



**SUSTAINABLE
DEVELOPMENT
REPORT 2015**



SCOPE OF AND APPROACH TO REPORTING

At Aquarius Platinum, we recognise our responsibility to report beyond our operational and financial performance. Our Sustainable Development Report 2015 therefore addresses the Group's governance, economic, social and environmental performance for the year ending 30 June 2015 (FY2015).

This report covers our most material issues which were identified through our informal yet extensive material issues assessment process. This process takes into account our risk-management structures and strategies as well as feedback from our stakeholders. Our stakeholders include, among others, our shareholders and employees, unions, communities and all levels of government.

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%). The Everest mine which had been on care and maintenance since July 2012, was sold during the course of the financial year. We also review the global platinum group metals (PGMs), market into which our product is delivered and in which we are price takers.

In reporting on the sustainability performance of our South African operations, due cognisance is taken of the requirements of the Mineral and Petroleum Resources Development Act (MPRDA) and the Mining Charter. We have also continued to report on energy and water use and on our greenhouse gas (GHG) emissions in our submissions to the Carbon Disclosure Project (CDP).

The sustainability information has been compiled in line with the principles of the Global Reporting Initiative's (GRI's) G4 guidelines and although we do not fulfil all the requirements for the 'in accordance' options in this reporting cycle, it contains standard disclosures from the GRI sustainability reporting guidelines. For reporting purposes, data is collated internally within the Group and is not audited externally at this stage. There have been no significant restatements of information other than in the environment section, where data is now reported on an attributable 50% basis, in line with our financial reporting.

The corporate governance statement, the full version of which is available in the Annual Report 2014, 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'.

In this report, 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 and in the operational review, where applicable to South African subsidiaries, in South African Rands.

This report may be found, together with the Annual Report 2015, on the corporate website at www.aquariusplatinum.com. Should shareholders and other parties be interested in additional information, please peruse our website and address any specific questions to info@aquariusplatinum.com.

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Annual
Report 2015



Sustainable
Development
Report 2015

CORPORATE WEBSITE

www.aquariusplatinum.com



CONTENTS
OF THE 2015 REPORT



P2-7
INTRODUCTION

Corporate profile	2
Highlights of the year – 2015	2
CEO's review	4
Our products and external markets	6

P8-11
GOVERNANCE

Corporate governance – a summary	8
Our material issues and sustainability	10

P12-32
PERFORMANCE

Economic performance	12
Social performance	15
Safety and health	15
Employment	20
Community development	24
Environmental performance	27

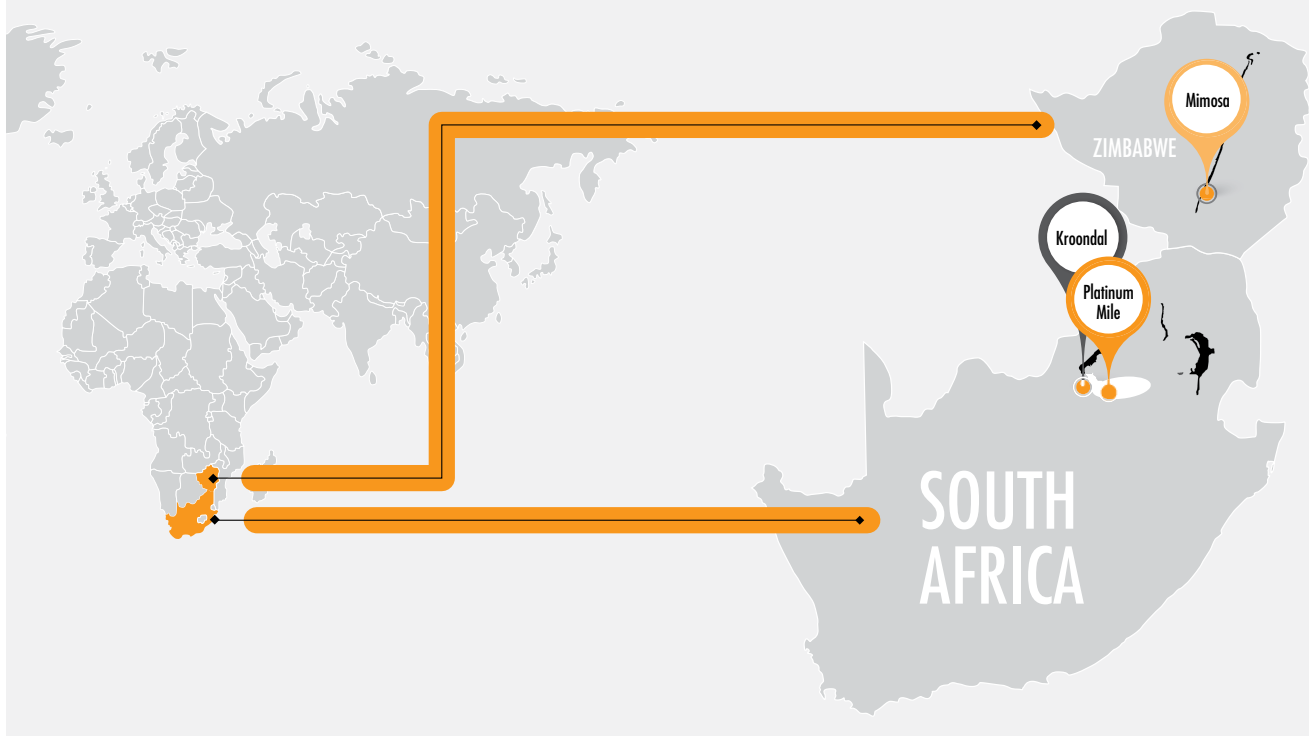
P33-36
ADMINISTRATION

GRI content index	33
Glossary of terms and acronyms	36
Corporate directory and forward-looking statement	IBC

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



HIGHLIGHTS OF THE YEAR – 2015

FINANCIAL HIGHLIGHTS

- Lower PGM prices affect financial performance:
 - Revenue decreased by 9% to \$213 million (FY2014: \$233 million)
 - Mine earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased by 10% to \$26 million (FY2014: \$29 million)
 - Mine operating net cash inflow of \$18 million (FY2014: inflow of \$21 million)
- Headline loss (before exceptional charges) of \$51 million at 3.47 cents per share (FY2014: loss of \$11 million at 1.13 cents per share)
- Accounting net loss after tax (to IFRS*) of \$98 million after impairment and other non-cash one-off charges
- Dividend of \$20 million received from Mimosa joint venture
- Balance sheet strengthened by receipt of proceeds from the sale of non-core assets totalling \$60 million
- Group cash balance of \$196 million at year-end (FY2014: \$137 million) – an additional \$6 million attributable to Aquarius held in joint venture entities

*International Financial Reporting Standards

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 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 Centametal 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 the 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 (CTRP) – 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 (ASX), 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, the United Kingdom, North America and Australia.

OPERATIONAL HIGHLIGHTS

- Group attributable PGM production increased by 5% to 349,426oz (FY2104: 331,643oz)
- Unit costs increases contained at well-below rate of inflation
- Average US Dollar PGM basket price received was 7% lower at \$1,097/oz compared to the previous year
- In Rand terms, the 10% weakening in the Rand:US Dollar exchange rate countered the lower metals' Dollar price
- Attributable Mineral Resource of 50.18Moz including a Mineral Reserve of 6.49Moz

SUSTAINABILITY HIGHLIGHTS

- Overall improvement in safety performance
- Employed 10,316 people in all, of whom 29% were contractors
- Ensuring stable labour relations at Kroondal, despite inter-union rivalry
- Total Group corporate social investment (CSI) spend of R51.7 million in FY2015

CEO'S REVIEW

DEAR STAKEHOLDERS

Before I write about our company's sustainability, let me define what sustainability means to my colleagues and me. It is the management of our properties in South Africa and in Zimbabwe in such a way that they are safe places to work, that they provide decent and satisfying jobs to each of our employees, that they generate long-term profits that can be shared equitably by all our stakeholders, that they can contribute to our communities and that operations are environmentally sound.

Let me start with what is the principal facet of our operations – the safety and health of our employees. It is with considerable regret, then, that I have to report the deaths of two of our colleagues since the start of the 2015 financial year – one at Kroondal in South Africa during the financial year under review and the other at Mimosa in Zimbabwe at the start of the current financial year. At both of our mines, our operations are conducted in strict compliance with the health and safety laws of our hosts. Following these accidents, we conducted our own investigations into these events and assisted the relevant authorities in their investigations. We have used what has been learned from these accidents to analyse the causes and to improve our safety procedures.

The two fatal accidents have sharpened our determination to further improve our mines' safety performances. As it was, our safety record improved significantly in the year under review. At Kroondal the safety campaign – My Life, My Responsibility, I Will Comply – launched in 2013 proved to be progressively effective. The mine's rolling average disabling injury incidence rate (DIIR) fell to 0.65 per 200,000 man hours from the previous financial year's 0.73, an advance to which the campaign contributed significantly. There is further to go until we reach our aim of zero harm, but I am encouraged by the steady rate of improvement.

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 0.08 the previous year.

Despite these improvements we are not resting on our laurels. We are determined that safety improvements will continue, with the safety message being reinforced by all appropriate means across our operations. This can 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.

In sustaining our business during trying economic circumstances, we continue to provide employment. In South Africa, the number of employees at our Kroondal operations increased by 2% while at Mimosa the number declined by 10%, a result of a retrenchment process aimed at reducing operating costs. Overall, the number of people employed increased fractionally.

The industrial relations climate was testing during the year in South Africa, and our operations were not unaffected by the five-month strike the previous year at neighbouring mines. There was a change in union representation of employees at Kroondal during the course of the year and this process has required careful management and interaction with employees. The Association of Mineworkers and Construction Union (AMCU) is currently the majority union having achieved full organisational rights for the Category B (semi-skilled) bargaining unit with representation of more than 35% in January 2015 – this has subsequently increased to in excess of 70%. In tandem, representation by the National Union of Mineworkers (NUM) declined to less than 35% and, after following due process, its recognition agreement was terminated. In the interim, NUM increased its support base to more than 35% among category A (skilled) employees, who are also represented by Solidarity, and a revised recognition agreement is currently being negotiated with NUM.

At the start of the year's first quarter (in July 2014) a three-year wage agreement was reached with the majority South African union at that time at Kroondal. For each year of the agreement, employees will receive wage increases that are slightly above inflation, thereby delivering improving remuneration in real terms.

In Zimbabwe, similar wage increases are negotiated annually through the Chamber of Mines for the platinum mining sector at large, while relations with employees have remained tranquil.



Jean Nel
Chief Executive Officer

Our workforce is not unionised, but employees are represented by workers' councils.

In parallel with our commitments to our employees, we comply rigorously with the environmental regulations of our host countries and, to a large extent, exceed the conditions contained in those regulations. Our approach is straightforward – our legacy will be an environment that is fully restored once mining operations cease and that is fully protected during our operations. Furthermore, we are committed to ensuring that our host communities not only have opportunities to do business with our mines today but will also be left with a pool of skills and employment opportunities that will last beyond the lives of the mines. For the generation of long-term, sustainable profits that can be shared equitably by our stakeholders, we have focused our operational activities on the two mines and tailings reprocessing operations that can generate them. Our strategy remains the disposal of those assets that are better developed by others.

During the year we sold our indirect interest in the Kruidfontein prospecting rights, a sale which delivered a pre-tax US\$27 million to our subsidiary in which the rights were held. This allowed us to settle our contractual obligations to Kruidfontein's original vendors. We have been released from any further obligations that might have been a drain on our resources. In the process, we continued with our objective to deleverage our balance sheet, placing the company on a sounder and more sustainable financial footing.

In February 2015, we agreed the sale of our entire interest in the Everest mine and its infrastructure to Northam Platinum Limited for an aggregate amount of R450 million. The Everest mine had been closed since 2012 and care-and-maintenance costs were a drain on our resources. The property's main value lay in its processing plant, and this will now be employed by Northam to process ore from its adjacent Booyssendal South mine. The proceeds of the sale were largely received a few days before the financial year's end.

We are examining projects with the capacity to add to our existing operations, and details are explored fully elsewhere in this suite of reports. However, before any developments take place we shall need to be confident of the sustainability of the fiscal and legal environments in the countries in which we operate.

As I write, the prices of platinum group metals remain depressed, the result of slowing economic growth in several major global economies, particularly China's, as well as continued over supply by South African producers. There is little or nothing, short of mine closures, platinum companies can do to influence the metals' prices. And Aquarius' stance is to ensure that our mines remain profitable no matter what prices eventuate. We operate in the lower portion of the industry's cost curve.

Fuller details are provided elsewhere in the accompanying Annual Report 2015, but we remain committed to strengthening our balance sheet to ensure our longer-term financial and operational viabilities.

In conclusion it remains for me to express my admiration for the manner in which Aquarius' employees have contributed to the company's progress in the past year. Their efforts and commitment are appreciated.



Jean Nel
Chief Executive Officer
30 October

OUR PRODUCTS AND EXTERNAL MARKETS

OUR PRODUCTS

Aquarius' principal business is the mining of PGM-bearing ore and the processing of that ore to produce PGM concentrate. The three primary PGMs are platinum, palladium and rhodium, which together with gold are referred to as 3E + Au. The minor PGMs, iridium and ruthenium, are produced as co-products, to give 5E + Au. Nickel, copper and chrome are produced as by-products.

Aquarius' primary operations process the ore mined to the concentrate stage with the concentrate being sold to third parties for further processing and refining. The major sources of demand for the PGMs produced are the automotive sector, for use in autocatalysts, the jewellery sector, industry (chemical, electrical, petrochemical and glass manufacturing) and the investment sector, where exchange traded funds have become increasingly important players.

Production (100%) for FY2015 was as follows:

3PGM	670,383oz
5PGM	782,784oz
Nickel	4,007t
Copper	2,957t
Chrome	465,000t

In FY2015, attributable production of 3PGM + Au totalled 349,426oz, an increase of 5% on FY2014 (331,642oz).

OUR METALS MARKETS

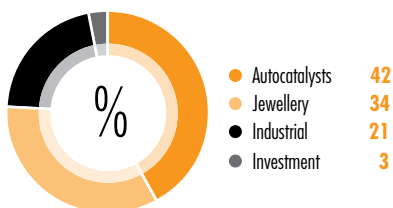
One of our main material issues is the volatile PGM markets and prices. The correction in recent years in commodity markets follows the end of the so-called super-cycle which began in 2008 and peaked in 2011 when the average price of platinum for the year was \$1,723/oz. This compares with an average 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.



PLATINUM

Breakdown of platinum demand – 2014



8.3Moz

GROSS PLATINUM DEMAND 2014

7.2Moz

GROSS PLATINUM SUPPLY 2014 (INCLUDING RECYCLING)



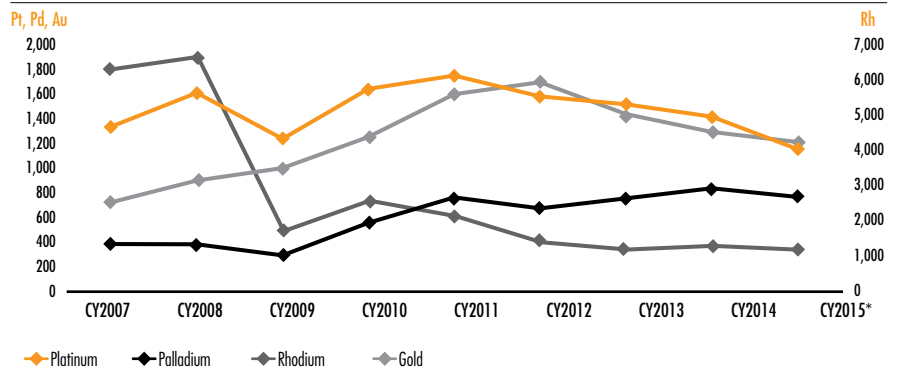
Our Zimbabwean operation, which operates in a dollarised economy, has not benefitted at all from currency fluctuations and has felt the full brunt of the decline in Dollar prices. In comparing price levels with those prevailing in 2007, before the start of the most recent commodities boom, only the prices of gold and palladium are currently at higher levels.

During the year under review, the average basket Dollar price received declined to an average \$1,097/oz in a difficult market. In Rand terms, the PGM basket price received 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.

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



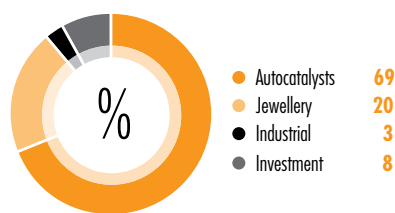
* Year-to-date (September 2015)

Price performance – average PGM prices

	Calendar 2014	Year to date 2015 (October)
Platinum	\$1,390/oz	\$1,097/oz
Palladium	\$809/oz	\$722/oz
Rhodium	\$1,172/oz	\$1,004/oz

PALLADIUM

Breakdown of palladium demand – 2014



10.7Moz

GROSS PALLADIUM DEMAND 2014

8.8Moz

GROSS PLATINUM SUPPLY 2014 (INCLUDING RECYCLING)

CORPORATE GOVERNANCE – A SUMMARY

The Aquarius Board recognises that sound corporate governance principles and practice underpin the creation of value and the sustainability of our business. The principles of integrity, accountability and transparency are fundamental to all that we do – in running our business and reporting to all stakeholders.

The Board which has oversight of and responsibility for corporate governance is guided in this by the Australian Securities Exchange Corporate Governance Council's (the Council's) Corporate Governance Principles & Recommendations, the UK Corporate Governance Code and the South African King Code of Governance Principles (King III), collectively the Recommendations. The Board has established systems of accountability and control through its corporate governance framework as outlined in its corporate governance statement. The Board also has responsibility for the corporate strategy and the management of risks and opportunities, within the corporate governance framework.

As the corporate governance environment is constantly evolving, the charters and policies under which we operate will continue to be monitored and amended to keep abreast of updates. The Company will disclose the extent to which it has followed these guidelines and the reasons for any departure from these.

A more comprehensive Corporate Governance Statement can be found in the Annual Report 2015.

THE BOARD

BOARD COMPOSITION

At the date of this report, the Board comprised 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. Of the eight directors, five are regarded as being independent, this helping to ensure the Board's objectivity.

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.

The names of the directors and their curricula vitae detailing their qualifications and relevant experience are set out in the Directors' Report in the Annual Report 2015.

BOARD RESPONSIBILITIES

Given its responsible for the overall effective management of the Group, the Board seeks to ensure that its activities comply with the all regulatory and ethical requirements. The Board has in place 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 to act in the best interests of its stakeholders, including employees, suppliers and the communities in which it operates. The Board is governed by a Charter which establishes guidelines to ensure its members act in the best interests of the Company.

DIVERSITY POLICY

The Diversity Policy outlines our commitment to creating a work environment that is fair and inclusive. Diversity encompasses but is not limited to gender, age, ethnicity and cultural background. In South Africa, Aquarius employment policies and procedures are guided by the MPRDA and the accompanying Mining Charter. The Board believes that diversity contributes to its business and benefits shareholders and stakeholders and is responsible for oversight of this policy which is reviewed annually.

ENVIRONMENTAL REGULATION AND PERFORMANCE

On the cessation of mining operations, companies within the Aquarius Platinum Group are required to rehabilitate the relevant area disturbed by mining activities. Mr Rob Schroder, Managing Director of AQPSA, is the officer responsible for compliance on these matters for all our South African properties. Mr Winston Chitando, Managing Director of the Mimosa Group of Companies in Zimbabwe, is the officer responsible for all our Zimbabwean properties.

In South Africa, the Company makes annual contributions to established trusts 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.

CODE OF CONDUCT

Our 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 Code of Conduct stands as a set of principles 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.

Whistle-blowing policies at all Aquarius operations support these initiatives.

RISK MANAGEMENT

Aquarius has in place 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 business. 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.

The division of responsibilities between the Chairman and the Chief Executive Officer is clearly defined.

BOARD COMMITTEES

Four committees assist the Board in conducting its responsibilities. These are:

- **Audit/Risk Committee:** assists the Board to fulfil 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.
- **Remuneration Committee:** reviews compensation arrangements for the directors and the executive team. This Committee also periodically assesses the appropriateness of the nature and value of these emoluments in comparison with relevant employment market conditions, with the overall aim of ensuring maximum shareholder benefit from the retention of a high quality executive team. In addition, the Remuneration 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.
- **Nomination Committee:** oversees the process for selection, appointment and re-election of directors. If the appointment of a new director is required, 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. Appointments are referred to shareholders at the next available opportunity for election in general meeting.
- **Social & Ethics Committee:** While the Board monitors the Company's adherence to social and ethical issues via its various committees and governance policies, a specific Social & Ethics Committee has been established at the AQPSA level. This Committee reports its findings to and assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to its obligations to any relevant legislation, other legal requirements or prevailing codes of best practice, in respect of:
 - *Social and economic development*, including the Company's standing in terms of the goals and purposes of the United Nations Global Compact; the Organisation for Economic Co-operation and Development recommendations on corruption prevention; and in South Africa, the Employment Equity Act, the MPRDA and the Mining Charter (the Broad Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry).
 - *Good corporate citizenship*, including the promotion of equality, prevention of unfair discrimination, the elimination of corruption, ethics performance in general, the contribution to community development and recording sponsorships, donations and charitable giving.
 - *The impact of our activities* on the environment and the health and safety of our employees and surrounding communities.
 - *Labour and employment*, including our standing in terms of the International Labour Organisation Protocol on decent work and working conditions; our employment relationships and contribution to the educational development of employees.

In line with best practice, each committee has a Board-approved charter, which is reviewed annually, detailing its roles, responsibilities and membership requirements. These charters together with that of the Board, or their summaries, are available in the Corporate Governance section in the Annual Report 2015, which is available on the website at www.aquariusplatinum.com.

OUR MATERIAL ISSUES AND SUSTAINABILITY

The principles, practices and our performance concerning sustainability and sustainable development, and in particular the economic sustainability of our own business, are central to the management of Aquarius and its operations. These principles and practices encompass Aquarius’ economic performance, safety, health, employment, community development, the environment, stakeholder engagement and governance.

In recent years, our most pressing sustainability challenge has been to ensure our economic viability. By so doing, we will be able to continue providing employment, generating value for shareholders and contributing to communities and the fiscus.

Closely allied to this discussion on sustainability and sustainable development is a discussion of our material issues, risks and opportunities. Implicit in the Board’s mandate is responsibility for identifying and managing risk and thus for the company’s system of internal control, for its review and for ensuring its effectiveness.

Our system of risk management and internal controls identifies the risks and opportunities to the business on an on-going basis. It is designed to identify, evaluate and manage significant risks associated with the achievement of the Company’s objectives. Strategic risks are identified, monitored and actively managed with the allocation of appropriate resources. 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.

The Audit/Risk Committee in particular is responsible for reviewing the effectiveness of our internal control system. In terms of its Charter, the Audit/Risk Committee has responsibility for all operations and its responsibilities include oversight and management of the Company’s risk profile. The Committee meets quarterly to review and update the risk profile, with input received from line managers across the business.

To assist in managing key internal risks, several company-wide procedures, policies and standards have been set, as has a framework for reporting matters of significance. In identifying our material issues, we were guided by the GRI’s definition of material issues as those that “reflect the organisation’s significant economic, environmental and social impacts; or would substantively influence the assessments and decisions of stakeholders”. The allocation of resources by the company currently focuses on the alignment of an organisational strategy that will ensure our material issues are addressed.




For further information on our risk management approach, refer to the sections on Our External Environment and Material Concerns and on Risk Management and Internal Controls, in the Aquarius Annual Report 2015.

At Aquarius, we aim to constantly improve our safety, health and environmental (SHE) 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 CDP 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.

Aquarius’ South African operation, Kroondal, complies with the MPRDA as well as the Mining Charter, and 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

OUR MATERIAL ISSUES

- 
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

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.

in meeting the targets set out and committed to in the SLP is reported annually to the Department of Mineral Resources (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.

SHERQ POLICY

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 SHE risks, every effort will be made to limit, contain, mitigate and eliminate these impacts.

In compiling our 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 SHE 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 (TB)
- 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, AMCU, which became the majority union in January 2015, the NUM and Solidarity. The next policy review is scheduled to take place in February 2018.

ECONOMIC PERFORMANCE

MATERIAL ECONOMIC ISSUE

Currently, our principal material issue is ensuring the economic sustainability of our business so as to enable us to create value for all stakeholders – our shareholders and investors, our employees, the communities located in close proximity to our operations and governments. We strive to create value by delivering on our business objectives and operational targets as efficiently and cost-effectively as possible.

MANAGING RISKS AND OPPORTUNITIES

The primary economic risk to our business is the current low Dollar prices for the metals we produce. To counter the current depressed market, we have implemented a strategy to optimise production and minimise costs. For further information on this, see the Aquarius Annual Report 2015.

VALUE GENERATED

Aquarius recorded a consolidated net loss after tax of \$98 million (6.59 cents per share) for the financial year ended 30 June 2015. Revenue (PGM sales and interest) was \$213 million, \$20 million lower than in FY2014. This decline in revenue reflects the current difficult PGM market and the 7% decline in the average Dollar basket price. While the decline in the Dollar price was offset by the continued weakening of the Rand against the Dollar for our South African operations, the exchange rate market volatility affected earnings.

Group cash at 30 June 2015 was \$195 million, which is \$58 million more than it was in June 2014. The increase in cash was mainly attributable to \$27 million received from the sale of Kruidfontein and \$33 million from the sale of Everest. The Group's net cash balance at year-end was \$70 million, with a further \$5 million attributable to us from joint ventures. The year's cash increase closely matches the total \$60 million received from the sale of Everest and the Kruidfontein prospecting right.

Good cost control at the operations resulted in the total cost of production declining by \$20 million to \$211 million, despite the increased level of production. We continue to focus on maintaining operating unit cost increases well within inflationary targets, particularly in the ongoing low metal price environment.

REGULATORY AND FISCAL ENVIRONMENT

During the year, the Zimbabwean political and regulatory environment remained uncertain in a number of respects. Significant regulatory issues included a 15% export levy on unbeneficiated PGMs. In the 2015 national budget statement, it was proposed that this export levy should be deferred to January 2017. However, the Finance Act, 2014 (Act No 3 of 2014), which gives legal effect to the budget proposals, did not include the deferment of this tax on unbeneficiated PGMs so it was not deferred but became law on 1 January 2015.

At the date of this report, the government of Zimbabwe had agreed, in principle, to defer the levy to January 2017 and has confirmed this position in writing. However this has not as yet been promulgated. We continue to engage with the authorities in consultation with the local Chamber of Mines to have the levy's deferment regularised through the necessary legal instrument. In the absence of formal deferment, and having considered all factors, our directors believe it is prudent to provide for the impact of this levy. Accordingly, an attributable amount of \$4.5 million was accrued for the financial year ended June 2015. Aquarius and Mimosa are confident that the matter will be resolved and we remain committed to building sound working relations with the government of Zimbabwe.

Furthermore Mimosa, together with the other platinum producers in Zimbabwe, is assessing the viability of several in-country smelting and beneficiation alternatives. The outcome of these assessments will be communicated to all relevant stakeholders in due course.

The proposal to render royalties payable by Mimosa non-deductible for income tax purposes was implemented with effect from the year of assessment beginning 1 January 2014. This impacted Mimosa from the start of FY2014 on 1 July 2013. This position has remained in the 2015 national budget. The financial impact of the non-deductibility of royalties was

HIGHLIGHTS BY OPERATION

KROONDAL

- Record 10th consecutive quarter of production exceeding 105,000 PGM ounces to give annual PGM production for the year of 442,477 PGM ounces, an increase of 3% on the previous year
- Volumes processed declined slightly by 0.2% to 7,160Mt
- Head grade improved to 2.43 g/t from 2.39g/t
- Recoveries increased by 1% to 79%
- Revenue decreased by 2% to R4.5 billion compared to FY2014 – the 7% decline in Dollar basket price was offset to an extent by improved production and 10% weakening in Rand/Dollar exchange rate
- Mining cash costs increased by 4% to R567 per tonne and costs per PGM ounce increased by 1% to R9,168 – in Dollar terms, unit costs decreased by 9% to \$803/oz

MIMOSA

- Total PGM production increased by 7% to a record 236,067oz, to give attributable production for the year of 118,033oz
- Volumes processed increased by 3% to 2.6Mt
- Recoveries improved by 1% to 78%
- Revenue increased by 5% to \$272 million owing to higher level of metal sales
- Mining cash costs decreased 8% to \$73/t and PGM ounce per cost decreased by 9% to \$802/oz, demonstrating the impact of cost-saving initiatives implemented in FY2014
- The Mimosa PGM basket price 5% lower at \$1,075 in FY2015

PLATINUM MILE

- Material processed totalled 4.6Mt
- Recoveries were 12%
- Production amounted to 10,154 PGM ounces
- Cash costs were R8,237 per PGM ounce
- Revenue was R95 million



\$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 continue with the authorities to confirm that the royalties are deductible for income tax purposes.

ECONOMIC EMPOWERMENT

In Zimbabwe, Mimosa continues to interact with the Ministry of Indigenisation and Ministry of Mines to work towards a sustainable solution to indigenisation. However, in FY2015, no agreements or definitive terms were agreed between Mimosa and the Ministry. Management is unable to estimate the financial impact of the proposed transaction. Zimbabwe's indigenisation law, which obliges foreign investors to transfer 51% ownership of their local assets to Zimbabweans on a 'for value' basis, remains a significant concern and business risk due to uncertain implementation and interpretation.

In South Africa, in line with the requirements of the Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002) (MPRDA) and the Mining Charter, Aquarius accords preference to black economic empowerment (BEE) suppliers, who have equity ownership of 26% and more by black South Africans, and those who support historically disadvantaged South Africans (HDSAs). Our compliance is measured in terms of a scorecard designed to facilitate the application of the Mining Charter, and is reviewed quarterly by the Board, in terms of the MPRDA requirements.

PROCUREMENT

AQPSA's total procurement for FY2015 was R3,337 million (FY2014: R3,427 million) – the total BEE/HDSA component of this amount was R2,723 million or 82% (FY2014: R1,919 million or 56% respectively).

Mimosa spent \$119 million on procurement in FY2015 – of this amount, 75% was spent locally (FY2014: \$105 million and 69% respectively).

Total procurement spend in South Africa (Rm)

	Total procurement spend			Total BEE procurement spend			BEE spend as % of total		
	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013
Kroondal	3,337	3,427	3,991	2,723	1,919	2,709	82%	56	68
Marikana*	0	0	204	0	0	159	0	0	78
Everest**	0	0	37	0	0	318	0	0	84
AQPSA	3,337	3,427	4,232	2,723	1,919	3,186	82%	56	70

* On care and maintenance

** Sold in FY2015

Proportion of BEE/HDSA spend in South Africa (Rm)

	Capital			Consumables			Services			Total		
	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013
Kroondal	648	312	177	968	561	883	1,721	1,046	1,649	3,337	1,919	2,709
Marikana*	0	0	10	0	0	49	0	0	100	0	0	159
Everest**	0	0	4	0	0	29	0	0	285	0	0	318
AQPSA	648	312	191	968	561	961	1,721	1,046	2,034	3,337	1,919	3,186
Proportion of total spend by category	84%	61%	66%	82%	59%	56%	80%	71%	75%	82%	56%	70%

* On care and maintenance

** Sold in FY2015

ECONOMIC PERFORMANCE CONTINUED

WAGE AGREEMENTS

During the year, the Kroondal work force maintained a positive outlook with open communication channels on all levels. A recognition agreement was concluded with AMCU in early January 2015. Negotiations were conducted in a mature manner. For further information on labour relations at Kroondal, see the Employment section on page 20 of this report.

OUTLOOK

We consider the prevailing and forecast metal price environment and balance sheet strength before we commit to any capital to projects. As our operating environment remains extremely challenging due to low and volatile Dollar metal prices (see the section, Our products and external markets, on page 6 of this report), we continue to focus not only on consistent cost and capital discipline but also to assess further initiatives to reduce absolute costs and increase efficiencies.

We are also set to perform an assessment of the sustainability of each shaft at each operation.

We made progress with our growth projects in FY2015 as follows:

- Kroondal tailings retreatment project:** The feasibility study for this project is well advanced. This project involves retreating the tailings from the two Kroondal concentrator plants to recover any residual PGMs and depositing the retreated tails in the Marikana pits. This would effectively substantially reduce 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 (DWWS) 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.
- Mimosa expansion:** The prefeasibility study of the 25% Mimosa expansion was completed during the year. The bankable feasibility study currently underway is due to be completed by December 2015. Expansion into the Mtshingwe block, coupled with increased capacity of approximately 25%, 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 305m of on-reef development were completed during FY2015, as planned and on budget. Given the relatively low capital expenditure required for this expansion – estimated at \$82 million (100%) over five years – and the fixed cost dilution, this expansion project is significantly value accretive. Although this project could be executed within 24 months of its start, guarantees of fiscal and regulatory stability would be important before the Aquarius Board made any decision to commit the capital required.
- Platinum Mile dump retreatment project:** Anglo Platinum is set to start commissioning dump retreatment project before end of calendar 2015 to treat additional feed of around 280,000 tons a month. The increased level of production will enable continued profitable operation of Platinum Mile under strained market and pricing conditions.



SOCIAL PERFORMANCE



MATERIAL SOCIAL ISSUES

Our material social issues were safety, employee engagement and maintaining labour relations with employees despite a fractious industrial relations climate.

HIGHLIGHTS OF FY2015

- Overall, safety performance in terms of disabling and lost-time injuries improved at Kroondal and Mimosa
- More than 5 million fatality-free shifts recorded at Mimosa by year-end
- Every effort was made to promote constructive labour relations and resolve the inter-union rivalry at our South African operations
- Invested a total of approximately R51.7 million in local economic development (LED) projects

SAFETY

Ensuring the safety and well-being of our employees is vital. Deep-level 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 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. 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. An anonymous safety hotline is also available on which employees may report any safety concerns.

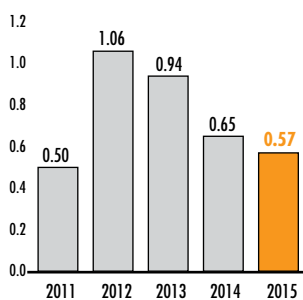
We regularly review and revitalise our safety training and safety awareness programmes. The importance of adhering to safety standards cannot be overemphasized. Our employees are entitled to a safe working environment and our approach to safety is based on a collaborative partnership involving management,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

Every shaft and plant has a Health and Safety Committee, which includes representative unions and other stakeholders, reporting to a management review committee. Daily safety meetings involve all levels of supervision. These are supported by weekly Health and Safety Committee meetings in each work area or shaft, culminating in monthly operational meetings with senior management and organised labour, and a quarterly meeting with executive management.

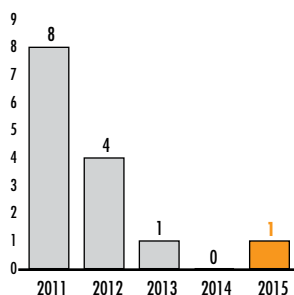
As there are far fewer employees and contractors at Platinum Mile than employed at our other operations, it has a safety representative on each three-shift system as well as a full-time safety representative on duty every day in lieu of a safety committee. SHE issues are addressed in monthly meetings and plant management conducts audits at regular intervals. Management also meets with employees coming off the night shift every morning and thus engages with all employees as the shifts rotate.

Similarly, Mimosa's SHE policy is aimed at achieving zero harm and minimising the impact on the environment. Recent changes to this policy incorporated the revised wellness policy. Mimosa's SHE steering committee includes senior managers, SHE practitioners and executives,

Aquarius – DIIR per 200,000 hours worked



Aquarius – Number of fatalities



SOCIAL PERFORMANCE CONTINUED

who meet once a month, and oversees implementation of its SHE policy. This policy is aimed principally at achieving and maintaining zero harm at all operations, in terms of safety, and minimising the environmental impact.

Comprehensive codes of practice, standards and procedures are in place and enforced through the supervisory structures. These are "policed" by a dedicated, full-time Safety, Health, Environment and Risk (SHER) department that is audited both internally and externally to ensure systems for the prevention of injuries and occupational diseases are effective. All codes of practice, standards and procedures are designed and approved by representatives from all levels of employment, including employee representatives. Regular planned task observations are conducted on all critical tasks to test the knowledge and compliance of all employees.

Working through the Chamber of Mines and the DMR, Aquarius has facilitated the establishment of a Women in Mining Forum.

SAFETY AWARENESS AND INCIDENT PREVENTION AT KROONDAL

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 incidents and injuries 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 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.

To monitor the safety of our employees, including contractors, we conduct regular incident/injury investigations to address root causes. We focus mostly on compliance with safety procedures and standards, and low-energy incidents, involving materials handling as well as slips and falls and general safety mishaps. Low-energy incidents account for around three-quarters of injuries with high-energy incidents such as falls of ground accounting for the balance.

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.

SAFETY AWARENESS AND INCIDENT PREVENTION AT MIMOSA

At Mimosa, safety awareness training includes focuses and committed leadership; implementation of SHE systems and continuous benchmarking in terms of world-class practices; training of supervisors, SHE representatives and emergency co-ordinators towards achieving zero harm; timeous closure of identified action plans; focused intervention strategies based on trending and analysis results for "stops and fixes"; behaviour-based safety observations and inspection findings; SHE risk assessments in all routine and non-routine jobs; a proactive approach towards near misses and accidents; a repeat accident prevention strategy including incident recalls for accidents within three years; encouraging off-the-job safety as a vehicle to advance safety consciousness among employees; development and implementation of SHE pacts within teams at all levels; quarterly focused themed campaigns on protection of hands and fingers, use of personal protection equipment, fire safety awareness and teamwork. Regular safety strategy sessions are held to review and improve safety performance.

"MY LIFE, MY RESPONSIBILITY, I WILL COMPLY"

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 injuries and incidents is non-compliance with safety standards and procedures, this safety campaign has emphasised the importance of obeying safety procedures. In particular, the focus is on compliance regarding low-energy and general incidents 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, wound-care specialists and a full-time clinic management team, which are available at our on-site clinics.

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

SAFETY OF WOMEN IN MINING

Aquarius is committed to combatting any abuse of and violence against women. Use of the hotline to report complaints is reinforced and endorsed. Female employees are encouraged to report any incidents of sexual harassment on the company's hotline and also to report any instances where they feel unsafe.

Measures implemented to ensure the safety of women miners include:

- Self-defence classes provided at AQPSA training centre
- Campaign launched by the Protection Services department to promote security awareness and personal safety
- Strict rules and procedures are in place for women working in isolation
- Well-established, elected female structures are in place to ensure frequent reviews of systems to improve the health and safety of female workers



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 ongoing 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), 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.

SAFETY PERFORMANCE AT KROONDAL

Mr Pedro Tafulane Nhabinde, a team leader at Kroondal's Kwezi shaft, was fatally injured in a fall of ground accident on 11 October 2014, at which time Kroondal had recorded more than 3.5 million fatality-free shifts. Kroondal's 12-month rolling average DIIR was 0.65 per 200,000 hours worked (FY2015: 0.73) – an improvement of 11%. By year-end, more than 1 million fatality free shifts had been recorded at Kroondal.

A total of 38 (FY2014: 28) routine inspections were conducted by the DMR in South Africa: 11 (FY2014: 12) resulted in no instructions, 15 (FY2014: 9) resulted in orders to comply (no stoppage) in terms of Section 55 of the Mine Health and Safety Act and 12 (FY2014: 8) resulted in work stoppages in terms of Section 54 of the Act. Various shafts recorded nine (FY2014: 36) lost production days.

SAFETY PERFORMANCE AT MIMOSA

By the end of FY2015, Mimosa had recorded more than 5 million fatality free shifts (FY2014: more than 4 million). 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 frequency rate (LTIFR) of 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.

Mimosa recorded one (FY2014: 3) lost-time injury in the year under review, an improvement of 66.67%, and no fatalities (FY2014: 0). The commensurate LTIFR closed at 0.13 compared to 0.38 recorded in FY2014. This represents a 65.8% improvement. The operation recorded four injuries (FY2014: 12), which is 66% fewer than that recorded in the previous period.

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

Aquarius – number of fatalities by operation

	FY2015	FY2014	FY2013
Kroondal	1	0	1
Platinum Mile	0	0	0
Mimosa	0	0	0

Aquarius – disabling injury incidence rate per 200,000 hours worked by operation

	FY2015	FY2014	FY2013
Kroondal	0.65	0.73	1.14
Platinum Mile	0	0	0
Mimosa	0.03	0.08	0.05

SOCIAL PERFORMANCE CONTINUED

HEALTH

We recognise that the health and wellness of our employees contributes to an engaged, productive labour force. Our commitment to the well-being of our employees at both AQPSA and Mimosa is enshrined in our SHERQ policies. We also comply with relevant legislation in both jurisdictions in which we operate. Wellness campaigns aim to educate employees and their dependants in terms of primary healthcare, provide voluntary counselling and testing for HIV/AIDS, screen for pulmonary TB and reduce the spread of disease among the workforce.

As part of medical surveillance of occupational health conditions, all employees undergo annual medical examinations and screening, and appropriate action is taken when necessary. These medical examinations are conducted pre-employment, annually while employed and at exit (termination of employment). Additional examinations are conducted when an employee is transferred or promoted, following extended or serious medical issues or when exposure limits vary. Employees have access to comprehensive health-benefit schemes or on-site primary health and occupational health services.

The major health risks associated with our operations are HIV/AIDS, TB, occupational lung disease and noise-induced hearing loss (NIHL). Non-communicable life-style diseases such as hypertension and diabetes are becoming an increasing concern.

At Kroondal and Platinum Mile, 17,542 (FY2014: 15,162) medical surveillance examinations were conducted on employees and contractors. At Mimosa, a total of 2,421 medical examinations were conducted – 1,642 entry examinations (most of which were for short-term contractors), 63 exit examinations and 716 periodic examinations (FY2014: 2,322).

At Kroondal, the wellness management committee meets bi-monthly with employee representatives, management and stakeholders to oversee wellness and health campaigns, to review all wellness projects and to monitor regulatory compliance.

In FY2015, the committee:

- co-ordinated HIV counselling and testing (HCT) campaigns to create awareness and give employees assistance with health and wellness related matters
- implemented and maintained a peer educators' programme
- facilitated training and awareness on wellness and health matters

Successful activities during FY2015 included the distribution of female condoms and an increase in voluntary HIV and TB counselling and testing and screening taking place during medical surveillance examinations at the Occupational Health Centre (OHC) at Bleskop Hospital (Anglo Medical Services), Rustenburg.

The Medical Services Department at Mimosa has in place a comprehensive employee and workplace surveillance programme to monitor and address major health issues including HIV/Aids and TB and those associated with exposure to dust, noise and chemicals in the workplace. In addition, hearing conservation programmes, biological lead monitoring for employees who handle lead, and chronic disease monitoring of employees, such as operators and drivers, working in dangerous occupations are also undertaken. The removal and safe disposal of lead, a by-product of the processing plant at Mimosa, is outsourced to a specialist third party to prevent and minimise possible exposure.

The highlights of the year at Mimosa from a health perspective were:

- the annual commemoration of World AIDS Day held in December 2014. This well-attended outreach event, designed to increase AIDS awareness, was held at the Mandava Stadium in Zvishavane
- the adoption of a comprehensive wellness policy
- the roll-out of a customised hearing protection programme

NOISE-INDUCED HEARING LOSS

Noise-induced hearing loss (NIHL) is a preventable disorder. Hearing conservation programmes that combine education, personal protective equipment, noise monitoring and silencing at source are aimed at combatting NIHL.

At Kroondal, the roll-out of custom-moulded hearing protection to 2,900 employees in high-risk noise exposure occupations was 75% complete in FY2015. A roll-out plan for the remaining 25% is in place, with low-risk occupations to be addressed in 2016. On completion of this roll-out, all employees exposed to noise levels exceeding 85dB will be in possession of customised hearing protection devices. The use of hearing protection devices is encouraged by means of posters, flyers and electronic bill boards. Their use is also advocated in interactive dance shows and industrial theatre, depicting the impact loss of hearing can have on individuals and their families. The noise levels emitted by all machinery at Kroondal are monitored and tested regularly to ensure that these levels do not exceed 110dB.

At Kroondal, 18 (FY2014: 28) cases of NIHL were identified and submitted to the Rand Mutual Assurance workmen's compensation fund for possible monetary compensation. An investigation into the causes and individual counselling sessions are conducted by the Occupational Hygienist.

Mimosa's hearing conservation programme, which forms part of the overall occupational health surveillance programme and involves ongoing hearing assessments of employees, is undertaken by the Occupational Hygiene Technician. Those employees identified as having a hearing loss of more than 5% are referred to an audiologist for further assessment. The provision of customised, personal hearing protection for high-risk employees is a priority. At Mimosa, 4 (FY2014: 0) new cases of NIHL were reported.

OCCUPATIONAL LUNG DISEASE

At Kroondal, medical surveillance and examinations include screening for occupational lung diseases such as chronic obstructive airways disease and TB, which can be caused by exposure to silica in the mining industry. Although silicosis is particularly associated with gold mining, it is not a risk in the platinum mining sector. If detected, usually among employees previously employed in gold mining, cases of silicosis are referred to the Medical Bureau for Occupational Diseases (MBOD). The critical management of TB is also monitored on behalf of Aquarius by the Bleskop OHC as required.

In Zimbabwe, the Medical Bureau of the National Social Security Authority assists with regular monitoring of occupational lung disease. In FY2015, Kroondal referred 71 (FY2014: 38) cases of TB for treatment to the MBOD while Mimosa reported five (FY2014: 8) cases.

NON-COMMUNICABLE AND LIFESTYLE DISEASES

As a group, we are endeavouring to address the incidence of hypertension and hypotension and other lifestyle diseases such as diabetes through awareness and education campaigns. At Kroondal, onsite health education and awareness is conducted at our training centre and at shaft induction sessions. Some 32% of those tested during HCT were diagnosed with hypertension (FY2014: 25%).

PREVENTION AND CURE

At Kroondal, a qualified Wellness Officer oversees our wellness programmes, which fall under the Human Resources Department. The Wellness Officer receives periodic reports on employee health, though patient confidentiality is respected with regard to HIV and TB. Although our on-site clinics do not provide primary healthcare, the Wellness Officer collaborates with the Department of Health to upgrade TB care and the clinical management of HIV.

A total of 1,712 employees (FY2014: 2,994) participated in our wellness campaigns in FY2015. Campaign elements included screening for TB, HIV/AIDS, cholesterol, blood pressure, glucose levels, and body mass index (BMI) analyses. Key concerns were HIV infection rates and hypertension.

We extended our health and wellness programme to communities in several ways. We:

- held a World AIDS day in Phuane community in December 2014
- conducted TB screening in Phuane community
- distributed 43,313 female condoms and 103,272 male condoms in partnership with local community health practitioners
- distributed more than 20,000 educational posters and pamphlets on TB, sexually-transmitted infections, cancer, nutrition, smoking, contraception, pregnancy termination, male circumcision and drug and substance abuse

At Mimosa, quarterly wellness campaigns, which are aimed at promoting overall employee wellness and safety and reducing the incidence of HIV/AIDS and TB, were conducted during the year, each focusing on the following themes:

- Zero harm in the workplace
- HIV/AIDS, to coincide with World AIDS Day
- A focus on TB – diagnosing, treating and eliminating the disease
- Overall wellness – with emphasis on nutrition and living a healthy lifestyle in order to work safely and productively

HIV/AIDS

An integrated HIV/TB policy, in terms of which a Wellness Officer co-ordinates and implements HIV and TB programmes in partnership with the Human Resources Department and medical service providers, has been implemented at Kroondal. Counselling and testing are included in annual medical examinations. Those employees identified as requiring treatment have access to antiretroviral (ARV) therapy through medical aid schemes and state-supported facilities.

The peer education programme at Kroondal continued in FY2015. Prevention education is the key role of peer educators, as well as screening and the referral of employees in need to the Wellness Officer. They also conduct condom distribution, demonstrations and training centre inductions on wellness. Educators participated in a national peer conference and provincial TB workshops. In FY2015, 63 peer educators (FY2014: 48) were recruited and received training in basic health and wellness matters. Forty of these have received training in counselling and presentation skills.

A proposal was submitted to the Department of Health to register our two primary clinics so they can administer directly observed treatment (DOT) for TB and advanced ARV medication on site.

In all, 21,460 (FY2014: 12,746) employees and contractor employees counselling sessions were conducted at Kroondal during the year with 12,214 (FY2014: 9,984) employees and contractor employees being counselled and tested through the OHC at Bleskop Hospital.

At Kroondal, 428 (FY2014: 329) employees were identified as being HIV-positive, bringing the total number of employees on antiretroviral treatment (ART) to 207 (FY2014: 460). These employees receive their ART through medical aid care programmes.

SOCIAL PERFORMANCE CONTINUED

The principal health concerns at Mimosa are HIV/AIDS and TB. In all, 320 employees were counselled and tested for HIV/AIDS in FY2015 (FY2014: 297) with 238 people receiving antiretroviral therapy in (FY2014: 233). Of these, 152 were employees and 86 their dependants. Five new cases of TB were referred for treatment (FY2014: 8). Mimosa's mine clinic dispenses ARV and TB medication on site.

EMPLOYMENT

Aquarius is committed to being a fair, non-discriminatory and inclusive employer. This commitment is supported by our diversity policy which embraces but is not limited to gender, age, ethnicity and cultural background.

The Aquarius Board believes that diversity contributes to its business and benefits shareholders and stakeholders. The Board, which reviews monthly reports on diversity and compliance with employment equity regulations, has responsibility for oversight of the diversity policy which is reviewed annually. Aquarius' employment policies and procedures are guided by the MPRDA and the Mining Charter.

In FY2015, Aquarius employed a total of 10,316 (FY2014: 10,273) people – 7,309 (FY2014: 7,242) permanent employees and 3,007 (FY2014: 3,031) contractors. Of these, 8,747 (FY2014: 8,549) were employed at Kroondal, and 1,402 (FY2014: 1,550) at Mimosa.

Total number of employees by operation

	Employees			Contractors			Total		
	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013	FY2015	FY2014	FY2013
Corporate office*	3	8	16	0	–	3	3	8	19
Kroondal	5,825	5,731	5,551	2,922	2,831	2,514	8,747	8,549	8,065
Marikana**	12	18	33	47	43	56	59	61	89
Everest***	0	18	49	18	30	–	18	48	49
Blue Ridge**	16	22	–	12	–	–	28	22	–
Treatment plants	59	22	60	–	–	–	59	22	60
Mimosa	1,394	1,422	1,552	8	128	130	1,402	1,550	1,682
Total	7,309	7,241	7,261	3,007	3,032	2,703	10,316	10,273	9,964

* Includes the Perth office

** On care and maintenance

*** Sold to Northam Platinum Limited in February 2015

LABOUR RELATIONS

In South Africa, there have been changes to the Labour Relations Act granting organisational rights to new and smaller unions, and giving these smaller unions the right of recourse to the Commission for Conciliation, Mediation and Arbitration (CCMA) if so refused by an employer. AQPSA believes that, based on freedom of association, it is permissible to have more than one union representing a bargaining unit. The company remains steadfast in its commitment to abiding by the relevant laws, rules and policies governing labour, and we expect a similar commitment from unions. Overall, labour relations were stable.

In January 2015, the company signed a recognition agreement with AMCU which had achieved full organisational rights for the Category B bargaining unit (A1 – B6 band Paterson grading) with representation of more than 35%. As its representation had declined to less than the 35% threshold, NUM was given notice to either regain this threshold or have its existing recognition agreement for organisational rights terminated. Post financial year-end, this recognition agreement was terminated but NUM had in the interim achieved representation of more than 35% among category A (C-band) employees. In terms of its revised recognition agreement, which is currently being negotiated, NUM is to have standing similar to that of Solidarity, which also represents this category. At the time of writing of this report, AMCU had representation of around 70% of the Category B bargaining unit.

STAKEHOLDER ENGAGEMENT AT KROONDAL

Stakeholder engagement is undertaken principally through the Future Forum. Established in 2006, the Future Forum meets every six months and involves all stakeholders, management, union and employee representatives, the Rustenburg Local Municipality, ward councillors and representatives of all surrounding communities. The Aquarius CEO and the MD of AQPSA also attend these meetings.

The fundamental aim of the Future Forum is to establish communication channels with the workforce and the surrounding communities on all issues regarding the sustainability of the Kroondal operations.



WAGE AGREEMENTS

At the time of writing, the separate three-year wage agreements entered into with NUM and Solidarity in 2014 had not been affected by the change in union representation at Kroondal. Increases for the second year of the agreement came into effect for all unionised employees on 1 July 2015.

As AQPSA applies fixed rates of pay by occupation, as determined during wage negotiations, there is no distinction in rates for males and females. People employed in the same occupation earn the same salary, irrespective of race or gender.

SOCIAL & ETHICS COMMITTEE

The Social & Ethics Committee, based at Aquarius' principal subsidiary, AQPSA, was established in 2013 and assists the Board with oversight of social and ethical concerns and its responsibilities concerning corporate governance. In particular, this Committee, which meets four times a year, monitors the company's compliance with relevant legislation, legal requirements and prevailing codes of best practice in terms of labour and employment. After each Committee meeting, the Committee chairman reports to the Board.

The Committee subscribes 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 a year.

Given the social and labour unrest affecting the mining areas and the communities in which Aquarius operates, the Committee has elected to focus on certain areas of immediate concern so that any necessary remedial action can be taken. These areas of focus are:

- our relationship with communities
- labour and freedom of association
- anti-corruption
- women in mining

AQPSA (Kroondal) – union representation as at 30 June 2015

	Number of employees	Union representation by category (%)
Category A – unionisation	863	79
Category B – unionisation	4,491	95
Total unionisation	5,354	92
Non-unionised	471	8
Total employees	5,825	100

Note: union representation data does not include contractors.

Aquarius has been involved in and supports several industry initiatives that address labour relations concerns through our association with the Chamber of Mines and the DMR. Aquarius supports initiatives like the South African government's Mining Phakisa established to develop plans to deal with the challenges currently faced by the South African mining sector and to improve prospects for realising the sector's potential in the long run. Aquarius also supports the DMR's focus on women in mining (WIM).

A cordial industrial relations climate continued to prevail at Mimosa, despite retrenchments and other challenges, with good relations aided by active engagement with employees. Monthly Area Works Councils and General Works Council meetings are held to resolve employee concerns and update employees on business performance.

EMPLOYMENT EQUITY IN SOUTH AFRICA

Our recruitment policy and practices allow us to attract HDSAs and women to enable us to meet our employment equity and WIM targets. We also have in place a retention programme to assist in retaining our HDSA employees. Various committees, including the Social & Ethics Committee and the Future Forum have employment equity and WIM as agenda items. These committees meet regularly throughout the year to review and monitor progress and status. Dedicated employment equity meetings are also held throughout the year to ensure all are kept informed.

AQPSA (Kroondal): HDSAs employed as at 30 June 2015 (%)

	FY2015	FY2014	FY2013
Top management	60	50	50
Senior management	0*	50	25
Middle management	46	43	43
Skilled employees	69	63	61
Semi-skilled	100	99	99
Unskilled	99	100	100
Women in mining	14	14	14

* With effect from 1 October, this was 43%

AQPSA (Kroondal): Employees from labour-sending areas (%)

	FY2015	FY2014	FY2013
Local (50km)	61	58	42
In-province migrancy	3	9	11
Inter-province migrancy	3*	5	19
Foreign migrancy	33	28	28
Total	100	100	100

* As per payroll data.

SOCIAL PERFORMANCE CONTINUED

AQPSA (Kroondal): Women in mining

	FY2015		FY2014		FY2013	
	Actual	Target	Actual	Target	Actual	Target
Women in mining*	853	10%	778	10%	782	535
All mining personnel	5,825	10%	5,724	10%	5,738	5,348
% of women in mining	14	10	14	10	14	10

* Women in mining data includes Minopex, as required by the DMR.

TRAINING AND DEVELOPMENT

Our employee mining and engineering training programmes are detailed in our Workplace Skills Plan. All mine-related training programmes are conducted in line with the Mining Charter and we are on track to meet our targets set out in our Annual Training Report submission to the Mine Qualifications Authority (MQA).

Given current straitened economic circumstances and cost and capacity constraints, AQPSA does not have in place a performance management system. Career development is however available for interns. Study assistance is offered to all employees for parttime study to help enhance their career opportunities.

In FY2015, at Kroondal, 5,879 (FY2014: 5,616) employees and 3,572 (FY2014: 3,207) contractors – a total of 9,451 (FY2014: 8,823) people – attended a total of 54,657 (FY2014: 48,456) employee days in training, equivalent to 5.78 days per person (FY2014: 5.49). Those employees who attended were Category A and B employees as well as those in the staff category. Training provided related to mining and engineering courses and safety as required in terms of regulatory compliance.

A total of R40.14 million (FY2014: R38.00 million) was spent on training in FY2015 at the South African operations.

At Mimosa, results of an employee attitude survey undertaken during the year by an external agency indicated that overall employee satisfaction and engagement had improved from 70% in FY2012 to 83% in the year under review. Learning and development programmes covering functional, technical, safety, supervisory skills and management development training were contributing factors towards this improvement in the employee satisfaction and engagement index. Employee engagement and satisfaction are key strategic human resource priorities for our company.

Our learning and development interventions communicate the organisation’s vision, mission and core values as well as the key business pillars of People, Safety, Production and Costs to all employee categories. Our people are our most important pillar and we continually strive to build our people’s capability and commitment and recognise superior performance in line with our mission statement. Continuous learning is part of Mimosa culture and this provides a solid foundation for high performance which is aligned to our corporate strategy.

Training costs at Mimosa totalled \$3.5 million (FY2014: \$3.3 million) in FY2015.

ADULT EDUCATION AND TRAINING

All AQPSA employees have access to adult education and training (AET) which offers education courses up to Grade 9 (AET level 4) and involves own-time learning. Given capacity limitations at the AET training centre, contractors regrettably do not have access to AET. The principal aim of AET is to improve literacy and numeracy skills among employees. Employees are encouraged to attend and participate in AET and the workplace, social and personal benefits of education in general are promoted. Training is provided by a qualified facilitator – the minimum qualification for which is a diploma in AET practices. The facilitator is supported by a qualified assessor. Those employees who successfully achieve Level 4 are encouraged to study further. They are advised of suitable courses at FET colleges to assist with career development.

In FY2015, 215 (FY2014: 231) Kroondal employees were enrolled in AET (from pre-AET to AET level 4).

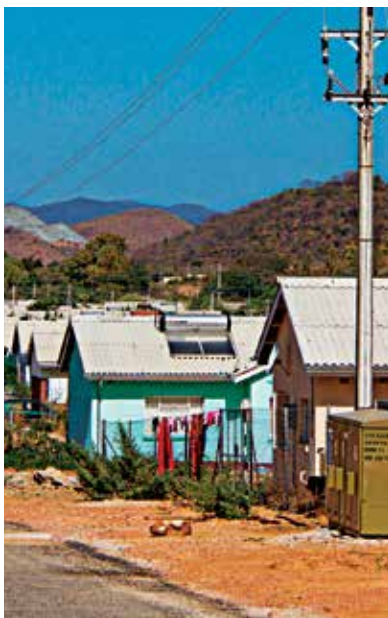


WOMEN IN MINING AND WELLNESS

Various procedures are in place to ensure the safety of women in the workplace, in line with requirements specified by the DMR. This includes dedicated change houses and other facilities, and personal protective equipment designed specifically for women. In addition, the wellness of women miners is monitored daily by the wellness officer and peer educators involved in our wellness programme.

- Management works closely with the DMR on the issue of women in mining
- Issues affecting women are covered regularly in weekly newsletters and wellness campaigns and regular reviews take place of underground ablution facilities
- Overalls designed specifically for women have been issued to female employees, as have female condoms
- A 'Women in the Work Place Committee' has been established and one of its primary focus areas is the safety of women underground

For more on the measures in place to ensure the safety of women employed at AQPSA, please see page 17 in the Safety section of this report.



MINING INDUSTRY SKILLS DEVELOPMENT

To address skills shortages within the mining industry, Aquarius offers bursaries, learnerships and internship opportunities in mining-related disciplines such as mining, and engineering, processing and geology.

In 2015 a total of nine (2014: 11) bursaries were funded by AQPSA at a cost of R1 million (2014: R1.3 million). (The number of bursaries awarded is reported by calendar year as the South African academic year runs from January to December.) A total of 26 (FY2014: 20) learnerships and 21 (FY2014: 15) internships were provided.

At Mimosa, 148 (FY2014: 94) students are currently on the entry skills development programme, including eight (FY2014: seven) attending the University of the Witwatersrand (Wits) in South Africa. The programme aims primarily to meet the mine's entry skills requirements in operational or supervisory positions in technical and service functions, and to contribute to national skills development in line with Mimosa's commitment to skills development in Zimbabwe. Mimosa skills development programme covers graduate development, apprenticeship, vocational skills upgrading, cadetship, multiskilling, industrial internship and the bursary scheme.

The cost of the Mimosa Bursary Scheme for the eight bursary students to study at Wits was \$113,000 in FY2015 (FY2014: \$187,000).

MENTORSHIP OF EMPLOYEES

In line with our SLP commitments, 18 mentors were trained in FY2015. Mentors are identified and trained according to the field of study of the interns they are to mentor. Following the resignation of accredited mentors during the course of the year, new mentors had to be identified and trained by an outside service provider before being competent enough to mentor protégés. The most recent mentor training was conducted in May 2015. We do not expect to do any further training in FY2016. We can only accommodate the number of protégés our internship programme allows.

FINANCIAL WELLNESS

During FY2015, Aquarius appointed a debt control management company to provide a financial wellness solution for employees. The overall strategy was to reduce existing and new garnishee orders of employees. Illegal garnishee orders were removed and collection stopped on garnishee orders which were paid up yet still being deducted. The debt control company negotiates with creditors on behalf of employees to reduce monthly instalments and employees have access to a direct call centre line and "Please call me" SMS line. A garnishee prevention service saves employees a considerable amount of money on legal and monthly collection fees. In addition, an on-site debt counselling service is to be implemented and the services of a dedicated debt counsellor to assist heavily over-indebted employees with restructuring of their debt will also be instituted. Awareness is created around this new service by means of posters and brochures.

HOUSING AND LIVING CONDITIONS

Given the relatively short life of mine (LOM) of AQPSA's mining assets, it has been and still is almost impossible to secure affordable housing bonds for employees. Towards the end of calendar 2014, AQPSA and NUM jointly engaged the services of a housing consultant to investigate the feasibility of the company establishing a home ownership scheme for employees. Findings of this investigation indicated that Kroondal's expected short LOM (around eight years) was a huge stumbling block. In addition, although a survey conducted among Category B employees indicated the majority would like to own a house of their own, affordability was a problem for most, which would be compounded by a short bond period. Furthermore, instability in the mining sector in recent years has made this even more challenging, with financial institutions being increasingly reluctant to enter into large-scale home ownership schemes with smaller players in the industry such as Aquarius.

Consequently, AQPSA continues to pay a monthly housing allowance of R7,237 for Category A employees and R2,025 for Category B employees. These amounts are included in the annual wage review.

SOCIAL PERFORMANCE CONTINUED

Mimosa – employee accommodation in FY2015

Type of housing	Number of employees	%
Formal accommodation*	1,297	93.24
Hostel (graduate trainee flats)	30	2.16
Chalets	14	1.01
Rental accommodation	50	3.59

* Houses that accommodate employees’ families.

Although Kroondal does have a limited number of houses available for leasing to Category A employees, the decline in the residential property market in the neighbouring urban area of Rustenburg has resulted in an increase in the supply of alternative, more affordable accommodation.

At Mimosa, the 28 houses which were to be constructed in FY2014-15 were not constructed due to budgetary constraints. The additional 28 houses have now been incorporated into a 10-year capital expenditure plan. To date, Mimosa has built 1,350 houses.

The total occupancy in company accommodation is 1,341 employees or 96.41% of employees entitled to company accommodation. The remaining 3.59% of employees will be accommodated in the additional 28 houses to be built or in houses that will become available as a result of the labour rationalisation process that the mine continues to undertake.

As an interim measure, employees receive a housing allowance (pegged at 15% of basic salary) to pay for rented accommodation until housing becomes available. A total of 229 units are available at the mine site while the balance of 1,121 are in Zvishavane, about 32 km from the mine.

ANTI-CORRUPTION POLICY

The Social and Ethics Committee undertakes to ensure that the company combats all forms of corruption, including extortion and bribery.

Anti-corruption systems, policies and procedures are in place. Declarations of interest are noted and reported and an anti-corruption hotline is in operation. Reports of complaints are compiled and investigated regularly.

Regarding procurement, an adjudication committee is an integral part of procurement procedures. A procurement authorisation matrix, signed off by the Board, is functional and operating smoothly. Audits are conducted into procurement processes followed in respect of larger tenders.

At Kroondal, 19 reports of corruption were received during the course of FY2015 involving among others, theft, fraud, selling of jobs, and illegal payment of incentives. Five employees were disciplined, three were dismissed and three cases have been opened and are being investigated by SAPS.

No significant risks related to corruption have been identified at Mimosa which has a robust anonymous tip-off hotline in place to report any act of corruption. This facility has been communicated to employees through the Worker Leadership and through company-wide noticeboards. No incidents of corruption were reported in FY2015, nor were any public cases of corruption brought against Mimosa or Mimosa employees.

COMMUNITY DEVELOPMENT

As a company, Aquarius takes seriously its responsibilities to engage with all stakeholders. We engage with stakeholders not only in compliance with regulations but also because we recognise that we reside and operate within and alongside communities who are stakeholders in our business. In South Africa, Aquarius’ relationship with the community principally involves:

- Employment – A database has been compiled by local communities of those seeking employment, from which we endeavour to source employees where possible. Some 61% of our employees reside within 50km of our South African operation.
- Procurement – A procurement forum has been established with local communities, most of



HUMAN RIGHTS

AQPSA does not have a dedicated human rights policy but the upholding of the rights of all is implicit in our code of ethics, policies and operating procedures which are aligned with the principles contained in the South African Constitution. Among the principles adopted by the Social & Ethics Committee, the following relate to human rights. Aquarius undertakes to

- support and respect the protection of internationally proclaimed human rights
- ensure it is not complicit in human rights abuses
- uphold freedom of association and the right to collective bargaining
- eliminate all forms of forced and compulsory labour
- work to abolish child labour
- eliminate unfair discrimination in employment and occupation

Security at AQPSA is outsourced while the security procedures in place have been drafted by our Protection Services Department. Procedures specific to the operation are included in job descriptions of contractors and employees. The outsourced security company has its own training facility and provides continuous on-the-job training.

whom are service providers. We assist start-up businesses to compile and submit tenders and have been in discussions with our larger contractors to engage their help in supporting small local contractors and facilitating the involvement of start-up businesses in larger projects. See the Economic performance section on page 12 of this report for additional information.

- Social and economic development – Although several social infrastructure and LED projects are underway, challenges encountered have delayed delivery to the community particularly in the provision of bulk infrastructure.

In Zimbabwe, Mimosa embraces a culture of building relationships with and delivering value to all its stakeholders. We strive to maintain mutually beneficial relationships with stakeholders, and with the community, in particular.

Over the years, Mimosa has worked together with local communities on well-defined social development programmes. Mimosa's interventions are largely centred on improving the lives of our communities by providing clean water and investing in health, education, and institutional and infrastructural development. All corporate social responsibility initiatives are guided by the company's corporate social responsibility policy. Moreover, Mimosa continues to value community engagement in its approach to CSI and holds quarterly liaison meetings to enable community leaders to take the lead in defining such initiatives and their prioritisation.

In working to create a mutually beneficial relationship with the immediate community, where possible Mimosa employs local people. Several of the companies contracted by the mine also have a clause in their contracts mandating them to employ people from the local community for all non-skilled work, resulting in a marked decline in local unemployment.

COMMUNITY DEVELOPMENT PROGRAMMES

The aim of our CSI and LED programmes is to contribute to improvements in the quality of the lives and living standards of the people living in the communities around our operations. Proposed CSI and LED projects are identified on a regular basis, and are progressed in consultation with communities to ensure their approval.

In South Africa, the company actively liaises and consults with local ward structures of the Rustenburg Local Municipality (RLM) and with other community representatives and considers the needs and requirements of the local community. As a result of this extended consultation, AQPSA has undertaken the construction of classrooms, feeding facilities, early childhood development centres, and water connections and related infrastructure. In FY2016, this also included the provision of ventilated improved pit (VIP) toilets. It is our intention that all these projects provide permanent facilities for communities, facilities that can be sustained beyond Kroondal's LOM, provided they are maintained by communities and government.

At Mimosa, we strive to implement and manage sustainable projects that will continue to improve community livelihoods beyond the LOM. As part of its mine closure plan, the operation is engaged in establishing viable and meaningful projects in the surrounding communities.

The group spent around R51.7 million (FY2014: R41.0 million) on CSI in FY2015. CSI spend in any financial year depends on profit recorded in the previous year. AQPSA spent a total of R4.6 million (FY2014: R3 million) on CSI/LED in FY2015 while Mimosa spent \$4.13 million (FY2014: \$3.65 million).

Aquarius – CSI/LED spend

	FY2015	FY2014	FY2013
Kroondal (Rm)	4.60	3.00	2.20
Mimosa* (Rm)	47.14	38.03	41.36
Total (Rm)	51.74	41.03	43.56
Total (US\$m)	4.53	3.95	4.95

* The respective US\$ values were converted to the approximate South African Rand equivalents at exchange rates of R11.42/US\$ for FY2015, R10.40/US\$ for FY2014 and R8.80/US\$ for FY2013.

SOCIAL PERFORMANCE CONTINUED

Local community projects – South Africa

The Kroondal SLP, which has been approved by the DMR, commits the company to LED projects for the greater Kroondal area and the informal settlement of Ikemeleng in particular. These LED projects were carefully evaluated, planned and budgeted for. They were agreed following consultation and discussions with unions, communities and the RLM and the Integrated Development Plan (IDP) for that municipality, in which Ikemeleng and Kroondal are situated. AQPSA has complied with its SLP commitments and remains committed to these plans, despite the very challenging market conditions of recent years.

Progress on LED projects in FY2015 was as follows:

- Renovation of an old school building in Photsaneng to serve as a community centre was completed at a cost of R2.5 million.
- The principal LED project of both Kroondal’s first and second SLP is the formalisation of the Ikemeleng settlement. In FY2015, R2.1 million was spent on this project, bringing the total spent to date to R20.9 million. Other stakeholders involved in the Ikemeleng formalisation project are the Deutsche Lutheran Church and local farmers, who donated the land for the proposed township of Ikemeleng. This project, which began in 2006, has been especially challenging. Plans for FY2015 were frustrated by the illegal occupation of the land earmarked for farm workers. However, if all goes to plan, the Ikemeleng formalisation process should be completed by December 2015. In the interim, AQPSA will continue with the project to supply chemical toilets. In the coming financial year, we will facilitate the provision of 240 environmentally-friendly toilets in the settlement.
- The planned construction of an early childhood development centre in Ramochana was delayed as the land earmarked for this by the Department of Education was illegally occupied. We will endeavour to proceed with this in the coming year.
- Assistance to local small, medium and micro-sized enterprises (SMMEs) involved the provision of mine skills training to 10 members of the local community.



Local community projects – Zimbabwe

In recent years, Mimosa has partnered with various educational and health institutions at district and national level on corporate social responsibility initiatives. Projects undertaken during FY2015 were in the areas of health, education, infrastructural development, and water reticulation for the provision of safe and clean drinking water, as well as bull breeding and agro-based projects.

Mimosa is running a successful nursery project for surrounding communities. Kromedraai, a community on the verge of our mining lease area, had suffered from deforestation as people rely on trees for firewood, cattle pens and various other uses. To arrest deforestation, Mimosa engaged the Friends of the Environment to partner in establishing a greenhouse, run and operated by the community, to produce tree seedlings for reforestation.

The company facilitated the extensive refurbishment of three major hospitals that were in dire need of an upgrade.

- Mpilo Central Hospital, Bulawayo: To date, work has been completed on renovations to wards, upgrades to the electrical substation, and the provision of street lights at a cost of \$717,000.
- Zvishavane District Hospital: Following the successful completion of renovations to the male and maternity wards, renovations were undertaken to the guard room, front security wall, female and children wards. Repairs included, extensive renovations of walls, ceilings, floors, ablutions, kitchen, sinks, and shelves and electrical wiring, at a cost of \$569,000.
- United Bulawayo Hospital: Mimosa facilitated and funded an upgrade to the hospitals aging electrical system and the installation of additional street lights including poles, laying of new underground cables and accessories, light fittings, lamps and control feeder pillars. In addition, Mimosa installed a new fully equipped board to restore the ring circuit, complete with all accessories.

OTHER COMMUNITY PROJECTS IN ZIMBABWE

- Cattle dip tank and borehole for the Mhondgori community.
- Shungu Dzevana Children’s Home, Harare: A new double-storey hostel was built at a cost of \$636,000.
- Zvishavane Vocational Training Centre: work began on additional learning facilities.
- Mishingwe Primary School: As a first phase, Mimosa facilitated the installation of solar power panels to enable the supply of electricity to the school’s administration block, several classrooms and a borehole.
- Zimbabwe School of Mines: The mine installed a conveyor on the head structure at the school’s main entrance and a front security wall.

ENVIRONMENTAL PERFORMANCE

Note:

In FY2015, we changed our environmental reporting boundaries to an equity-share approach in line with our financial reporting. We report on 50% of data as opposed to 100% as both of our principal operations are 50:50 joint venture partnerships. We have subsequently restated our environmental data to allow for year-on-year comparison.

Marikana and Blue Ridge are not reported as they are on care and maintenance. Everest, which was also on care and maintenance, is not reported here as the mine and all its related infrastructure were sold to Northam in February 2015. Although AQPSA remained the holder of the Everest mining right at year-end, this was transferred to Northam in October 2015 on receipt of s.11 approval from the DMR.



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.

In South Africa, our Western Limb Head Office retained its ISO 14001 certification. This certification covers all areas and activities within the Kroondal and Marikana operations' mining boundaries and incorporates the Townlands block (which is mined via the K6 and Kwezi shafts) as well as the processing plants. Mimosa has been ISO 14001-compliant since 2007.

Our principal material environmental issues are, the management of energy and carbon; water; biodiversity and land; air quality; and waste.

LEGISLATIVE COMPLIANCE

In upholding our responsibilities towards the natural environment, our South African operations primarily comply with the following and their respective amendments:

- National Environmental Management Act, 1998 (Act No 107 of 1998)
- National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004)
- National Environmental Management: Waste Act, 2008 (Act No 59 of 2008)
- National Water Act, 1998 (Act No 36 of 1998)
- Mineral and Petroleum Resources Development Act, 2002 (Act No 28 of 2002)
- National Heritage Resources Act, 1999 (Act No 25 of 1999)
- Environment Conservation Act, 1989 (Act No 73 of 1989)

We have licences relating to the relevant activities that fall under these Acts.

ENERGY AND CARBON MANAGEMENT

We are cognisant that the South African government intends to limit or contain carbon-emission levels by means of a legislated carbon tax, and this poses a significant risk. However, given that our carbon footprint relates primarily to Scope 2 emissions, we believe the most material impact will be a result of the pass-through effect of an increase in electricity prices. As such, we aim to reduce the impact of the impending carbon tax by optimising energy efficiency and investigating less energy-intensive mining and processing methods.

Based on the current design of the tax and our Scope 1 emissions at Kroondal, the potential direct impact of the tax on Aquarius is estimated to be between R580,000 and R1.1 million. The indirect impact is expected to be between R11.4 million and R17 million, based on our electricity consumption.

The evolving climate change regulatory environment in South Africa (notably carbon taxes and carbon budgets) will require systems for collecting accurate GHG emissions data, which, in terms of the South African National Climate Change Response Policy, is now mandatory. In June 2015, the Department of Environmental Affairs gazetted draft national GHG emission reporting regulations that require data providers to register on the National Atmospheric Emissions Inventory System (NAEIS) and to submit total GHG emissions arising from a defined list of activities. AQPSA successfully registered with NAEIS and reports accordingly.

AQPSA collects GHG data (including energy consumption data) annually and analyses the energy and climate change risks and opportunities faced by the company. In FY2015, we conducted internal data assurance so as to improve our reporting of energy and GHG-related data. In March 2015, the Department of Energy published draft regulations on registration, reporting on energy management and submission of energy management plans as part of the National Energy Act, 2008 (Act No 34 of 2008). The draft regulations require companies

ENVIRONMENTAL PERFORMANCE CONTINUED

to provide energy data if this exceeds a threshold of 180 terajoules (TJ) of annual energy consumption and to submit an environmental management plan in accordance with SANS 50001, if exceeding a threshold of 400TJ of annual energy consumption. As Aquarius does not exceed the 400TJ threshold, it is unlikely that there will be significant financial implications.

Total energy consumption (MWh) (50%)

	FY2015*	FY2014	FY2013	FY2012	FY2011
Kroondal	255,384	211,558	211,228	190,567	179,664
Mimosa	79,408	81,152	81,250	77,133	78,550
Group total	334,792	292,720	292,478	267,770	258,214

* FY2015 data includes other energy sources as well as electricity.

GHG emissions (co₂e tonnes) (50%)

	FY2015*	
	South Africa	Zimbabwe
Scope 1 – direct GHG emissions	10,368	5,291
Scope 2 – indirect GHG emissions	229,105	28,427
Total – scope 1 and 2 emissions	239,473	33,718
Total – Group	273,191	

* FY2015 data includes other energy sources as well as electricity.

Given the importance of energy consumption (and its management), tax incentives, research and development incentives and government grants will be considered to aid the implementation of energy efficiency measures at our mines. Although a decision on whether or not the cost of monitoring and verification would be worth the savings achieved through Section 12L of the Income Tax Act, 1962 (Act No 58 of 1962) has not yet been established, verification measures are currently being improved with the development of a group reporting guideline to ensure improved data collection procedures. Our efforts to measure our energy and carbon impacts represent an important step in preparing the Group to identify instances where this opportunity exists and to act accordingly.

We have also installed a new Afrigel diesel management system to significantly improve our control of diesel consumption at the shafts, and a system at the plants is currently under investigation.

WATER MANAGEMENT

We have introduced new technology, such as an online metering system (SCADA), to improve the accuracy of our water data at Kroondal. Phase 1 of this installation was completed in April 2015 and Phase 2 is underway. This will facilitate more accurate reporting of water withdrawal by total volume as this a reporting condition which is stipulated in our respective water use licences and is in line with our GRI G4 sustainability reporting requirements. As a result, we have not reported historical water data for FY2014 as it was deemed inaccurate. An estimate of water consumption and recycling has been provided instead, based on actual water consumption data for the months from July to September 2015. We achieved an estimated 10% reduction in water sourced from municipal supplies in FY2015. This is reported as an estimate as only once SCADA has been fully implemented will accurate water consumption be recorded.

As part of the process of improving the quality of the data collected, the definitions of the various water sources have been clarified. See water definitions for the table below.

Total water withdrawal by source (MI) FY2015 (50%)

		Kroondal	Mimosa
Water withdrawal	Potable municipal water	962	–
	Ground water	334	–
	Surface water (external sources)	0	1,082
	Total water use	1,296	1,082
Recycled water	Total recycled water	1,268	550



WATER DEFINITIONS:

Municipal water: Water purchased from public water authorities (e.g. municipal water, Rand Water, etc). This covers potable water that is suitable for drinking, mining processes or any other water purchased for site operations.

Groundwater water: Groundwater abstracted from wells or boreholes; within or surrounding the perimeter of the mining right boundary which is used by the operation. For the Kroondal operation this relates specifically to underground/fissure water that is consumed by the operation and reported to the authorities (DWWS). This is reported by calculating the difference between water pumped out of the mine (used to dewater the mining areas) and water pumped down the mine (potable water plus dirty process water).

Surface water: Water abstracted from any surface water body and used by the operation. For the Mimosa operation this relates specifically to water abstracted from the Ngezi River that is consumed by the operation and reported to the Zimbabwe National Water Authority (ZINWA.)

We continuously seek to minimise water-related incidents while improving our water position by, wherever possible, reusing, reducing or recycling water. Between 60% and 80% of our operational water requirements are met by recycling or reusing water from tailings, return-water dams, mine service water, and pollution control and storm water dams.

At a capital cost of R3.5 million, we have installed additional thickeners at the chrome spiral plants to ensure that slurry is not sent directly to the tailings facility before water is recycled back to the concentrator plants. This will enable greater use of recycled water in the concentrator plants.

Additional pumps and a pipeline have been installed at the Kwezi and K6 shaft storm water dams to prevent uncontrolled water discharges into the environment. When the dam reaches a critical level, a pump is automatically triggered to prevent the dam from overflowing and discharging into the environment. The overflow water is thereafter kept in a closed circuit, assisting with increased levels of recycled water.

In addition, our storm water systems at both of the Kroondal concentrator plants were improved at a capital cost of R2.5 million and water infrastructure was installed at a cost of R6 million to prevent the release of contaminated storm water into the environment and ensuring reuse into the plants. As well as improving the utilisation of dirty water from the return water dams, reuse also reduced our need for potable water.

We aim for a 2.5% reduction in potable and freshwater use at the Kroondal operations on an annual basis by increasing the amount of water recycled. We have achieved a 10% reduction in water sourced from municipal supply in FY2015. This was achieved by accessing water stored at Marikana for use at Kroondal by means of the installation of a pipeline from Kroondal to the Marikana return water dam in FY2014. Together with the pipeline from the K150 tailings dam solution trenches to the K150 return water dam; this has improved the efficiency of the water reticulation system between Marikana and Kroondal.

Mimosa uses recycled tailings return water for primary production and in the processing plant. Fresh surface water abstracted from the Ngezi River is used in line with our permit conditions.

Licensed water use

A revised integrated water use licence application (IWULA) for the use of the West West Pit at Marikana to deposit the retreated tailings from the proposed Kroondal retreatment project was submitted to the DWWS on 5 June 2015. Post year-end, we received approval for the project designs for the West West Pit. The use of the remaining Marikana pits to store retreated tailings will have the added benefit of reducing our related rehabilitation liability at Marikana and extending our capacity for the storage of tailings from Kroondal.

In line with our water use licence requirements, water quality monitoring is conducted and quantities are recorded accordingly. We have signed a contract with a verified and qualified company to conduct water sampling at all site facilities according to set standards. This data is reported to the DWWS in compliance with the National Water Act.

In terms of the National Water Act, all of AQPSA's operations have their water use licences and we engage regularly with the DWWS.

AIR QUALITY MANAGEMENT

We currently have three dust suppression water loading points at the Kroondal operations:

- K1 floppy dam grey water loading point (used daily)
- Kopaneng (grey/access) storm water dam (used as and when required)
- GB stockpile Rand Water loading point (used during emergencies/when there is no water for dust suppression)

JULY 2014 – JUNE 2015 EXCEEDANCES

We have had 17 exceedances of dust at AQPSA's Rustenburg operations over a 12-month period, with problem areas at the following localities:

- K150 tailings dam – 7 exceedances
- Klipfontein – 6 exceedances
- Marikana tailings dam – 4 exceedances

ENVIRONMENTAL PERFORMANCE CONTINUED

MONTHLY DUST FALLOUT MEASUREMENT

Windblown settleable dust fall-out is monitored based on the American Society of Testing and Materials standard method for collection and analysis of dustfall (ASTM D1739), with certain modifications. This method employs a simple device consisting of a cylindrical 5l container half-filled with de-ionised water exposed for one calendar month. The water is treated with an inorganic biocide to prevent algal growth in the buckets. The most common reagent used for this is a 5% copper sulphate solution (approximately 1ml per 3 litre bucket of water).

IMPROVEMENTS IN DUST MANAGEMENT IN FY2015

Investigations are currently underway with a number of companies to minimise dust on top of tailings facilities by planting vegetation on the dam. The various companies have submitted proposals to AQPSA, which are currently being evaluated.

WASTE MANAGEMENT

Solid waste is managed in accordance with the existing AQPSA Waste Management Policy and Procedure Manual. The procedure specifies the guidelines for waste management, including the management, handling, storage, and disposal of waste. The procedure is applicable to all AQPSA operations.

In terms of the Waste Management Policy and Procedure, waste is classified into the three categories of hazardous waste; general and recyclable waste.

HAZARDOUS WASTE

Types of hazardous waste generated by mining and mineral processing operations include: used grease and oily sludge, waste oil (oils that cannot be recycled), rags used for cleaning hydrocarbons or chemicals, redundant chemicals (herbicides, pesticides, detergents, disinfectants, sanitisers, solvents), used aerosol cans (spray paint), used machine/vehicle filters that may be contaminated with hydrocarbons, empty containers which contained hazardous material (such as acids, solvents, degreasers, electrical cleaners or herbicides), paint and thinners containers, old lead acid batteries, used printer cartridges and all old explosives and explosives packaging. Although fluorescent tubes are also classified as hazardous waste, they are disposed of differently and have dedicated waste bins.

This type of waste is handled separately from non-hazardous waste and requires treatment or disposal at a registered hazardous waste site. Safe disposal certificates after disposal are a legal requirement. A contracted and registered waste removal company is employed to remove, or treat, and safely dispose of hazardous waste generated at Kroondal and thereafter furnish a safe disposal certificate. Approximately 65.6 to 75.7 tonnes of hazardous waste are disposed of per month.

GENERAL WASTE

General waste is considered to be all other waste which is non-hazardous and includes: food waste, scrap metal, plastic, uncontaminated PPE, rubber, pallets and building rubble. General waste is temporarily stored on site at the waste yard located adjacent to the K2 processing plant and is collected by a sub-contractor for disposal at a registered landfill site. The mine produces approximately 1.22 tonnes of general waste a month.

RECYCLABLE WASTE

Recyclable waste includes: wood and metal scrap, recyclable used oil drained from equipment, machinery, vehicles or parts, paper and cardboard. Recyclable waste is collected and sorted at the AQPSA salvage yard by the appointed non-hazardous waste contractor.



Rock mined/treated – 000t (50%)

	FY2015	FY2014	FY2013	FY2012	FY2011
Kroondal	3,575	3,595	3,294	2,806	3,098
Mimosa	1,333	1,286	1,226	1,183	1,193
Tailings retreatment	2,323	1,221	1,738	1,294	2,255
Group	5,899	6,102	6,244	6,803	8,342

Materials used in the course of mining operations – South Africa (50%)

	Unit	FY2015 ⁽²⁾	FY2014 ⁽²⁾	FY2013 ⁽²⁾	FY2012	FY2011
Rock mined ⁽¹⁾	000t	3,576	3,595	3,294	4,327	3,830
Ore milled	000t	1,424	2,375	2,159	3,090	3,490
Waste rock and accumulated DMS waste	000t	1,231	1,199	1,144	1,241	1,380
Tailings accumulated	000t	2,319	2,343	1,842	2,780	3,478
Fuels	000 litres	3,247	3,091	3,170	4,941	7,170
Lubricating and hydraulic oil	000 litres	1,558	1,808	1,424	644	1,600
Grease	t	5	49	50	47	52
Timber	t	143	69	57	60	–
Explosives	t	4,835	5,382	5,063	5,861	4,164

⁽¹⁾ Excludes Platinum Mile

⁽²⁾ Data for Kroondal only

Materials used in the course of mining operations – Zimbabwe (Mimosa) (50%)

Materials used (000 tonnes)	FY2015	FY2014	FY2013
Rock mined/hoisted	1,333	1,286	1,227
Ore milled	1,293	1,227	1,191
Tailings accumulated	1,250	1,180	1,151
Materials used (000 litres)			
Diesel consumed	1,718	1,661	1,665
Petrol consumed	38	68	178
Lubricating and hydraulic oil	266	180	181
Materials used (tonnes)			
Grease	12	14	14
Explosives	2,605	2,222	2,141

ENVIRONMENTAL PERFORMANCE CONTINUED

BIODIVERSITY AND LAND MANAGEMENT

AQPSA initiated and launched a specialist biodiversity assessment in 2012, which included the development of area specific BAPs (biodiversity action plans). One of the key areas identified in the BAPs was the need for control and eradication of alien invasive vegetation. A further specialist study was launched to identify all alien invasive vegetation in and around Kroondal's Kwezi and K6 shaft and Marikana. Alien invasive vegetation were booklets were compiled and distributed to employees to make the identification and management of alien invasives easier.

AQPSA appointed Bidvest Topturf to manage their alien invasive eradication programme in 2013. Alien invasive eradication programme received SALI bronze award. The initial rounds of control were focused in the previously identified high biodiversity areas, including along tributaries and other areas of ecological importance within the study area.

Bidvest Topturf belongs to the South African Landscaping Institute (SALI) and, as a member of SALI, Bidvest Topturf is permitted to enter projects they have been involved in for the annual SALI Awards. Bidvest Topturf felt that the Aquarius project deserved to be one of the 2014 nominations. The project was visited by a panel of judges for assessment, and this was followed by a visit by the national judge. At the SALI awards held in Cape Town the AQPSA project received a Bronze Award.

Land management – total area of land owned and managed for production activities by operation (ha) (100%)

Land disturbed by mining activities – as at 30 June 2015	
Kroondal	320
Marikana	678
Mimosa	586

Land owned, leased and/or managed (100%)

	FY2015	FY2014	FY2013
Kroondal	1,722	1,722	1,722
Marikana	3,388	3,388	3,388
Mimosa	6,590	6,590	6,590

CLOSURE AND REHABILITATION

Aquarius has in place approved environmental management programmes for all of its mining operations. These programmes, which include closure plans, are reviewed and audited for compliance every two years. They also incorporate the proposed rehabilitation methodology and end land-use of all areas that have been affected by mining as well as the required financial provisioning, with the latter being assessed and updated annually.

Mr Rob Schroder, Managing Director of AQPSA, is the officer responsible for rehabilitation compliance at our South African properties while Mr Winston Chitando, Managing Director of the Mimosa Group of Companies, is the officer responsible for compliance in Zimbabwe. In South Africa, Aquarius makes annual contributions to established environmental rehabilitation trust funds so as to provide for its rehabilitation obligations. Environmental activities are monitored and reviewed continuously to ensure that the commitments of each operation's environmental management programme, as approved by the relevant authorities, have been met. There have been no known significant breaches of any environmental conditions.

GRI CONTEXT INDEX

Aquarius has provided an index below of this report's compliance with the Global Reporting Initiative's (GRI) G4 reporting guidelines.

GRI indicators		Page
General Standard Disclosures		
STRATEGY AND ANALYSIS		
G4-1	Statement from most senior decision maker	4-5
G4-2	Description of key impacts, risks and opportunities	10-11
ORGANISATIONAL PROFILE		
G4-3	Organisations name	Inside front cover
G4-4	Primary brands products and services	2-3, 6-7
G4-5	Location of the organisation's headquarters	2-3, inside back cover
G4-6	Number of countries where the organisation operates	2-3, inside back cover
G4-7	Nature of ownership and legal form	2-3
G4-8	Markets served including geographical breakdown, sectors served, and types of customers and beneficiaries	2-3, 6-7
G4-9	Scale of the organisation including number of employees, number of operations, net sales, total capitalisation and quality of product or service provided	12-14, 20
G4-10	Total number of employees by employment contract and gender, total number of permanent employees by employment time and gender, total workforce by employees and supervised workers and by gender, total workforce by region and gender, and significant variations in employment numbers	20-22
G4-11	Percentage of total employees covered by collective bargaining agreements	21
G4-12	Description of the organisation's supply chain	Not applicable
G4-13	Significant changes reported regarding size, structure, ownership or supply chain	Inside front cover and page 53 of Annual Report 2015
G4-14	Whether and how the precautionary approach or principle is addressed	Not applicable
G4-15	Subscriptions to any externally developed economic, environmental and social charters, principles, or initiatives to which the organisation subscribes or endorses	Throughout report
G4-16	Members of association and national or international advocacy organisations in which the organisation	Not applicable
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Entities included in the organisations consolidated financial statements or equivalent documents, as well as entities not covered in the report	See IFC and page 110 of the Annual Report 2015
G4-18	Process for defining the report content and the aspect boundaries	IFC, 10-11
G4-19	Material aspects identified in the process for defining report content	10-11
G4-20	Aspect boundaries for each material aspect within the organisation	Throughout report
G4-21	Aspect boundaries for each material aspect outside the organisation	Throughout report
G4-22	Explanation of any restatements of information provided in previous reports, and the reasons for such restatements	IFC
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	IFC
STAKEHOLDER ENGAGEMENT		
G4-24	List of stakeholder groups engaged by the organisation	11
G4-25	Basis for identification and selection of stakeholders	11

GRI CONTEXT INDEX CONTINUED

GRI indicators		Page
G4-26	Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	11
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	11, throughout report
REPORT PROFILE		
G4-28	Reporting period (e.g. fiscal or calendar year)	Inside front cover
G4-29	Date of most recent report	Inside front cover
G4-30	Reporting cycle (annual, biennial etc.)	Inside front cover
G4-31	Contact point for questions regarding the report or its contents	Inside back cover
G4-32	'in accordance' option the organisation has chosen	Inside front cover
G4-33	Organisation's policy and current practice with regards to seeking external assurance for the report	Not applicable
GOVERNANCE		
Governance structure and composition		
G4-34	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental and social impacts	8-9
ETHICS AND INTEGRITY		
G4-56	Organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	8-9 and pages 76-83 in the Annual Report 2015
SPECIFIC STANDARD DISCLOSURES		
Material aspects: Disclosures on Management Approach (DMA) and indicators		
ECONOMIC		
Economic performance		
G4-EC1	Direct economic value generated and distributed	12-14
G4-EC4	Financial assistance received from government	Not applicable
Market presence		
G4-EC6	Proportion of senior management hired from the local community as significant locations of operations	21
Indirect economic impacts		
G4-EC7	Development and impact of infrastructure investments and services supported	24-26
G4-EC8	Significant indirect economic impacts, including the extent of impacts	24-26
Procurement practices		
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	13
ENVIRONMENT		
Materials		
G4-EN1	Materials used by weight or volume	31
Energy		
G4-EN3	Energy consumption within the organisation	27-28
G4-EN5	Energy intensity	27-28
G4-EN6	Reduction of energy consumption	27-28
G4-EN7	Reductions in energy requirements of products and services	27-28
Water		
G4-EN8	Total water withdrawal by source	28-29
G4-EN10	Percentage and total volume of water recycled and reused	28-29
Biodiversity		
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	32

GRI indicators		Page
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	32
G4-EN13	Habitats protected or restored	32
Emissions		
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	28
G4-EN16	Energy GHG emissions (scope 2)	28
G4-EN17	Other indirect GHG emissions (scope 3)	28
G4-EN19	Reduction of GHG emissions	28
Effluents and waste		
G4-EN23	Total weight of waste by type and disposal method	30-31
Compliance		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	29
Environmental grievance mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	29
SOCIAL: LABOUR PRACTICES AND DECENT WORK		
Employment		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	20-22
Occupational health and safety		
G4-LA5	Percentage of total workforce represented in formal joint management – worker health and safety committees that help monitor and advise on occupational health and safety programs	15-21
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	15-17
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	18-20
G4-LA8	Health and safety topics covered in formal agreements with trade unions	18-20
Training and education		
G4-LA9	Average hours of training per year employee by gender, and by employee category	22-23
G4-LA10	Program for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	22-23
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employment category	22-23
Diversity and equal opportunity		
SOCIAL: HUMAN RIGHTS		
Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	21
Child labour		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	21
Forced or compulsory labour		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	21
SOCIAL: SOCIETY		
Local communities		
G4-SO1	Percentage of operations which implemented local community engagement, impact assessments, and development programs	24-26

GLOSSARY OF TERMS AND ACRONYMS

The following definitions and acronyms apply throughout this report:

ADR	American Depository Receipt	Implats	Impala Platinum Holdings Limited
AMCU	Association of Construction and Mineworkers Union	IWULA	Integrated water use licence application
Amplats	Anglo American Platinum Limited	JSE	Johannesburg Stock Exchange
Aquarius	Aquarius Platinum Limited, the parent entity, a company incorporated in Bermuda with registration number EC 26290	LED	Local economic development
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	LOM	Life of mine
ARV	Antiretroviral	LSE	London Stock Exchange
ART	Antiretroviral treatment	LTIFR	Lost-time injury frequency rate. A lost-time injury is a work injury that results in an absence from work of at least one full day or shift any time after the day or shift on which the injury occurred.
ASX	Australian Securities Exchange	MBOD	Medical Bureau for Occupational Diseases
AUD	Australian Dollar	Mimosa	Mimosa Mining Company (Private) Limited, a company incorporated in Zimbabwe
BAP	Biodiversity action plan	Mining Charter	The Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry
BEE	Black economic empowerment	Moz	Million ounces
CDP	Carbon disclosure project	MPRDA	Mineral and Petroleum Resources Development Act, No. 28, 2002
CBO	Community-based organisation	NAEIS	National Atmospheric Emissions Inventory System
CSI	Corporate social investment	NIHL	Noise-induced hearing loss
CTRP	Chrome Tailings Retreatment Plant	Northam	Northam Platinum Limited
DIIR	Disabling injury incidence rate, the safety performance measure used at Aquarius, to report its safety performance. A disabling injury is a work injury (not a lost-time injury) that results in an injured person being unable to fully perform their ordinary occupation (regular job) any time after the day or shift on which the injury occurred, and where either alternative or light duties are performed. At Aquarius, the injury rate is measured per 200,000 hours worked.	NUM	National Union of Mineworkers
DMR	Department of Mineral Resources, South Africa	OHC	Occupational Health Centre
DMS	Dense media separation	PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
DWS	Department of Water and Sanitation	Platinum Mile	Platinum Mile Resources (Proprietary) Limited
EBITDA	Earnings before interest, taxation, depreciation and amortisation	RPM	Rustenburg Platinum Limited
GHG	Greenhouse gas	SALI	South African Landscaping Institute
GRI	Global Reporting Initiative	SHE	Safety, health and environment
HDSA	Historically disadvantaged South African	SHERQ	Safety, health, environment, risk and quality
		SLP	Social and labour plan
		SMMEs	Small, medium and micro enterprises
		TB	Tuberculosis
		USD	United States Dollar
		WIM	Women in mining
		ZAR	South African Rand

CORPORATE DIRECTORY

EXEMPT COMPANY NUMBER

EC 26290

Incorporated in Bermuda

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Bermuda

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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.

FORWARD-LOOKING STATEMENT

Certain forward-looking statements may be contained in this report which include, without limitation, expectations regarding metal prices, estimates of production, operating expenditure, capital expenditure and projections regarding the completion of capital projects as well as the financial position of the company. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks.

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