acquisition costs directly attributable to the acquisition are expensed in the period. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at fair value at the date of acquisition, irrespective of the extent of any non-controlling interest.

For each business combination, the Group has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(I) INTANGIBLE ASSETS

The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised using the straight line method over the useful life of the contract and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method is reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(J) REVENUE RECOGNITION

Revenue is recognised and measured at fair value to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues on interest bearing cash deposits, using the effective interest method.

Sale of goods

Revenue on sale of mine products is recognised when risks and rewards of ownership of the mine product has passed to the buyer pursuant to a sales contract.

For PGM concentrate sales the sales price is determined on a provisional basis at the date of delivery. Adjustments to the sale price occur based on movements in the metal market price up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement. The period between provisional invoicing and final pricing is typically between two and four months. Revenue on provisionally priced sales is initially recorded at the estimated fair value of the consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the characteristics of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in the statement of profit or loss & other comprehensive income and trade debtors in the statement of financial position. In all cases, fair value is determined with reference to estimated forward prices using consensus forecasts.

Dividends

Revenue is recognised when the Group's right to receive the payment is established.

(K) INCOME TAXES

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relate to the same taxable entity and the same taxation authority.

(L) EMPLOYEE ENTITLEMENTS

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of wages and salaries, annual leave and other benefits due to be settled within twelve months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

All other employee entitlement liabilities are measured at the present value of estimated payments to be made in respect of services rendered up to reporting date.

Contributions for pensions and other post employment benefits to defined contribution plans are recognised in comprehensive income as incurred during the period in which employees render the related service.

(M) INTEREST BEARING LOANS AND BORROWINGS

Loans and borrowings other than financial instruments issued by the Group are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, all interest bearing loans and borrowings, other than liabilities held for trading, are subsequently measured at amortised cost using the effective interest method.

The convertible bond has two elements: a liability component (a host debt contract) and an equity element (an embedded option entitling the bond holder to convert the liability into common shares in the Company). The liability element is initially recognised at fair value and is subsequently carried at amortised cost whereby the initial carrying value of the debt is accreted to the principal amount over the life of the bond. This accretion is recognised as a finance cost together with coupon payments. The balance of the bond proceeds is allocated to the equity component.

(N) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur.

(O) TRADE AND OTHER PAYABLES

Liabilities for trade and other payables, whether billed or not billed to the Group, which are normally settled on 30 – 90 day terms, are carried at amortised cost.

(P) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss & other comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(Q) CASH

Cash and cash equivalents include cash on hand and in banks, and deposits at call which have an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(R) INVENTORIES

Inventories comprise consumables, reagents, produce, packaging, chromite, reef ore stockpiled and concentrate awaiting further processing and are valued at the lower of cost and net realisable value. Cost is determined on the weighted average method and includes direct mining expenditure and an appropriate proportion of overhead expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(S) TRADE AND OTHER RECEIVABLES

Trade receivables include actual invoiced sales of PGM concentrate as well as sales not yet invoiced for which deliveries have been made and the risks and rewards of ownership have passed. The receivable amount calculated for the PGM concentrate delivered but not yet invoiced is recorded at the fair value of the consideration receivable at the date of delivery. At each subsequent reporting date the receivable is restated to reflect the fair value movements in the pricing mechanism which is considered to represent an embedded derivative. Foreign exchange movements subsequent to the recognition of a sale are recognised as a foreign exchange gain or loss in the statement of profit or loss & other comprehensive income.

Other receivables are stated at cost less any allowance for uncollectible amounts. An allowance is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

(T) PROVISION FOR MINE SITE REHABILITATION

The provision for rehabilitation represents the cost of restoring site damage following initial disturbance. Increases in the provision are capitalised to deferred mining assets to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located under IAS 16. Costs incurred that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

Gross rehabilitation costs are estimated at the present value of the expenditures expected to settle the obligation, using estimated cash flows based on current prices. The estimates are discounted at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate the risk specific to the liability. The unwinding of the discount is recorded as an accretion charge within finance costs.

Rehabilitation costs capitalised to mining assets are amortised over the operating life of each mine using the units of production method based on estimated proven and probable mineral reserves. Expenditure on ongoing rehabilitation costs is brought to account when incurred.

In South Africa, annual contributions are made to an Environmental Rehabilitation Trust Fund, created in accordance with South African Statutory requirements, to fund the estimated cost of rehabilitation during and at the end of the life of a mine. The funds that have been paid into the trust fund plus the growth in the trust fund are shown as an asset in the statement of financial position.

(U) SHARE CAPITAL

Share capital is recognised at the fair value of the consideration received by the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

(V) TREASURY SHARES

Treasury shares are deducted from equity and no gain or loss is recognised in profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments.

(W) LEASES

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit or loss & other comprehensive income on a straight-line basis over the lease term.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

(X) INTERESTS IN JOINT OPERATIONS

A joint operation is a joint arrangement in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In relation to the Group's interests in joint operations, the following are recognised in the financial statements:

(i) the Group's share of the jointly controlled assets, classified according to the nature of the assets;
(ii) any liabilities that the Group has incurred;
(iii) the Group's share of any liabilities incurred jointly with the other venturers in relation to the joint operation;
(iv) any income from the sale or use of the Group's share of the output of the joint operation, together with the Group's share of any expenses incurred by the joint operation; and
(v) any expenses that the Group has incurred in respect of its interest in the joint operation.

(Y) INVESTMENTS IN JOINT VENTURES

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss & other comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in Other Comprehensive Income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss & other comprehensive income and represents profit or loss after tax.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on the investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, then recognises the loss in 'Share of profit/(loss) from joint venture entities' in the statement of profit or loss & other comprehensive income.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(Z) SHARE-BASED PAYMENT TRANSACTIONS

Employees (including senior executives) of the Group receive remuneration in the form of equity based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The Group currently has a share plan for employees. Loans made under the share plan are treated as share-based compensation under IFRS 2.

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined using a binomial or Black and Scholes pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(Z) SHARE-BASED PAYMENT TRANSACTIONS CONTINUED

Equity-settled transactions continued

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Shares in the Group acquired on market and held by the Share Plan are shown as a deduction from equity.

(AA) EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares, adjusted for any bonus elements.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to equity holders of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus elements.

(BB) DIVIDENDS

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at reporting date.

(CC) COMPARATIVE AMOUNTS

Where appropriate, comparative amounts have been reclassified to be consistent with the current year's presentation.

(DD) STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. Unless stated otherwise below, the impact of these new or amended standards has yet to be fully assessed. The Group intends to adopt these standards when they become effective.

Reference	Title	Summary	Application date of standard	Application date for Group
IFRS 5, IAS 19 and IAS 34	Amendments to Accounting Standards – Annual Improvements	This standard provides clarification amendments to IFRS 5, IAS 19 and IAS 34.	1 January 2016	1 July 2016
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	The amendment of IFRS 10 *Consolidated Financial Statements* and IAS 28 is to address an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	1 January 2016	1 July 2016

Reference	Title	Summary	Application date of standard	Application date for Group
IFRS 11	IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11	The amendment of IFRS 11 *Joint Arrangements* to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 *Business Combinations*, to apply all of the principles on business combinations accounting in IFRS 3 except for those principles that conflict with the guidance in IFRS 11; and (b) the acquirer to disclose the information required by IFRS 3 for business combinations.	1 January 2016	1 July 2016
IAS 1	Amendments to Accounting Standards – Disclosure Initiative: Amendments to IAS 1	The Standard makes amendments to IAS 1. *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	1 July 2016
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
IAS 27	Amendments to Accounting Standards – Equity Method in Separate Financial Statements	This amends IAS 27 *Separate Financial Statements*, and consequentially amends IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 28 *Investments in Associates and Joint Ventures*, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements.	1 January 2016	1 July 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

5. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(DD) STANDARDS ISSUED BUT NOT YET EFFECTIVE CONTINUED

Reference	Title	Summary	Application date of standard	Application date for Group
IFRS 15	Revenue from Contracts with Customers	IFRS 15 *Revenue from Contracts with Customers* replaces the existing revenue recognition standards IAS 11 *Construction Contracts*, IAS 18 *Revenue and related Interpretations* (IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services)*. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer. (b) Step 2: Identify the performance obligations in the contract. (c) Step 3: Determine the transaction price. (d) Step 4: Allocate the transaction price to the performance obligations in the contract. (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.	1 January 2018	1 July 2018
IFRS 9	Financial Instruments	IFRS 9 is a new standard which replaces IAS 39. This new version includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. **Classification and measurement** IFRS 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of IAS 39. There are also some changes made in relation to financial liabilities. The main changes are described below. **Financial assets** a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss & there is no impairment or recycling on disposal of the instrument.	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard	Application date for Group
		c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. **Financial liabilities** Changes introduced by IFRS 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: • The change attributable to changes in credit risk are presented in other comprehensive income (OCI) • The remaining change is presented in profit or loss IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. **Impairment** IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. **Hedge accounting** Amendments to IFRS 9 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. The transition to IFRS 9 differs by requirements and is partly retrospective and partly prospective. Despite the requirement to apply IFRS 9 in its entirety, entities may elect to early apply only the requirements for the presentation of gains and losses on financial liabilities designated as FVPL without applying the other requirements in the standard.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

6. OPERATING SEGMENTS

(A) IDENTIFICATION OF REPORTABLE SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources. Each individual mine and tailings retreatment operation is treated as a separate operating unit for internal reporting purposes. Discrete financial information about each of these operating units is reported to the executive management team on a monthly basis. The Corporate operating unit holds assets and liabilities not specifically related to a single operating unit.

The operations of Kroondal, Marikana, Everest and Mimosa mine, process and sell concentrate containing platinum group metals. The operations of CTRP and Platinum Mile operate as tailings retreatment facilities from which they produce and sell a concentrate containing platinum group metals. Marikana, Blue Ridge and CTRP were on care and maintenance through-out the whole year. Part A of the Everest sale agreement was finalised during the year resulting in all of the Everest net assets, other than those relating to the mining licence, being sold.

The majority of sales of concentrate are to two specific South African based customers being Impala Platinum Holdings Limited and Rustenburg Platinum Mines Limited. The operations of Kroondal, Marikana, Everest, Blue Ridge, CTRP and Platinum Mile are based in South Africa. The operations of Mimosa are based in Zimbabwe. Repatriation of funds from South Africa and Zimbabwe are subject to regulatory approval in the respective countries.

(B) ACCOUNTING POLICIES AND INTER-SEGMENT TRANSACTIONS

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 5 to the accounts.

Corporate/unallocated comprises non-segmental revenue and expenses such as head office expenses and interest income/expense. Corporate charges are not allocated to operating segments. Similarly, corporate assets and liabilities, including financial assets and liabilities, are not allocated to the segments, such that there is symmetrical treatment between the segment results and segment assets and liabilities.

(C) ZIMBABWE OPERATIONS

15% export levy on unbeneficiated PGMs

In the 2015 National Budget Statement, the deferment of the 15% export levy on unbeneficiated platinum to January 2017 was proposed. However, the Finance Act (No 3) of 2014 which gives legal effect to the budget proposals did not include the deferment of the 15% tax on un-beneficiated PGMs. This effectively meant that the tax was not deferred and hence the 15% export levy on un-beneficiated PGMs became law and effective on 1 January 2015. The Company continues to engage the authorities in consultation with the Chamber of Mines to have the levy deferred. In the absence of the formal deferment in law, and having considered the above the Directors believe it is prudent to provide for the impact of this levy. Accordingly an attributable amount of $4.5 million has been accrued for the financial year ended June 2015. Aquarius and Mimosa are confident that the matter will be resolved and remain committed to building good working relations with the Government of Zimbabwe. Furthermore Mimosa, together with the other platinum producers in Zimbabwe, are currently in the process of assessing the viability of a number of in-country smelting and beneficiation alternatives. The outcome of these assessments will be communicated to all relevant stakeholders in due course.

Royalties

The proposal to render royalties payable by Mimosa non-deductible for income tax purposes was implemented with effect from the year of assessment beginning on 1 January 2014, and therefore impacted Mimosa from the start of the 2014 financial year on 1 July 2013. This position has remained in the 2015 national budget. The financial impact of the non-deductibility of royalties was $4.2 million for the financial year to June 2014 and $4.7 million for the financial year ended June 2015, 50% of which is attributable to Aquarius. Negotiations are continuing with the authorities to confirm that the royalties are deductible for income tax purposes.

Indigenisation

Mimosa continues to interact with the Ministry of Indigenisation and Ministry of Mines to work towards a sustainable solution in relation to indigenisation, but in the period under review no agreements or definitive terms were agreed between Mimosa and the Ministry of Indigenisation. As a result, the matter is ongoing and management is unable to estimate the financial impact of the proposed transaction.

30 June 2015	Kroondal $'000	Marikana $'000	Everest $'000	Mimosa $'000	Platinum Mile $'000	CTRP $'000	Blue Ridge $'000	Corporate/ Unallocated $'000	Segment Result $'000	Reconciliation to Consolidated Information* $'000	Consolidated $'000
Revenue	198,424	224	480	136,621	8,077	70	35	5,633	349,564	(136,656)	212,908
Cost of sales											
– mining, processing and administration	(177,679)	(926)	(2,352)	(93,189)	(7,279)	(22)	(793)	(1)	(282,241)	93,983	(188,258)
– depreciation and amortisation	(19,527)	(126)	(43)	(16,586)	(2,663)	(192)	–	(7)	(39,144)	16,586	(22,558)
Gross profit/(loss)	1,218	(828)	(1,915)	26,846	(1,865)	(144)	(758)	5,625	28,179	(26,087)	2,092
Other income	–	–	–	201	–	–	15	173	389	(216)	173
Administrative costs	–	–	–	–	–	–	–	(6,307)	(6,307)	77	(6,230)
Foreign exchange gain/(loss)	9,174	–	–	(90)	324	–	–	(8,049)	1,359	213	1,572
Finance costs	–	–	–	–	–	–	–	(19,136)	(19,136)	3,699	(15,437)
Impairment losses	–	–	–	–	(27,954)	–	(1,695)	(19,389)	(49,038)	19,593	(29,445)
Profit/(loss) on sale of assets	–	–	1,756	(337)	–	–	–	18,755	20,174	337	20,511
Foreign currency translation reserve recycled on disposal	–	–	–	–	–	–	–	(13,262)	(13,262)	–	(13,262)
BEE partner guarantee	–	–	–	–	–	–	–	(2,093)	(2,093)	–	(2,093)
Discounting of RBZ receivable	–	–	–	(28,537)	–	–	–	–	(28,537)	28,537	–
Community share ownership trust	–	–	–	(3,000)	–	–	–	–	(3,000)	3,000	–
Share of loss from joint venture entities	–	–	–	–	–	–	–	–	–	(48,298)	(48,298)
Profit/(loss) before income tax	10,392	(828)	(159)	(4,917)	(29,495)	(144)	(2,438)	(43,683)	(71,272)	(19,145)	(90,417)
Income tax (expense)/benefit	–	–	–	–	–	–	–	(26,805)	(26,805)	19,145	(7,660)
Net profit/(loss) from ordinary activities	10,392	(828)	(159)	(4,917)	(29,495)	(144)	(2,438)	(70,488)	(98,077)	–	(98,077)
Segment assets	220,078	45,144	2,355	211,057	30,269	439	29,624	144,651	683,617	(89,552)	594,065
Capital expenditure	23,559	–	–	15,031	129	–	–	–	38,719	(15,031)	23,688
Segment liabilities	35,599	54,584	3,426	60,448	8,711	1	29,624	133,751	326,144	(89,552)	236,592

** The segment information provided reflects the financial information used by the chief operating decision maker in assessing the performance of each operating segment. For the Mimosa and Blue Ridge operating segments the chief operating decision maker is provided with the detailed revenue, expenditure, asset and liability financial information. In the consolidated financial statements these operating segments are accounted for using the equity method. This differs from the measures used by the chief operating decision maker. The column titled "Reconciliation to Consolidated Information" provides a reconciliation of this segment information to the consolidated financial information.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

6. OPERATING SEGMENTS (continued)

30 June 2014	Kroondal $'000	Marikana $'000	Everest $'000	Mimosa $'000	Platinum Mile $'000	CTRP $'000	Blue Ridge $'000	Corporate/ Unallocated $'000	Segment Result $'000	Reconciliation to Consolidated Information* $'000	Consolidated $'000
Revenue	222,147	675	749	130,512	5,166	95	37	4,224	363,605	(130,549)	233,056
Cost of sales											
– mining, processing and administration	(189,330)	(2,140)	(5,527)	(95,726)	(5,009)	(31)	(958)	(222)	(298,943)	96,785	(202,158)
– depreciation and amortisation	(24,048)	(424)	(1,789)	(13,106)	(2,521)	(212)	(12)	(6)	(42,118)	13,118	(29,000)
Gross profit/(loss)	8,769	(1,889)	(6,567)	21,680	(2,364)	(148)	(933)	3,996	22,544	(20,646)	1,898
Other income	–	–	–	200	–	–	24	174	398	(224)	174
Administrative costs	–	–	–	–	–	–	–	(7,397)	(7,397)	44	(7,353)
Foreign exchange gain/(loss)	3,577	–	(2)	(159)	139	–	–	(1,871)	1,684	159	1,843
Finance costs	–	–	–	–	–	–	–	(31,891)	(31,891)	3,800	(28,091)
Impairment losses	–	–	–	–	–	–	–	(3,084)	(3,084)	–	(3,084)
Profit on repurchase of bonds	–	–	–	–	–	–	–	10,925	10,925	–	10,925
Profit on sale of assets	–	–	–	–	–	–	–	653	653	–	653
Rehabilitation (reversal)/costs	(2,726)	8,767	(699)	–	–	–	–	–	5,342	–	5,342
Community share ownership trust	–	–	–	(500)	–	–	–	–	(500)	500	–
Indigenisation costs	–	–	–	(1,959)	–	–	–	–	(1,959)	1,959	–
Share of profit from joint venture entities	–	–	–	–	–	–	–	–	–	5,055	5,055
Profit/(loss) before income tax	9,620	6,878	(7,268)	19,262	(2,225)	(148)	(909)	(28,495)	(3,285)	(9,353)	(12,638)
Income tax (expense)/benefit	–	–	–	–	–	–	–	(9,897)	(9,897)	9,353	(544)
Net profit/(loss) from ordinary activities	9,620	6,878	(7,268)	19,262	(2,225)	(148)	(909)	(38,392)	(13,182)	–	(13,182)
Segment assets	214,742	53,115	36,071	244,645	67,925	735	28,312	152,850	798,395	(80,920)	717,475
Capital expenditure	25,601	48	–	16,806	1,546	–	–	–	44,001	(16,806)	27,195
Segment liabilities	39,093	58,636	5,958	49,633	18,373	1	31,282	121,651	324,627	(80,920)	243,707

** The segment information provided reflects the financial information used by the chief operating decision maker in assessing the performance of each operating segment. For the Mimosa and Blue Ridge operating segments the chief operating decision maker is provided with the detailed revenue, expenditure, asset and liability financial information. In the consolidated financial statements these operating segments are accounted for using the equity method. This differs from the measures used by the chief operating decision maker. The column titled "Reconciliation to Consolidated Information" provides a reconciliation of this segment information to the consolidated financial information.*

	2015	2014
	$'000	$'000
Geographical information		
Revenue		
South Africa	207,310	228,869
Zimbabwe	136,621	130,512
Corporate/Unallocated	5,633	4,224
Total revenue per operating segment note	349,564	363,605

The two most significant customers represented 57% (2014: 61%) (Rustenburg Platinum Mines Limited) and 39% (2014: 36%) (Centametall AG) of the Group's total segment revenue.

	2015	2014
Non-current assets		
South Africa	227,698	329,263
Zimbabwe	155,959	190,123
Corporate/Unallocated	9,096	39,868
Total non-current assets per operating segment note	392,753	559,254

7. REVENUE AND EXPENSES

	2015	2014
Revenue		
Sale of mine products	217,157	225,335
PGM price adjustments*	(11,640)	2,045
Interest income	7,391	5,676
	212,908	233,056

**This represents the impact of PGM price movements on sales.*

	2015	2014
Cost of sales		
Depreciation and amortisation	22,558	29,000
Other costs of production	187,938	201,814
Royalties	320	344
	210,816	231,158

	2015	2014
Other income		
Other	173	174
	173	174

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

	2015 $'000	2014 $'000
7. REVENUE AND EXPENSES CONTINUED		
Administrative costs		
Advertising and promotion	112	151
Consulting fees	1,164	1,286
Directors' fees	627	811
Insurance	76	93
Legal fees	353	175
Rental on operating leases	231	263
Share-based payments	1,605	1,807
Stock exchange and registry management	333	357
Travel	426	372
Wages, salaries and employee benefits	781	1,477
Other	522	561
	6,230	7,353
Finance costs		
Interest on borrowings	5,638	12,019
Accretion of interest on convertible bond	4,684	10,016
Accretion of mine-site rehabilitation liability	4,691	5,112
Amortisation of borrowing costs	424	944
	15,437	28,091
Profit on sale of assets		
Profit on sale of Kruidfontein prospecting rights (a)	18,763	–
Profit on sale of Everest (b)	1,756	–
Other	(8)	653
	20,511	653
(a) Cash proceeds from sale of Kruidfontein	26,811	–
Shares issued on Kruidfontein settlement	(8,020)	–
Carrying amount of Kruidfontein	(28)	–
	18,763	–
(b) Cash proceeds from sale of Everest	32,783	–
Mining assets sold	(27,225)	–
Inventory sold	(3,802)	–
	1,756	–
Rehabilitation cost reversal		
Rehabilitation cost reversal	–	(5,342)
	–	(5,342)

During the 2014 financial year the methodology of performing rehabilitation work was reassessed resulting in a downward revision to the rehabilitation provision.

	2015	2014
	$'000	$'000
Staff costs included in the statement of profit or loss & other comprehensive income		
Salaries and wages	65,732	60,763
Share-based payments	1,605	1,807
Superannuation	7,030	7,381
	74,367	69,951
Depreciation and amortisation included in the statement of profit or loss & other comprehensive income		
Depreciation of mining assets	21,102	27,398
Amortisation of intangible asset	1,456	1,602
	22,558	29,000
Impairment losses		
Class of asset:		
Mining assets	446	1,792
Intangible asset	27,954	–
Investments in joint venture entities	1,045	1,292
	29,445	3,084

The majority of the impairment charge during the current year arises from intangible assets within the Platinum Mile business of $28 million. Further detail on Platinum Mile is set out in Note 6. The recoverable amount of $20 million was determined on a value in use basis using consensus metal prices, a discount rate of 10.8% and internal modelling. The trigger for the impairment was the continuing low PGM price environment combined with a reassessment of plant feed sources.

Impairment assessment of non-current assets

In accordance with the Group's accounting policies, non-current assets are reviewed at each reporting period to determine whether there is an indication of impairment. Where an indicator of impairment exists an estimate of the recoverable amount is made.

The continued low PGM price environment is considered an indicator of impairment. Accordingly, the Group has carried out recoverable amount assessments for all of its cash generating units (CGUs). The most significant impairment charge that resulted was to that of the Platinum Mile CGU, as set out above.

Although no impairment charge arose from the recoverable amount assessments of the Kroondal/Marikana and Mimosa CGUs, the carrying amounts of these CGUs contribute significantly to the Group's asset carrying amounts. The investment in Mimosa, a joint venture entity, is carried at $151 million and the net assets of the Group's interest in Kroondal/Marikana is carried at $107 million. Accordingly the results of the Group and the carrying amounts of non-current assets is most sensitive to the recoverable amount assessments of the Kroondal/Marikana and Mimosa CGUs.

The recovery of the carrying amounts of CGUs is dependent on a number of factors including PGM prices, discount rates used in determining discounted cash flows and foreign exchange rates for those CGUs with a South African Rand (ZAR) functional currency. The Kroondal/Marikana CGU has a ZAR functional currency. The Mimosa CGU has a USD functional currency.

Impairment is recognised when the carrying amount of the CGU exceeds its recoverable amount. The recoverable amount of the Kroondal/Marikana and Mimosa CGUs has been determined by their fair value less cost to dispose (fair value).

Fair value is estimated based on discounted cash flows using consensus PGM and foreign exchange rate assumptions, estimated quantities of recoverable metals, production levels, operating and capital cost estimates based on the CGUs life-of-mine plans (LOM). The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy.

Estimates of quantities of recoverable metals, production levels and operating and capital costs are sourced from the Group's planning process documents, including the LOM plans. An independent consultant advises on consensus PGM price estimates.

Significant judgments and assumptions are required in making estimates of fair value. This is particularly so in the assessment of long life assets, such as the Kroondal/Marikana and Mimosa CGUs. CGU valuations are subject to variability in the key assumptions stated above. An adverse change in one or more of these assumptions could result in a reduction in the CGU's fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

7. REVENUE AND EXPENSES CONTINUED

Impairment assessment of non-current assets continued

Key assumptions

The key assumptions used in the 30 June 2015 fair value assessments of the Kroondal/Marikana and Mimosa CGUs are as follows:

	Kroondal/ Marikana	Mimosa
PGM basket price (average over life of mine)	$1,384	$1,413
Discount rate (post tax)	10.65%	16.10%
ZAR:USD exchange rate range (average over life of mine)	11.26	N/A

Sensitivity analysis

Any change in the key assumptions used to determine the fair value would result in a change in the assessed fair value. If the variation in assumption has a negative impact on fair value it may result in the impairment of assets.

It is estimated that changes in the key assumptions would have the following approximate impact on the excess of the recoverable amount over the carrying value of the Kroondal/Marikana and Mimosa CGUs:

	Kroondal/Marikana Change in recoverable amount	Mimosa Change in recoverable amount
	$'000	$'000
10% increase in PGM basket price	117,849	83,649
10% decrease in PGM basket price	(119,778)	(83,649)
200 basis point decrease in discount rate	34,731	43,911
200 basis point increase in discount rate	(28,455)	(35,750)
10% weakening of ZAR against USD	90,966	N/A
10% strengthening of ZAR against USD	(113,383)	N/A

The Platinum Mile CGU was impaired during the current financial year. Any change in the assumptions used in determining the recoverable amount will impact the amount of that impairment. Due to the smaller size of the Platinum Mile operations, the impact of changing assumptions is less significant than those above – a $100 increase in the basket metal price results in a $4.5 million increase in the recoverable amount. Accordingly detailed disclosures have not been provided for the Platinum Mile CGU.

The amounts above assume the sensitivities move in isolation, whilst the other assumptions remain constant. Historic experience of AQPSA is that USD denominated metal price movements are often largely offset by exchange rate movements.

To the extent that CGU carrying amounts are determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

	2015	2014
	$'000	$'000
8. INCOME TAX		
Major components of tax expense for the year		
Income statement:		
Current income tax	3,207	579
Deferred tax – origination and reversal of temporary differences	3,936	(576)
Royalties	517	541
Income tax expense	7,660	544
As a Bermudian corporation, Aquarius has no tax liability under that jurisdiction with respect to income derived. Certain of its foreign derived income is subject to applicable tax in the countries from which such income is derived.		
Amounts charged or credited directly to equity	–	–
A reconciliation of income tax expense applicable to loss from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate at year end is as follows:		
Loss from ordinary activities before income tax	(90,417)	(12,638)
Less: Share of loss/(profit) from joint venture entities	48,298	(5,055)
Parent company and subsidiaries' loss before income tax	(42,119)	(17,693)
At the South African income tax rate of 28%	(11,793)	(4,954)
Profit or loss of parent company not subject to taxation	5,354	4,856
Capital profit on sale of mining assets	8,172	–
Foreign currency translation reserve recycled on disposal	3,713	–
Foreign exchange adjustments on tax liabilities	630	(122)
Unrecognised tax losses	370	(51)
Income not assessable	(261)	(211)
Expenditure not allowable for income tax purposes	2,085	402
Tax asset not recognised	–	863
Under provision from prior year	(610)	(239)
Income tax expense	7,660	544
Current tax liabilities		
Tax payable	1	90
Deferred tax assets		
Capital allowances on machinery	–	3,679
Provision for mine site rehabilitation	17,068	18,294
Closure costs	3,259	171
Tax losses	2,232	5,922
Provisions	2,356	1,230
Gross deferred tax assets	24,915	29,296
Set off of deferred tax liabilities	(24,622)	(14,644)
Net deferred tax assets	293	14,652

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2015

	2015 $'000	2014 $'000
8. INCOME TAX CONTINUED		
Reconciliation of movement in deferred tax assets		
Balance at beginning of year	14,652	16,875
Deferred tax expense	(10,753)	(631)
Foreign exchange translation of deferred tax assets	(3,606)	(1,592)
Balance at end of year	293	14,652
Deferred tax liabilities		
Capital allowances on machinery	(16,626)	(2,088)
Fair value uplift on mining assets	(6,109)	(7,376)
Environmental trust	(2,289)	(2,649)
Closure costs	–	(4)
Identifiable intangible assets	(4,964)	(15,260)
Unrealised foreign exchange gains	–	(1,730)
Mine debtors/creditors	(1,562)	(1,643)
Other	(759)	(731)
Gross deferred tax liabilities	(32,309)	(31,481)
Set off of deferred tax assets	24,622	14,644
Net deferred tax liabilities	(7,687)	(16,837)
Reconciliation of movement in deferred tax liabilities		
Balance at beginning of year	(16,837)	(19,112)
Deferred tax benefit	6,817	1,207
Foreign exchange translation of deferred tax liabilities	2,333	1,068
Balance at end of year	(7,687)	(16,837)

At 30 June 2015, the potential benefit of tax losses of a foreign subsidiary amounting to $4 million (2014: $5 million) has not been brought to account in these financial statements, as it is not probable that the benefit will flow to that entity. Potential withholding taxes not currently recognised on undistributed profits from jointly controlled entities totals $12 million (2014: $17 million).

	2015 $'000	2014 $'000
9. EARNINGS PER SHARE		
A) BASIC LOSS PER SHARE – CENTS	(6.59)	(1.38)
Basic loss per share is calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.		
B) DILUTED LOSS PER SHARE – CENTS	(6.59)	(1.38)
Diluted loss per share is calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of shares outstanding during the year (after adjusting for the effects of potential dilutive ordinary shares).		
C) RECONCILIATIONS		
Net loss used in calculating basic and diluted earnings per share	(96,310)	(13,048)

	2015	2014
	Number of shares	Number of shares
Weighted average number of shares used in the calculation of basic loss per share	1,461,267,288	942,823,111
Effect of dilutive securities		
Dilutive instruments	–	–
Adjusted weighted average number of shares used in the calculation of diluted loss per share	1,461,267,288	942,823,111
Number of potential ordinary shares not considered dilutive		
Convertible bonds	33,122,029	33,122,029

	2015	2014
	$'000	$'000
D) HEADLINE LOSS PER SHARE IS DISCLOSED AS REQUIRED BY THE JSE LIMITED		
Loss attributable to ordinary equity holders of the parent entity	(96,310)	(13,048)
Adjustments net of tax:		
Profit on sale of assets	(16,752)	(653)
Impairment losses	49,038	3,084
Foreign currency translation reserve recycled on disposal	13,262	–
Headline loss	(50,762)	(10,617)
Headline loss per share – cents		
Basic	(3.47)	(1.13)
Diluted	(3.47)	(1.13)

Earnings per share for the 2014 financial year reflects the impact of the bonus element of the rights issue undertaken. There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

10. DIVIDENDS PAID, DECLARED OR PROPOSED

No dividend has been paid, declared or proposed for the 2015 or 2014 financial years.

	2015	2014
	$'000	$'000
11. RECEIVABLES – NON-CURRENT		
Amount due from joint operation participant for share of mine site closure costs	8,717	9,180
Amount due from joint venture entity – carried at impaired value	5,516	–
	14,233	9,180

Based on the first and second Notarial Pooling and Sharing agreements (PSAs) with Anglo Platinum, AQPSA holds a contractual right to recover 50% of the rehabilitation liability relating to environmental rehabilitation resulting from PSA operations from Rustenburg Platinum Mines Limited (RPM), where this rehabilitation relates to property owned by AQPSA. Likewise RPM holds a contractual right to recover 50% of the rehabilitation liability relating to environmental rehabilitation resulting from PSA operations from AQPSA, where the rehabilitation relates to property owned by RPM. Refer also to Note 21. With respect to the opencast section of the Marikana mine that is on AQPSA property, RPM have limited their contractual liability to approximately ZAR50 million, being a negotiated liability in terms of an amendment to the second Notarial Pooling and Sharing Agreement.

	2015	2014
	$'000	$'000
12. AVAILABLE-FOR-SALE INVESTMENTS		
Shares in other corporations	392	451

Available-for-sale financial assets consist of investments in ordinary shares and therefore have no fixed maturity date or coupon rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

13. INVESTMENTS IN JOINT VENTURE ENTITIES

The Group has the following investments in joint venture entities:

- a 50% interest in Mimosa Investments Limited, which owns and operates the Mimosa mine
- a 50% interest in Blue Ridge Platinum (Pty) Limited and a 39% interest in Sheba's Ridge Platinum (Pty) Ltd which have been placed on care and maintenance

This summarised financial information is shown on a 100% basis. It represents the amounts shown in the joint ventures' financial statements prepared in accordance with IFRS under Group accounting policies, including fair value adjustments and amounts due to and from Aquarius.

	Mimosa Investments Limited	Blue Ridge Platinum (Pty) Limited	Sheba's Ridge Platinum (Pty) Limited
30 June 2015	$'000	$'000	$'000
Revenue	273,242	70	–
Cost of sales – mining, processing and administration	(186,378)	(1,586)	–
Cost of sales – depreciation and amortisation	(33,172)	–	–
Other income	402	30	–
Foreign exchange loss	(180)	–	–
Interest expense	(810)	(10,460)	–
Impairment losses	–	(3,390)	(45,839)
Loss on sale of assets	(674)	–	–
Discounting of RBZ receivable	(57,074)	–	–
Community share ownership trust	(6,000)	–	–
Loss before income tax	(10,644)	(15,336)	(45,839)
Income tax (expense)/benefit	(38,730)	350	(248)
Loss after tax	(49,374)	(14,986)	(46,087)
Reconciliation of the above amounts to the share of loss from joint venture entities recognised in the statement of profit or loss & other comprehensive income			
Loss after tax	(49,374)	(14,986)	(46,087)
Group interest	50%	50%	39%
Group's ownership interest	(24,687)	(7,493)	(17,995)
Interest payable by Blue Ridge to Group entities	–	1,877	–
Share of loss from joint venture entities	(24,687)	(5,616)	(17,995)
Dividends received from joint venture (Aquarius Platinum's share)	20,000	–	–
Non-current assets	311,917	54,653	34,065
Current assets	110,197	4,596	–
Non-current liabilities	(78,768)	(6,902)	–
Current liabilities	(42,128)	(160,971)	(15,374)
Net assets/(liabilities)	301,218	(108,624)	18,691
Assets and liabilities above include:			
Cash and cash equivalents	9,564	1,218	–
Current financial liabilities	(23,248)	(52,332)	(15,374)
Non-current financial liabilities	–	(5,926)	–
Reconciliation of the above amounts to the investment recognised in the Statement of Financial Position			
Net assets/(liabilities)	301,218	(108,624)	18,691
Group interest	50%	50%	39%
Group's ownership interest	150,609	(54,312)	7,298
Cumulative impairment and foreign exchange adjustments	–	(995)	(17,092)
Receivables from other Group entities forming part of the net investment in joint venture entities	–	55,307	9,794
Carrying value of Group's interest	150,609	–	–
Unrecognised share of losses from joint venture entity – current period	–	(6,855)	–
Unrecognised share of losses from joint venture entity – cumulative	–	(54,312)	–

30 June 2014	Mimosa Investments Limited $'000	Blue Ridge Platinum (Pty) Limited $'000	Sheba's Ridge Platinum (Pty) Limited $'000
Revenue	261,024	74	–
Cost of sales – mining, processing and administration	(191,452)	(1,916)	(83)
Cost of sales – depreciation and amortisation	(26,212)	(24)	–
Other income	400	48	–
Foreign exchange loss	(318)	–	–
Interest expense	(572)	(10,991)	–
Community share ownership trust	(1,000)	–	–
Indigenisation costs	(3,918)	–	–
Profit/(loss) before income tax	37,952	(12,809)	(83)
Income tax expense	(18,706)	–	–
Profit/(loss) after tax	19,246	(12,809)	(83)
Reconciliation of the above amounts to the share of profit/(loss) from joint venture entities recognised in the statement of profit or loss & other comprehensive income			
Profit/(loss) after tax	19,246	(12,809)	(83)
Group interest	50%	50%	39%
Group's ownership interest	9,623	(6,404)	(32)
Interest payable by Blue Ridge to Group entities	–	1,868	–
Share of profit/(loss) from joint venture entities	9,623	(4,536)	(32)
Dividends received from joint venture (Aquarius Platinum's share)	22,373	–	–
Non-current assets	380,763	51,191	39,472
Current assets	108,527	5,433	–
Non-current liabilities	(76,062)	(1,043)	–
Current liabilities	(23,204)	(139,906)	(17,834)
Net assets/(liabilities)	390,024	(84,325)	21,638
Assets and liabilities above include:			
Cash and cash equivalents	14,174	1,418	–
Current financial liabilities	(19,006)	(139,490)	(17,824)
Non-current financial liabilities	–	–	–
Reconciliation of the above amounts to the investment recognised in the Statement of Financial Position			
Net assets/(liabilities)	390,024	(84,325)	21,638
Group interest	50%	50%	39%
Group's ownership interest	195,012	(42,162)	8,449
Receivables from other Group entities forming part of the net investment in joint venture entities	–	58,155	10,956
Carrying value of Group's interest	195,012	15,993	19,405

	2015 $'000	2014 $'000
Capital expenditure commitments (non-cancellable)	3,044	13,487

These commitments represent contractual commitments relating to development activities at Mimosa and include Aquarius' share of capital expenditure associated with the capital development of the mine.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

13. INVESTMENTS IN JOINT VENTURE ENTITIES CONTINUED

RBZ receivable

The consolidated financial statements of Mimosa Investments Limited, which Aquarius jointly controls and equity accounts, has previously included a receivable from the Reserve Bank of Zimbabwe (RBZ) of $57 million. 50% of this balance formed part of the "Investments in joint venture entities" carrying value in the Company's financial report. Previously various plans have been put in place to either have the RBZ receivable transferred to the Government of Zimbabwe, as part of the non-binding term sheet in respect of the indigenisation implementation plan (IIP), or for it to be replaced by Government backed securities.

During the current year the directors have continued to assess progress of Zimbabwe's initiatives in relation to indigenisation and progress on the issue of Government backed securities to replace RBZ debt. Draft legislation has been prepared but has not yet been passed through parliament. In addition, the IMF stated in November 2014 that it requires further changes to economic policy in Zimbabwe before it will support facilitating access to international capital markets by the Government of Zimbabwe.

Having considered the above the directors believe concluding settlement of the RBZ debt via an indigenisation transaction or the creation of treasury bills as contemplated by the Government of Zimbabwe is now unlikely to occur within twelve months of the balance date, despite the transformation initiatives underway within Government.

Accounting standards require that such non-interest bearing receivables deemed to be long-term be discounted using an effective interest rate to recognise the delay in receipt of funds. The Company has attempted to determine an appropriate discount rate, however due to the absence of ratings and public debt issues in Zimbabwe this process has proven problematic. In view of the difficulty involved in sourcing a reliable discount rate and the difficulty in reliably estimating the time frame to secure full settlement of the RBZ debt, Aquarius has recognised a non-cash expense of $28.5 million in the share of loss from joint ventures, equal to its share of the full amount of the RBZ receivable.

14. INTERESTS IN JOINT OPERATIONS

The Group has the following interests in joint operations:

- a 50% interest in two joint operations each referred to as the "Notarial Pooling and Sharing Agreements". The principal activities of the joint operations are to extend the Kroondal mine over the boundary of the properties covering the Kroondal mine and expand the Marikana mine operations through mineral rights contributed by Anglo Platinum through its subsidiary, Rustenburg Platinum Mines Ltd
- a 50% interest in a joint operation known as the "Chrome Tailings Retreatment Project"

The Group's share of the assets, liabilities, revenue and expenses of the joint operations which are included in the consolidated financial statements, are as follows:

	2015	2014
	$'000	$'000
Current assets	93,167	63,686
Non-current assets	172,494	204,906
	265,661	268,592
Current liabilities	(24,975)	(29,885)
Non-current liabilities	(65,209)	(67,845)
	(90,184)	(97,730)
Net assets	175,477	170,862
Revenue	198,718	222,917
Cost of sales	(198,472)	(216,185)
Foreign exchange gain	9,174	3,577
Profit before income tax	9,420	10,309
Income tax expense	–	–
Net profit	9,420	10,309
Capital expenditure commitments (non-cancellable)	3,195	5,371

These commitments represent contractual commitments relating to development activities at Kroondal and include Aquarius' share of capital expenditure associated with the capital development of the mine.

	Mining tenements	Mine development	Process plant	Exploration and evaluation asset	Buildings and equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000
15. MINING ASSETS						
30 June 2015						
Beginning carrying value	36,086	101,090	63,835	7,009	1,191	209,211
Additions	–	21,250	2,033	2	403	23,688
Disposals	(303)	(12,419)	(9,615)	(4,583)	(11)	(26,931)
Reduction in provision for rehabilitation	–	(67)	–	–	–	(67)
Depreciation	(2,216)	(15,597)	(3,036)	–	(253)	(21,102)
Impairment	–	(446)	–	–	–	(446)
Foreign exchange variance	(4,745)	(7,455)	(7,895)	(646)	(173)	(20,914)
Closing carrying value	28,822	86,356	45,322	1,782	1,157	163,439
Cost	98,947	275,182	100,835	3,514	2,721	481,199
Accumulated depreciation and impairment	(70,125)	(188,826)	(55,513)	(1,732)	(1,564)	(317,760)
Closing carrying value	28,822	86,356	45,322	1,782	1,157	163,439
30 June 2014						
Beginning carrying value	43,825	109,559	68,686	7,515	1,261	230,846
Additions	–	16,726	3,322	53	7,094	27,195
Disposals	(55)	(29)	–	–	(826)	(910)
Reduction in provision for rehabilitation	–	(3,862)	(717)	–	–	(4,579)
Depreciation	(3,568)	(14,057)	(3,504)	–	(6,269)	(27,398)
Impairment	(1,662)	–	–	(130)	–	(1,792)
Foreign exchange variance	(2,454)	(7,247)	(3,952)	(429)	(69)	(14,151)
Closing carrying value	36,086	101,090	63,835	7,009	1,191	209,211
Cost	117,460	399,355	166,753	9,384	2,944	695,896
Accumulated depreciation and impairment	(81,374)	(298,265)	(102,918)	(2,375)	(1,753)	(486,685)
Closing carrying value	36,086	101,090	63,835	7,009	1,191	209,211

The AQPSA mining assets are part of a pledged security vehicle provided to First National Bank for various guarantees to the value of ZAR285 million ($23 million) (2014: ZAR 285 million and $27 million) provided on behalf of the company.

In accordance with the Group's policy on mining assets, the directors have reviewed the carrying value of mineral exploration tenements as at 30 June 2015. The value of the mineral exploration tenements is carried forward as an asset provided the rights to tenure of the area of interest are current and either:

- the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

	2015 $'000	2014 $'000
16. RESTRICTED CASH IN ENVIRONMENTAL TRUSTS		
Contributions to environmental rehabilitation trusts	13,905	16,902
Reconciliation of movement		
Balance at beginning of year	16,902	16,712
Interest received	842	760
Foreign exchange variance	(3,839)	(570)
Balance at end of year	13,905	16,902

AQPSA has established Environmental Rehabilitation Trusts into which the Company makes annual contributions in order to provide for its obligations in respect of environmental rehabilitation. AQPSA also contributes to the Rustenburg Platinum Mines Rehabilitation Trust in order to provide for the obligations in respect of environmental rehabilitation for part of the joint operation's obligation incurred in the Notarial Pooling and Sharing Agreements. The trust balances are represented by restricted cash financial assets that can only be accessed in compliance with meeting the trust objectives.

	2015 $'000	2014 $'000
17. INTANGIBLE ASSET		
Contract for treatment of tailings material	60,040	69,507
Less accumulated amortisation and impairment	(42,313)	(15,008)
	17,727	54,499
Reconciliation of movement		
Balance at beginning of year	54,499	59,449
Impairment charge	(27,954)	–
Amortisation charge	(1,456)	(1,602)
Foreign currency adjustment	(7,362)	(3,348)
Balance at end of year	17,727	54,499

The intangible asset relates to the contract for treatment of tailings material originating from Anglo Platinum's Rustenburg operations that is in production, and is being amortised to 2028.

	2015 $'000	2014 $'000
18. CASH AND CASH EQUIVALENTS		
Cash at bank	89,287	47,500
Short-term deposits	106,486	89,320
	195,773	136,820

The interest rate earned from cash at bank and short-term deposits ranged from 0.00% to 6.29% per annum. Short-term deposits have maturity dates of three months or less.

	2015 $'000	2014 $'000
19. TRADE AND OTHER RECEIVABLES – CURRENT		
Trade receivables (a)	25,062	29,833
Other receivables (b)	4,169	271
	29,231	30,104

(a) Trade receivables are net of an amount of $44 million (2014: $49 million) relating to the pre-financing by Rustenburg Platinum Mines Limited of delivered PGM concentrates. This amount is subject to interest at the London Inter-Bank Offered Rate (LIBOR) plus 1%. The pre-financing is due to be offset in US Dollars against the final invoice amount during July, August and September 2015.

Trade receivables are due from major minerals mining and processing companies. None of the amounts are considered past due or impaired. At 30 June 2015, gross sales of $65 million (2014: $78 million) were subject to price adjustments. Refer to Note 34(b)(ii).

(b) None of the amounts are considered past due or impaired.

20. INVENTORIES

	2015 $'000	2014 $'000
Ore stockpiled at cost	418	795
Ore stockpiled at net realisable value	64	–
Consumables at cost	8,348	14,891
Provision for stock losses	(367)	(440)
	8,463	15,246

21. PAYABLES – NON-CURRENT

	2015 $'000	2014 $'000
Amount due to joint operation in respect of mine closure costs	2,059	2,065
	2,059	2,065

Based on the first and second Notarial Pooling and Sharing agreements (PSAs) with Anglo Platinum, AQPSA holds a contractual right to recover 50% of the rehabilitation liability relating to environmental rehabilitation resulting from PSA operations from Rustenburg Platinum Mines Limited (RPM), where this rehabilitation relates to property owned by AQPSA. Likewise RPM holds a contractual right to recover 50% of the rehabilitation liability relating to environmental rehabilitation resulting from PSA operations from AQPSA, where the rehabilitation relates to property owned by RPM. Refer also to Note 11.

22. INTEREST BEARING LOANS AND BORROWINGS – NON-CURRENT

	2015 $'000	2014 $'000
Secured loans	–	57
Finance lease liabilities (a) – refer Note 25	2,020	1,214
Convertible bonds – refer Note 25	–	117,648
	2,020	118,919

(a) Finance lease liabilities relating to vehicles are calculated at an effective interest rate of the South African prime bank lending rate plus an average of 0.5% with a lease term of four years. Finance lease liabilities relating to mining equipment are calculated at an effective interest rate of the South African prime bank lending rate less 0.5% with an average lease term of three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

	2015 $'000	2014 $'000
23. PROVISIONS – NON-CURRENT		
Provision for mine site rehabilitation	61,262	65,676
Provision for employee entitlements	83	87
	61,345	65,763
Reconciliation of movement		
Balance at beginning of year	65,763	74,322
Additional provision for employee entitlements	12	15
Increase/(reduction) in mine site closure costs provided	109	(9,270)
Interest adjustment due to accretion in mine-site rehabilitation liability	4,691	5,112
Net exchange differences	(9,230)	(4,416)
Balance at end of year	61,345	65,763

The majority of rehabilitation relating to the Marikana mine will take place over the next nine years and the remainder at the end of the life of each mine ranging between nine and ten years.

Provision for mine site rehabilitation

The provision for rehabilitation represents the cost of restoring site damage following initial disturbance. Increases in the provision are capitalised to deferred mining assets to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located under IAS 16. Costs incurred that related to an existing condition caused by past operations that do not have a future economic benefit are expensed.

Provision for employee entitlements

The provision for employee entitlements represents accrued employee leave entitlements.

	2015 $'000	2014 $'000
24. TRADE AND OTHER PAYABLES – CURRENT		
Trade payables	15,525	18,893
Other payables	18,998	15,296
	34,523	34,189
Trade and other payables are interest free, payable within 90 days, predominantly denominated and repayable in ZAR and USD and located in South Africa.		
25. INTEREST BEARING LOANS AND BORROWINGS – CURRENT		
Finance lease liabilities – refer Note 22 (a)	2,125	1,362
Convertible bonds (a)	122,755	–
	124,880	1,362

(a) In December 2009 the Company issued $300 million 4% Convertible Bonds due 2015 (the Bonds) constituted by a trust deed dated 18 December 2009 and subject to the following summarised key terms:

i) The authorised denomination of the Bonds is $100,000 each and, unless previously redeemed, converted or purchased and cancelled, will be redeemed on 18 December 2015 at their principal amount plus accrued and unpaid interest;

ii) The holder has the right to convert the Bonds into common shares in the Company. The number of common shares to be issued on conversion is determined by dividing the principal amount of the Bonds by the conversion price in effect at such time. The initial conversion price was set at $6.773 per common share. As a result of the rights issue during the 2014 financial year, this conversion price was adjusted to $3.786 per share;

iii) On satisfying the required notice period, the Company has the right to redeem all, but not some only, of the Bonds if the market value of the common shares is at a premium of 30% to the conversion price for a certain period. The Company may also redeem the Bonds in circumstances where 85% of the Bonds have been converted, redeemed or purchased and cancelled;
iv) The conversion price may be adjusted in certain circumstances, including the payment of dividends to shareholders, rights issues and bonus issues. In addition, if a change of control (as defined in the terms and conditions of the Bonds) occurs, holders have a right to convert their Bonds at a conversion price that shall be adjusted downwards for a limited period of time or to require redemption of their Bonds at their principal amount plus accrued and unpaid interest;
v) The Bonds bear interest of 4% per annum payable semi-annually in arrears;
vi) Should an event of default occur the Bonds may become due and repayable immediately at their principal amount plus accrued and unpaid interest. Events of default include failure to pay amounts due under the Bonds, non-payment of other financial indebtedness above certain thresholds and insolvency or similar events occurring; and
vii) The Bonds are unsecured but subject to a negative pledge whereby the Group undertakes not to create or permit any security being registered over its assets without meeting certain requirements to the satisfaction of the trustee.

For accounting purposes the Bonds have two elements: a liability component included in Note 25 (a host debt contract) and an equity element included in Note 29(f) (an embedded option entitling the Bond holder to convert the liability into common shares in the Company). The liability element is initially recognised at fair value and is subsequently carried at amortised cost whereby the initial carrying value of the liability is accreted to the principal amount over the life of the Bond. This accretion is recognised as a finance cost together with the interest expense. The balance of the Bond proceeds is allocated to the value of the embedded option equity component.

On 21 May 2014 the Company repurchased bonds with a face value of $172.6 million for $162.7 million (including transaction costs). Consistent with the process undertaken when the bonds were first issued the Company has determined the fair value of the liability component (the host debt contract) at the date of the repurchase, with the balance allocated to the value of the embedded option equity component. This process determined that of the total consideration paid, $150.2 million relates to the liability component and $12.5 million is the equity component. The equity component of the consideration paid for the repurchase has been recognised directly in equity.

A profit on the repurchase on the liability component in the 2014 financial year was determined as follows:

	$'000
Carrying amount of repurchased bonds liability	161,173
Consideration allocated to the liability component (including transaction costs)	(150,248)
Profit on repurchase of bonds	10,925

Following the bond repurchase on 21 May 2014 and repurchases undertaken previously, the face value of outstanding bonds at 30 June 2015 is $125.4 million.

The fair value of the Bond at 30 June 2015 is $123 million (2014: $121 million).

	2015	2014
	$'000	$'000
26. PROVISIONS – CURRENT		
Provision for employee entitlements	4,077	4,482

The provision for employee entitlements represents accrued employer leave entitlements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

27. ISSUED CAPITAL

	2015	2014
	$'000	$'000
A) AUTHORISED CAPITAL		
2,590,000,000 (2014: 1,590,000,000) common shares with a par value of $0.05 each	129,500	79,500
5 (2014: 5) "A" class shares with a par value of $2,400 each	12	12
50,000,000 (2014: 50,000,000) preference shares with a par value of $0.15 each	7,500	7,500
	137,012	87,012

	Number of shares	$'000
Movement in authorised capital		
At 1 July 2014	1,640,000,005	87,012
Increase approved by shareholders 28 November 2014	1,000,000,000	50,000
At 30 June 2015	2,640,000,005	137,012

	2015	2014
	$'000	$'000
B) ISSUED CAPITAL		
1,505,339,079 (2014: 1,464,310,359) common shares of $0.05 each fully paid	75,266	73,216

	Number of shares	$'000
Movement in issued capital		
At 1 July 2013	486,851,336	24,343
Rights issue	976,206,906	48,810
Equity benefit issued to employees	1,252,117	63
At 30 June 2014	1,464,310,359	73,216
At 1 July 2014	1,464,310,359	73,216
Shares issued as part of the Kruidfontein sale transaction	36,505,657	1,825
Equity benefit issued to employees	4,523,063	225
At 30 June 2015	1,505,339,079	75,266

Terms and conditions of issued capital

Common shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Common shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Preference shares, when issued, have rights and restrictions attached to them as determined by the Board, in accordance with the bye-laws of the Company.

Rights issue

During the prior year the Company undertook a 2 for 1 rights issue at AUD 0.25, GBP 0.14 or ZAR 2.41 per common share. The amount recognised as issued capital and share premium from that rights issue represents the USD equivalent amount (being the Company's functional currency) at the date that the various common shares were allotted.

Black Economic Empowerment (BEE) transaction

South Africa

The BEE transaction announced to shareholders on 26 July 2004 and approved by shareholders in a Special General Meeting on 11 October 2004 was formally executed with the receipt of ZAR860 million in cash by the Aquarius Group on 29 October 2004.

The transaction has two key components, both of which are complete.

The first step saw the BEE consortium, led by Savannah Resources (Pty) Limited (Savcon), subscribe for a 29.5% shareholding in the enlarged share capital of AQPSA as follows:

- Savcon were issued with 400 shares in AQPSA for cash of $38.2 million (ZAR234.5 million) and shareholder loans of $97.4 million (ZAR598.4 million). The terms and conditions of the loans were as follows:
  I. a loan of ZAR498.4 million that was unsecured, subordinated to AQPSA's third party debt, was interest free, had no fixed terms of repayment and ranks pari passu with the other shareholder loans; and
  II. a loan of ZAR100 million that was unsecured, subordinated to AQPSA's third party debt, bore interest at a rate of 12.745% per annum, had no fixed terms of repayment and ranked pari passu with the other shareholder loans.
- Aquarius also agreed to sell 13 AQPSA shares to Savcon for $4.4 million (ZAR27.1 million)

Concurrently Impala Platinum Holdings Limited (Impala) acquired an additional holding in AQPSA from Aquarius to increase their shareholding to 20% in AQPSA following the dilution resulting from the issue of the new shares in AQPSA to the BEE consortium. Aquarius agreed to sell 30 AQPSA shares to Impala for $11.5 million (ZAR71.5 million). This was settled by the cession of ZAR71.5 million of interest bearing loan account to Aquarius.

On 26 April 2007 the Company announced the acquisition of a 3.5% equity interest in AQPSA from Savcon for cash consideration of ZAR342.5 million following the receipt of Section 11(1) consent from the South African Department of Minerals and Energy. As a result of the transaction Aquarius increased its ownership interest in AQPSA from 50.5% to 54%. The difference between the consideration paid of $33.1 million and the carrying value of the non-controlling interest acquired was treated as an equity transaction. Refer Note 29(e).

On 16 April 2008 the Company announced the buy back by AQPSA of the 20% interest in AQPSA held by Implats for consideration of $504.9 million and the buy back by Aquarius of Implats' 8.4% interest in Aquarius for a consideration of $285 million. As a result of the transaction Aquarius increased its ownership interest in AQPSA from 54% to 67.5%. The difference between the consideration paid of $504.9 million and the carrying value of the non-controlling interest acquired in AQPSA was treated as an equity transaction. Refer Note 29(e).

The second step occurred on 27 October 2008 where the Company announced that it had completed the final phase of the BEE transaction whereby Savcon exchanged its 32.5% holding in AQPSA for 65,042,856 new shares in Aquarius. As a result of the transaction Aquarius increased its ownership interest in AQPSA from 67.5% to 100%. The difference between the share consideration of $105.1 million and the carrying value of the non-controlling interest acquired in AQPSA has been treated as an equity transaction. Refer Note 29(e).

	2015	2014
	$'000	$'000
28. TREASURY SHARES		
27,118,557 (2014: 26,568,554) common shares (refer Note 32)	(26,056)	(26,239)
Reconciliation of movement		
Balance at beginning of year – 26,568,554 shares	(26,239)	(26,526)
Issued by the share plan trustee – 1,754,997 shares (2014: 1,678,198)	697	1,012
Purchased by the share plan trustee – 2,305,000 shares (2014: 2,469,816)	(514)	(1,477)
Participation in rights issue by controlled entities – nil shares (2014: 9,520,767)	–	(2,297)
Consideration received by controlled entities from sale of equity rights in the parent entity	–	3,049
Balance at end of year – 27,118,557 shares	(26,056)	(26,239)
29. RESERVES		
Share premium reserve (a)	1,208,004	1,201,126
Foreign currency translation reserve (b)	(135,779)	(108,343)
Equity benefits reserve (c)	466	466
Ridge replacement options reserve (d)	92	92
Equity reserve (e)	(338,019)	(338,019)
Convertible bond equity component (f)	26,370	26,370
	761,134	781,692

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	$'000	$'000

29. RESERVES CONTINUED

MOVEMENT IN RESERVES

	2015 $'000	2014 $'000
a) Share premium reserve		
Balance at beginning of year	1,201,126	1,030,810
Premium on shares issued for Kruidfontein settlement	6,195	–
Premium on rights issue	–	169,584
Premium on equity benefit issued to employees	683	732
Balance at end of year	1,208,004	1,201,126

The share premium reserve is used to record the premium arising on the issue of shares calculated as the difference between the issue price and the par value of $0.05 per share.

	2015 $'000	2014 $'000
b) Foreign currency translation reserve		
Balance at beginning of year	(108,343)	(92,327)
Loss on translation of foreign subsidiaries	(40,698)	(16,016)
Amount recycled through profit and loss on disposal of a foreign operation	13,262	–
Balance at end of year	(135,779)	(108,343)

The foreign currency translation reserve is used to record currency differences arising from the translation of the financial statements of foreign operations.

	2015 $'000	2014 $'000
c) Equity benefits reserve		
Balance at end of year	466	466

The equity benefits reserve is used to record the value of equity benefits granted to employees and the value of shares reserved under the share plan.

	2015 $'000	2014 $'000
d) Ridge replacement options reserve		
Balance at end of year	92	92

The Ridge replacement options reserve is used to record the fair value of options issued to replace options previously on issue by Ridge Mining.

	2015 $'000	2014 $'000
e) Equity reserve		
Balance at beginning of year	(338,019)	(361,826)
Repurchase of convertible bonds	–	23,807
Balance at end of year	(338,019)	(338,019)

The equity reserve is used to record gains and losses associated with equity transactions with non-controlling interests (where the Group maintains control) plus equity transactions arising from the repurchase of financial instruments previously issued by the Company not otherwise recognised in the convertible bond equity component.

	2015 $'000	2014 $'000
f) Convertible bond equity component		
Balance at beginning of year	26,370	62,666
Repurchase of convertible bonds	–	(36,296)
Balance at end of year	26,370	26,370

The convertible bond equity component is used to record the excess of the proceeds received from the issue of convertible bonds over the fair value of the debt component.

	2015 $'000	2014 $'000
30. COMMITMENTS		
a) Operating lease (non-cancellable)		
Not later than 1 year	43	112
Later than 1 year but not later than 5 years	75	–
Later than 5 years	–	–
	118	112
b) Finance lease		
Not later than 1 year	2,405	1,517
Later than 1 year but not later than 5 years	2,123	1,301
Total minimum lease payments	4,528	2,818
Less future finance charges	(383)	(242)
Present value of minimum lease payments	4,145	2,576
Disclosed in the consolidated accounts as:		
Current interest bearing liability (Note 25)	2,125	1,362
Non-current interest bearing liability (Note 22)	2,020	1,214
	4,145	2,576
c) Capital expenditure (non-cancellable)	3,195	5,371

These commitments represent contractual commitments relating to development activities at Kroondal. The liabilities arising from the above commitments will be settled out of cash resources.

In addition, Mimosa, a joint venture entity, has non-cancellable capital expenditure commitments of $6 million (2014: $27 million), 50% of which is attributable to Aquarius.

31. CONTINGENCIES

CONTRACTOR LITIGATION

Aquarius is aware of litigation between one of its former contractors and some of its former employees. Aquarius is not a party to the litigation, continues to monitor the situation and continues to take advice on any potential exposure.

FINANCIAL GUARANTEES

Pursuant to a financing facility, AQPSA's commercial bankers have issued financial guarantees on behalf of AQPSA totalling ZAR350 million ($29 million) (2014: ZAR350 million and $33 million). The guarantees are for the rehabilitation, closure obligations and other purposes of AQPSA and are secured by a first ranking fixed and floating charge over all the assets of AQPSA.

32. SHARE-BASED PAYMENT PLANS

DIRECTORS' AND EMPLOYEES' SHARE PLANS

Aquarius has the following share plans ("Plans") for the directors and employees:

- Aquarius Director/Employee Share Plan (2008)
- Aquarius Director/Employee Share Plan (2013)
- Employee Retention Share Scheme
- Aquarius Restricted Share Scheme (2014)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

32. SHARE-BASED PAYMENT PLANS CONTINUED

DIRECTORS' AND EMPLOYEES' SHARE PLANS CONTINUED

The Remuneration Committee administers the Company's Plans. Participation in the Plans is at the discretion of the Remuneration Committee, having regard to:

a) the seniority of the participant and the position the participant occupies with the company or subsidiary;

b) the length of service of the participant with the company or subsidiary;

c) the record of employment of the participant with the company or subsidiary;

d) the potential contribution of the participant to the growth and profitability of the company or subsidiary; and

e) any other matters which the committee considers relevant.

AQUARIUS DIRECTOR/EMPLOYEE SHARE PLAN (2008)

In 2008 the Company adopted a Share Plan for eligible participants. Under the Share Plan the Board can authorise the Trustee to purchase shares and hold them as either unallocated shares or as shares for and on behalf of an eligible participant. The participant may require the Trustee to transfer the plan shares held by the Trustee on behalf of the participant to the participant subject to satisfaction of any performance criteria or vesting conditions imposed by the Board. The Board may also direct the Trustee to allocate to a participant shares purchased as unallocated shares.

If a participant departs prior to satisfaction of any performance criteria or vesting conditions imposed by the Board then, subject to Board discretion, the shares that were held on behalf of the participant will be held by the Trustee as unallocated shares.

During the current and prior years, no shares were purchased by the trustee. During the year 609,667 shares (2014: 611,611) were issued. At the time of issue the average share price was $0.40 resulting in an expense of $0.2 million. The shares vested immediately.

AQUARIUS DIRECTOR/EMPLOYEE SHARE PLAN (2013)

At the Company's Annual General Meeting held on 29 November 2013, shareholders approved the Aquarius Director/Employee Share Plan (2013) which allows directors and senior executives to receive shares in lieu of cash remuneration. During the year the Group issued 4,523,063 (2014: 1,326,851) shares with a value of $0.9 million to those individuals. The shares vested immediately.

EMPLOYEE RETENTION SHARE SCHEME

Established in 2012, the Employee Retention Share Scheme (ERSS) is designed to retain and incentivise senior executives and managers deemed key to the rollout of the Group's revised business plans in South Africa. The grant of the shares is a long-term incentive plan to cover three years. The ERSS is only available to senior management who do not participate in the Aquarius Director/Employee Share Plan (2008).

During the year 2,305,000 shares (2014: 2,469,816) were purchased for the ERSS. During the year 1,145,330 shares (2014: 991,853) were issued. At the time of issue the average share price was $0.39 resulting in an expense of $0.5 million. The shares vested immediately.

Employer entities within the Group participate in defined contribution pension plans for eligible employees in accordance with the applicable laws in their country of domicile. Contributions made by the Group ranged from 8% to 20% of the employees' base salary.

AQUARIUS RESTRICTED SHARE SCHEME (2014)

This scheme was approved at the AGM in 2014. The scheme has not been used so far but the intention is that it will be used next year and that it will then become the primary vehicle for long-term incentive awards to executive directors and eligible employees.

	2015	2014
	$'000	$'000
33. RELATED PARTY DISCLOSURES		
Compensation of directors and key management personnel of the Group		
Compensation of directors:		
Short-term benefits	783	1,334
Share-based payments	827	958
	1,610	2,292
Compensation of key management personnel:		
Short-term benefits	1,789	2,130
Post employment retirement benefits	136	141
Share-based payments	345	737
	2,270	3,008
Total remuneration of directors and key management personnel of the Company in respect of the financial year	3,880	5,300

Name	Country of incorporation	% Equity interest	
		2015	2014
RELATED PARTIES			
a) Controlled entities			
Details of significant controlled entities are as follows:			
Aquarius Platinum Corporate Services (Pty) Ltd	Australia	100%	100%
Aquarius Platinum (South Africa) (Proprietary) Limited	South Africa	100%	100%
Aquarius Platinum (SA) Corporate Services (Proprietary) Limited	South Africa	100%	100%
Aquarius Platinum (SA) (Pty) Ltd Rehabilitation Trust	South Africa	100%	100%
Platinum Mile Resources (Pty) Ltd	South Africa	91.7%	91.7%
Hoedspruit Platinum Holdings (Pty) Ltd	South Africa	86%	86%
Ridge Mining Limited plc	UK	100%	100%
b) Joint venture entities			
Details of significant joint venture entities are as follows:			
Mimosa Investments Limited	Mauritius	50%	50%
Mimosa Holdings (Private) Limited	Zimbabwe	50%	50%
Mimosa Mining Company (Private) Limited	Zimbabwe	50%	50%
Blue Ridge Platinum (Pty) Ltd	South Africa	50%	50%
Sheba's Ridge Platinum (Pty) Ltd	South Africa	39%	39%

c) Transactions within the Group

During the financial year, unsecured loan advances were made by subsidiaries within the Group and between subsidiaries and the parent entity. Certain such loans carried a discounted rate of interest. Intercompany loan balances have been eliminated in the financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

34. FINANCIAL INSTRUMENTS

A) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- meet all its financial commitments;
- maintain the capacity to fund corporate growth activities; and
- pay a reasonable dividend.

The Group monitors its forecast financial position on a regular basis. The Group has a Treasury Committee that meets quarterly and considers cash flow projections for the following 12 months in detail, taking into consideration the impact of market conditions including metal prices and foreign exchange rates. The Committee also receives reports from independent foreign exchange consultants and receives presentations from advisors on current and forecast economic conditions.

Credit risk, liquidity risk and market risk (including foreign exchange, commodity price, interest rate and price risk) arise in the normal course of the Group's business. The Group's principal financial instruments comprise cash, short-term deposits, interest bearing receivables and interest bearing liabilities. Other financial instruments include trade receivables and trade payables, which arise directly from operations. The Group's forecast financial risk position with respect to key financial objectives and compliance with treasury practice are regularly reported to the Board. The Group's objectives, policies and processes for managing risks arising from financial instruments have not changed from the previous financial year.

B) MARKET RISK

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency for each entity within the Group. The Group's borrowings and cash deposits are largely denominated in US Dollars, South African Rand and Australian Dollars.

Currently there are no foreign exchange hedge programmes in place, however, the Group treasury function manages the purchase of foreign currency to meet operational requirements.

	2015	2014
	$'000	$'000
At reporting date, entities which have a USD functional currency have exposure to ZAR denominated financial instruments as follows:		
Financial assets		
Cash and cash equivalents	944	207
At reporting date, entities which have a ZAR functional currency have exposure to USD denominated financial instruments as follows:		
Financial assets		
Trade and other receivables	20,668	24,552
At reporting date, entities which have a USD functional currency have exposure to AUD denominated financial instruments as follows:		
Financial assets		
Cash and cash equivalents	3,274	4,953
At reporting date, entities which have a USD functional currency have exposure to GBP denominated financial instruments as follows:		
Financial assets		
Cash and cash equivalents	7,729	8,341

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the exchange rate of the South African Rand, Great British Pound and Australian Dollar for entities with a US Dollar functional currency, with all other variables held constant, and the sensitivity of financial instruments held at reporting date to movements in the US Dollar for entities with a South African Rand functional currency. The South African Rand, Great British Pound, Australian Dollar and US Dollar instruments have been assessed using the sensitivities indicated in the table. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding five year period.

	Impact on profit/equity pre-tax gain/(loss)	
	2015	2014
	$'000	$'000
Judgements of reasonable possible movements		
Currency exposure for entities with USD functional currency		
10% strengthening of ZAR against USD (2014: 10%)	105	23
10% weakening of ZAR against USD (2014: 10%)	(86)	(19)
10% strengthening of AUD against USD (2014: 10%)	327	495
10% weakening of AUD against USD (2014: 10%)	(298)	(450)
10% strengthening of GBP against USD (2014: 10%)	773	834
10% weakening of GBP against USD (2014: 10%)	(703)	(758)
Currency exposure for entities with ZAR functional currency		
10% strengthening of USD against ZAR (2014: 10%)	2,067	2,455
5% weakening of USD against ZAR (2014: 10%)	(1,034)	(2,455)

(ii) Commodity price risk

The Group's revenues are exposed to commodity price fluctuations, in particular movements in the price of platinum group metals (PGMs). The Group regularly measures exposure to commodity price risk by stress testing the Group's forecast financial position to changes in PGM prices. The Group does not hedge commodity prices.

The financial instruments exposed to movements in metal prices are as follows:

	2015	2014
	$'000	$'000
Financial assets		
Receivables (gross notional amount)	64,564	77,671
	64,564	77,671

These receivables comprise quotational period embedded derivatives that are carried at fair value in accordance with the policy set out in Note 5(j).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

34. FINANCIAL INSTRUMENTS CONTINUED

B) MARKET RISK CONTINUED

(ii) Commodity price risk continued

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the relevant forward commodity price, with all other variables held constant. The sensitivities are based on reasonably possible changes, over a financial year, using observed ranges of actual historical rates.

	Impact on profit/equity pre-tax gain/(loss)	
	2015	2014
	$'000	$'000
Judgements of reasonable possible movements		
5% (2014: 10%) increase in platinum, palladium and rhodium prices; 5% (2014: 10%) increase in gold price	3,266	7,767
15% (2014: 10%) decrease in platinum, palladium and rhodium prices; 15% (2014: 10%) decrease in gold price	(9,797)	(7,767)

(iii) Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates.

The Group's main interest rate risk arises from short-term loans with interest charges based on either the London Inter-Bank Offered Rate (LIBOR) or the Johannesburg Interbank Acceptance Rate (JIBAR). Floating rate debt exposes the Group to cash flow interest rate risk. Cash holdings are subject to interest rate risk of the currency of the deposit. The convertible bond has a fixed interest rate of 4%. All other financial assets and liabilities in the form of receivables, investments in shares and payables are non-interest bearing.

The Group does not engage in any hedging or derivative transactions to manage interest rate risk. In conjunction with external advice, management consideration is given on a regular basis to alternative financing structures with a view to optimising the Groups' funding structure.

The financial instruments exposed to movements in variable interest rates are as follows:

	2015	2014
	$'000	$'000
Financial assets		
Cash and cash equivalents	195,773	136,820
Restricted cash in environmental trusts	13,905	16,902
	209,678	153,722
Financial liabilities		
Interest bearing liabilities exposed to LIBOR*	43,896	48,700
	43,896	48,700

Cash and cash equivalents are exposed to movements in USD and ZAR cash deposit rates.

** Relates to the pre-financing of delivered PGM concentrates that has been offset against trade receivables in the statement of financial position. Refer Note 19(a).*

The following table summarises the sensitivity of the financial instruments held at reporting date, following a movement in variable interest rates, with all other variables held constant. The sensitivities are based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding five year period.

	Impact on profit/equity pre-tax gain/(loss)	
	2015	2014
	$'000	$'000
Judgements of reasonable possible movements		
Cash		
– increase +50bps (2014: +50bps)	978	683
– decrease -50bps (2014: -50bps)	(978)	(683)
Restricted cash in environmental trusts		
– increase +50bps (2014: +50bps)	70	84
– decrease -50bps (2014: -50bps)	(70)	(84)
Interest bearing liabilities – sensitive to LIBOR		
– increase +100bps (2014: +100bps)	(439)	(487)
– decrease 0bps (2014: 0bps)	–	–

(iv) Price risk

Price risk is the risk that the Group's financial position will be adversely affected by movements in the market value of its available-for-sale financial assets. The financial instruments exposed to movements in market value are as follows:

	2015	2014
	$'000	$'000
Financial assets		
Other financial assets	392	451

The exposure to price risk is not considered material to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

34. FINANCIAL INSTRUMENTS CONTINUED

C) LIQUIDITY RISK

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost effective manner. The Group Treasury Committee continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. Notes 22 and 25 detail the repayment obligations in respect of the amount of the facilities.

The contractual maturity analysis of payables at the reporting date was as follows:

	Payables Ageing Analysis $'000				
	Total	< 6 months	6-12 months	1-5 years	> 5 years
2015					
Trade payables	15,525	15,525	–	–	–
Other payables	18,998	18,998	–	–	–
Amount due to joint operation in respect of mine closure costs	2,059	–	–	2,059	–
Loans and borrowings	132,053	128,971	1,063	2,019	–
Total payables	168,635	163,494	1,063	4,078	–
2014					
Trade payables	18,893	18,893	–	–	–
Other payables	15,296	15,296	–	–	–
Amount due to joint operation in respect of mine closure costs	2,065	–	–	2,065	–
Loans and borrowings	135,558	681	681	134,196	–
Total payables	171,812	34,870	681	136,261	–

D) CREDIT RISK

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group's credit risk is limited to the carrying value of its financial assets. At reporting date there is a significant concentration of credit risk represented in the cash and trade receivables balance. With respect to trade receivables, this is due to the fact that the majority of sales by the Group and a joint venture entity are made to two specific customers as per contractually agreed terms. The two customers, being Rustenburg Platinum Mines Limited and Centametall AG, have complied with all contractual sales terms and have not at any stage defaulted on amounts due. The Group minimises exposure by investing funds with counterparties with a credit rating of A- or higher.

The maximum exposure to credit risk at the reporting date was as follows:

	2015	2014
	$'000	$'000
Current		
Cash and cash equivalents	195,773	136,820
Trade receivables	25,062	29,833
Other receivables	4,169	271
	225,004	166,924
Non-current		
Restricted cash in environmental trusts	13,905	16,902
Amount due from joint operation participant for share of mine site closure costs	8,717	9,180
Amount due from joint venture entity – carried at impaired value	5,516	–
	28,138	26,082

The ageing of receivables at the reporting date was as follows:

	Receivables Ageing Analysis $'000				
	Total	< 6 months	6-12 months	1-5 years	> 5 years
2015					
Trade receivables	25,062	25,062	–	–	–
Other receivables	4,169	4,169	–	–	–
Amount due from joint operation participant for share of mine site closure costs	8,717	–	–	8,717	–
Amount due from joint venture entity – carried at impaired value	5,516	–	–	5,516	–
Total receivables	43,464	29,231	–	14,233	–
2014					
Trade receivables	29,833	29,833	–	–	–
Other receivables	271	271	–	–	–
Amount due from joint operation participant for share of mine site closure costs	9,180	–	–	9,180	–
Total receivables	39,284	30,104	–	9,180	–

E) CAPITAL MANAGEMENT

The Group treasury function is responsible for capital management. This involves the use of corporate forecasting models, which facilitates analysis of the Group's financial position including cash flow forecasts to determine the future capital management requirements. Group treasury monitors gearing and compliance with various contractual financial covenants. The Group defines capital as total shareholders' equity.

Capital management is undertaken to ensure a secure, cost effective supply of funds to ensure the Group's operating and capital expenditure requirements are met. The mix of debt and equity is regularly reviewed. The Group does not have a target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. At 30 June 2015 the Group's gearing ratio is 35% (2014: 25%).

During the year the Company paid no dividends (2014: nil). The Board maintains a policy of balancing returns to shareholders with the need to fund growth.

F) FAIR VALUE

The fair value of a financial asset or a financial liability is the amount at which the asset could be exchanged or liability settled in a current transaction between willing parties in an arm's length transaction. The fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying values, as a result of their short maturity or because they carry floating rates of interest. The fair value of financial instruments traded in active markets such as publicly traded available-for-sale securities are based on quoted market prices at the reporting date. The quoted market price used for available-for-sale securities held by the Group is the current bid price. The fair value of convertible bonds disclosed at Note 25(a) has been determined by reference to the last traded market price prior to the reporting date between unrelated parties on an arm's length basis.

Available-for-sale financial assets and quotational period embedded derivatives are carried at fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest–level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is unobservable

Available-for-sale financial assets of $0.4 million (2014: $0.5 million) are measured using level 1 valuation techniques. Quotational period embedded derivatives of $65 million (2014: $78 million) are measured using level 2 valuation techniques with reference to consensus forecasts and spot metal prices and exchange rates at the reporting date. The valuation techniques used have not changed for each of these financial instruments from the prior period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2015

35. EVENTS AFTER REPORTING DATE

There were no material events subsequent to 30 June 2015 that have not been reflected in the financial statements.

	2015	2014
	$'000	$'000
36. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by Ernst and Young for:		
– an audit or review of the financial report of the company and any other entity in the consolidated group	441	531
– income tax related services	–	6
– other services in relation to the company and any other entity in the consolidated group	101	138
	542	675

The amounts disclosed above include those paid by joint venture entities and joint operations.

37. RESTATEMENT OF STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

In response to a review of the Company's financial report for the year ended 30 June 2013 by the Financial Reporting Council's Conduct Committee, the directors have decided to restate that year's Statement of Cash Flows. The restatement arises from a period which is outside the required comparative information for this financial report.

The published financial report for the year ended 30 June 2013 included a cash outflow of $24.039 million described as "foreign exchange loss on currency contract". This amount was categorised within financing activities in that financial report. The directors have reconsidered the classification of this item and have agreed that this cash outflow should have been categorised within operating activities. The restatement results in cash flows from operating activities changing from a net cash inflow of $21.919 million to a net cash outflow of $2.120 million. Similarly, the restatement results in net cash outflow from financing activities changing from a net cash outflow of $47.902 million to a net cash outflow of $23.863 million.

The restatement does not impact opening or closing cash balances in any prior period, nor does it impact the statement of profit or loss & other comprehensive income or the basic and diluted earnings per share previously disclosed.

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Aquarius Platinum Limited, I state that:

In the opinion of the directors:

a) the financial statements and notes of the consolidated entity:

I. give a true and fair view of the financial position as at 30 June 2015 and the performance for the year ended on that date of the consolidated entity; and

II. comply with International Accounting Standards; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Jean Nel
Director
30 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUARIUS PLATINUM LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Aquarius Platinum Limited and the entities it controlled ("the Group"), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss & other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the company are responsible for the preparation and fair presentation of this financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENCE

We are independent of the company, and have met the independence requirements of Australian and International professional ethical pronouncements.

AUDITOR'S OPINION

In our opinion, the consolidated financial report presents fairly in all material respects the financial position of the Group as of 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Ernst & Young
Perth
30 September 2015

ADDITIONAL SHAREHOLDER INFORMATION

The following information was reflected in the Company's registers and other records as at 1 September 2015.

DISTRIBUTION OF SHAREHOLDERS

Range	Ordinary shares Number of holders
1 – 1,000	2,632
1,001 – 5,000	2,354
5,001 – 10,000	975
10,001 – 100,000	1,562
100,001 – and over	674
Total	8,197

There were 1,722 holders of ordinary shares holding less than a marketable parcel.

SUBSTANTIAL SHAREHOLDERS

The following shareholders have a substantial shareholding in the Company:

Shareholder	Number of shares	%
HSBC Custody Nominees (Australia) Limited	108,551,335	7.20
Chase Nominees Limited	45,007,769	2.99

VOTING RIGHTS

Only the shares carry voting rights, which upon a poll are one vote for each share held.

TWENTY LARGEST HOLDERS OF FULLY PAID SHARES

Shareholder		Number of shares	%
1	HSBC Custody Nominees (Australia) Limited	108,551,335	7.20
2	Chase Nominees Limited	45,007,769	2.99
3	Vidacos Nominees Limited (UKCP100)	39,823,641	2.64
4	J P Morgan Nominees Australia Limited	33,654,224	2.23
5	Chase Nominees Limited (Artemis)	28,000,000	1.86
6	Barclayshare Nominees Limited	22,427,050	1.49
7	Citicorp Nominees Pty Ltd	21,667,925	1.44
8	HSBC Global Custody Nominee (UK) Limited (357206)	21,227,657	1.41
9	Zero Nominees Pty Ltd	17,688,504	1.17
10	Vidacos Nominees Limited (2303)	17,505,105	1.16
11	State Street Nominees Limited (OM02)	16,437,439	1.09
12	State Street Nominees Limited (OM04)	16,162,227	1.07
13	Vidacos Nominees Limited (13559)	15,426,734	1.02
14	Vidacos Nominees Limited (SL688)	13,726,147	0.91
15	Savannah Resources Limited	13,527,388	0.90
16	Lynchwood Nominees Limited (2006420)	12,692,613	0.84
17	The Bank of New York (Nominees) Limited (UKREITS)	10,263,462	0.68
18	Chase Nominees Limited (BBHLEND)	10,157,802	0.67
19	Chase Nominees Limited (LEND)	10,106,295	0.67
20	Vidacos Nominess Limited (SL474)	9,364,917	0.62
Top 20 shareholders		483,418,234	32.08
Other shareholders		1,023,688,544	67.92
Total		1,507,106,778	100.00

ADDITIONAL SHAREHOLDER INFORMATION CONTINUED

INCORPORATION AND GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company and is subject to Bermudian law.

In Australia, the Company is registered as a foreign company under the Australian Corporations Act (registration no. ARBN 087 577 893). It is not subject to Chapter 6 of the Australian Corporations Act dealing with the acquisition of shares (including substantial shareholdings and takeovers). However, the Company has inserted into its bye-laws some restrictions on the ability to acquire shares in the Company. These sections of the bye-laws reflect the restrictions on acquisitions of shares contained in Parts 6.1 and 6.2 of the Australian Corporations Act. The Company has undertaken to comply with the Listing Rules of the ASX.

Bermuda law does not impose any limitation on the acquisition of securities in the Company.

CORPORATE INFORMATION

The consolidated financial statements for Aquarius for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 30 September 2015. Aquarius is a limited company incorporated and registered as an exempted company in Bermuda. As an exempted company, Aquarius is authorised to carry on business outside Bermuda but may not (except in certain circumstances) carry on business within Bermuda.

The consolidated financial statements have been presented using United States Dollars as the presentation currency. The US Dollar is traded at par with the Bermuda Dollar and accepted as the currency of Bermuda's main industries.

The registered office of Aquarius is located at Clarendon House, 2 Church Street, Hamilton, Bermuda.

GLOSSARY OF TERMS

The following definitions apply throughout the financial statements:

Aquarius	Aquarius Platinum Limited, the parent entity, a company incorporated in Bermuda with registration number EC 26290
AQPSA	Aquarius Platinum (South Africa) (Proprietary) Limited (registration number 2000/000341/07), a company incorporated in the Republic of South Africa and a controlled entity of Aquarius
ASX	Australian Securities Exchange
AUD	Australian Dollar
DIIR	Disabling injury incidence rate, being the number of lost-time injuries expressed as a rate per 200,000 man-hours worked
GBP	Great British Pound
Implats	Impala Platinum Holdings Limited (registration number 1957/001979/06), a company incorporated in the Republic of South Africa
JSE	Johannesburg Stock Exchange
MIL	Mimosa Investments Limited (registration number 26645/6593), a company incorporated in the Republic of Mauritius and a jointly controlled entity of Aquarius and Implats (formerly known as ZCE Platinum Limited)
Mimosa	Mimosa Mining Company (Private) Limited, a company incorporated in Zimbabwe
LSE	London Stock Exchange
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PSA1	Pooling and Sharing Agreement between AQPSA and RPM Ltd on Kroondal
PSA2	Pooling and Sharing Agreement between AQPSA and RPM Ltd on Marikana
USD	United States Dollar
ZAR	South African Rand

CORPORATE DIRECTORY

EXEMPT COMPANY NUMBER

EC 26290

Incorporated in Bermuda

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton
Bermuda

BOARD OF DIRECTORS

Sir Nigel Rudd
Jean Nel
David Dix
Edward Haslam
Tim Freshwater
Kofi Morna
Zwelakhe Mankazana
Sonja De Bruyn Sebotsa

COMPANY SECRETARY

Willi Boehm

STOCK EXCHANGE LISTINGS

Aquarius Platinum Limited is listed on the Australian Securities Exchange (AQP.AX), the London Stock Exchange (AQP.L), the Johannesburg Stock Exchange South Africa (AQP.ZA) and has a sponsored Level 1 ADR program in the United States.

SHARE REGISTERS

AUSTRALIA

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172 St Georges Terrace
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Telephone: +61 8 9323 2000
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Telephone: +44 370 889 3193
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