Aquarius Platinum Limited

Financial Statements

for the year ended 30 June 2014

Corporate directory

Exempt Company Number

EC 26290
Incorporated in Bermuda

Registered Office

Clarendon House
2 Church Street
Hamilton
Bermuda

Board of Directors

Nicholas Sibley
Jean Nel
David Dix
Edward Haslam
Tim Freshwater
Kofi Morna
Zwelakhe Mankazana
Sonja de Bruyn Sebotsa

Company Secretary

Willi Boehm

Stock Exchange Listings

Aquarius Platinum Limited is listed on the Australian Securities Exchange (AQP.AX), the London Stock Exchange (AQP.L), the Johannesburg Stock Exchange South Africa (AQP.ZA) and has a sponsored Level 1 ADR program in the United States.

Share Registers

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The directors of Aquarius Platinum Limited (Aquarius) provide hereunder their report as to the results and state of affairs of the Group for the financial year ended 30 June 2014. The consolidated financial information is presented in US Dollars.

Directors

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

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

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

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

G. Edward Haslam
Non-executive Director
Mr Haslam joined Lonmin plc in 1981 and was appointed a director of Lonmin plc in 1999 and Chief Executive Officer in November 2000. He retired from Lonmin plc in April 2004. Mr Haslam is a Director of the Finnish nickel mining company Talvivaara Mining Company Plc, which completed its listing on the LSE in June 2007. In March 2011, he was appointed Senior Independent Director of London and Toronto listed gold miner Centamin Egypt Limited. Mr Haslam was appointed to the Aquarius Platinum Board in May 2004 and is Chairman of the Remuneration Committee and a member of the Audit/Risk and Nomination Committees of the Group.

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

Directors (continued)

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

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

Sonja de Bruyn Sebotsa
Non-executive Director
Ms de Bruyn Sebotsa was appointed to the Aquarius Board in February 2013. She is a founder and principal partner of Identity Partners, an investment, financing and advisory firm. She is the director of a number of companies including RMB Holdings Ltd, Discovery Holdings Limited, Nestlé (South Africa) (Pty) Ltd and was a director of Anglo American Platinum Limited from 2008 to 2013. Ms de Bruyn Sebotsa was Vice-President of Investment Banking at Deutsche Bank, where she worked in their Johannesburg, London and Tokyo offices on mergers and acquisitions, privatisations, IPO's, black economic empowerment transactions and financings. From 2002 to 2007 she was part of a team that built a portfolio of investments (an endowment) to benefit a women's empowerment Trust, Women's Development Bank, through major acquisitions in large companies. She is a Young Global Leader of the World Economic Forum (Class of 2010). Ms de Bruyn Sebotsa has also been appointed Chairman of the Board of AQPSA. She is Chairman of the Nomination Committee of the Group.

Company secretary

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

Interests in the shares of the company

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

Director	Common Shares
N.T. Sibley	5,722,477
J. Nel	3,434,791
D.R. Dix	340,522
G.E. Haslam	85,522
T Freshwater	1,007,566
K. Morna *	28,208,445
Z. Mankazana *	28,208,445
S. de Bruyn Sebotsa	40,522

* The interests held by Mr Morna and Mr Mankazana include a deemed beneficial interest in 28,167,923 Common Shares held by Savannah Resources Limited.

Principal activities

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

Results of operations

The Group's net loss for the year after income tax was $13 million (2013: net loss of $288 million).

Review of operations

Strategic:

- Kroondal concluded 3 year wage agreements with representing unions at a cost slightly above inflation measured by CPI
- Mimosa wage costs increased by 2%
- The implementation of the disposal of non-core assets announced in January 2014 is on track
- Agreed another extension of the Kroondal PSA by a further 4.8 million tonnes

Financial:

- Significantly strengthened balance sheet following conclusion of rights issue and repurchase of bonds
- Revenue marginally down by 2% to $233 million (2013: $237 million) due to lower prices
- On-mine EBITDA[1] marginally down to $30 million (2013: $35 million) due to lower prices and lower production at the Platinum Mile tailings retreatment
- Headline loss[2] (before exceptional charges) of $11 million at 1.13 cents per share (2013: loss of $73 million at 8.80 cents per share)

Operational:

- Group attributable production increased by 2% to 331,642 PGM ounces (2013: 325,103 PGM ounces)
- Average US Dollar PGM basket price of $1,164 was 5% lower compared to the prior year
- Average Rand basket price increased by 11% compared to the prior year due to a weaker Rand
- The Rand weakened by 18% on average against the US Dollar compared to the prior year
- On-mine unit cash costs at Kroondal from mature shafts increased by 3% in Rand terms compared to the prior year, and by 9% if the development shaft K6 is included in costs

Results of operations (continued)

Review of operations (continued)

Group attributable production for the year increased by 2% to 331,642 PGM ounces. The result reflects continued improvement of operational performance at all operating mines, be it in a difficult and lower PGM price environment and despite the effect of strike action at Anglo Platinum on Platinum Mile's production. Kroondal has produced consistently at capacity levels with 6 consecutive quarters above guidance and in 2014 recorded it's highest level of production since 2008, in excess of 430,000 PGM ounces on a 100% basis. Mimosa continues to deliver safety, production and cost performances ahead of guidance and is well positioned to continue delivery in 2015.

On a per PGM ounce basis, Dollar unit costs in South Africa decreased 7% to $870 but increased 9% in Rand terms due to the inclusion of Kroondal's K6 development shaft in operations for the first time. The unit cost for the mature Kroondal shafts increased by only 3%. In Zimbabwe the cash cost per PGM ounce was $878, a 1% increase inclusive of completing a voluntary labour rationalisation program at a one-off cost of $5.5 million. Operating costs were well within inflationary targets and will continue to be a point of focus particularly in the ongoing low metal price environment.

Marikana, Everest, Blue Ridge and CTRP were on care and maintenance throughout the financial year. Aquarius continues to consider various options for the future of these mines.

Safety performance at Kroondal improved substantially with the twelve month rolling average DIIR improving by 36% to 0.73 per 200,000 man hours. Mimosa safety levels continued to reflect industry leading levels at 0.08 per 200,000 man hours.

Subsequent to the end of the financial year, AQPSA concluded a 3 year wage agreement with its workforce at Kroondal agreeing to an increase slightly above inflation without the loss of a single production shift.

At corporate level with overwhelming support from shareholders, Aquarius completed a rights offer and bond repurchase, resulting in a substantially strengthened balance sheet.

Zimbabwean indigenisation

On 14 December 2012, Mimosa Investment Holdings ("Mimosa Investments"), which is held jointly in a 50:50 partnership with Impala Platinum Holdings Limited, concluded a non binding term sheet in respect of a proposed indigenisation implementation plan ("IIP") with the Government of Zimbabwe. The term sheet provided for, subject to certain conditions precedent, the sale by Mimosa Investments of an aggregate 51% equity ownership of Mimosa Holdings (Private) Limited, the wholly owned operating subsidiary of Mimosa Investments which owns and manages the Mimosa mine. During 2013 the Government of Zimbabwe indicated to Mimosa, and to the other platinum producers in Zimbabwe who concluded similar transactions, that it was no longer supportive of the term sheets. Following the national elections held in Zimbabwe in August 2013 a new Minister of Indigenisation was appointed. Mimosa has had frequent interaction with the Ministry, but to date no agreements or definitive terms have been agreed by Mimosa. As a result, the matter is ongoing and management is unable to estimate the financial impact of the proposed transaction.

Zimbabwean budget update

Aquarius has noted amendments contained in the proposed Zimbabwean national budget for 2014 as well as amendments to the Finance Act of 2014, which, if implemented, will negatively impact the company. These include:
- a 15% royalty on the export of unrefined PGM's; and
- rendering current mining royalties payable by Mimosa non-deductible for income tax purposes (currently deductible).

Mimosa management in consultation with the Zimbabwe Chamber of Mines will continue to engage with the Government of Zimbabwe to clarify the proposed changes to the fiscal regime, acknowledging that Aquarius and Mimosa share the vision of a growing platinum mining sector with the Government of Zimbabwe. The financial impact of any amendments has not been determined and will only be known if the legislation is passed in its current form, since only then can the impact be estimated with a level of certainty.

Results of operations (continued)

Extension of the Kroondal PSA

The Company, through its wholly owned subsidiary AQPSA, reached agreement in July 2014 with a wholly owned subsidiary of Anglo American Platinum (Amplats) to extend the Kroondal PSA arrangement by contributing a further 4.8 million reserve tonnes to the PSA.

Sale of Kruidfontein prospecting rights

On 29 January 2014, Aquarius agreed terms to dispose of 100% of C&L Mining and Resources (Pty) Limited (C&L), which holds the Kruidfontein prospecting right, to Pilanesberg Platinum Mines (Pty) Ltd, a subsidiary of Sedibelo Platinum Mines Limited (previously Platmin Limited). The total sale consideration is $30 million in cash. The material asset of C&L is a prospecting right known as Kruidfontein in which C&L has a 90% economic benefit. The sale is conditional on renewal of the prospecting right and the approval in terms of Section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002. The renewal and approval in terms of Section 11 was obtained in June 2014 and is currently awaiting registration at the Department of Mineral Resources titles office.

Upon completion of the sale, Aquarius will receive $16.2 million (before tax) in consideration for its economic interest in the prospecting right with the remaining $10.8 million (before tax) due to the original vendors of the right. In terms of an agreement with the original vendors of the Kruidfontein prospecting right, Aquarius may elect to retain the remaining $10.8 million (less any tax payable), in return for an issue of shares in Aquarius, of same value, at the time the sale becomes unconditional, resulting in a net cash inflow of $27 million (before tax) for Aquarius.

Sale of Blue Ridge & Sheba's Ridge

On 29 January 2014, Aquarius agreed terms to dispose of its indirect interests in Blue Ridge Platinum (Pty) Ltd and Sheba's Ridge Platinum (Pty) Ltd to a consortium led by the China National Arts & Crafts (Group) Corporation for a total consideration of $37 million in cash, of which $4.3 million will be lent and advanced by Ridge Mining (Pty) Ltd to Blue Ridge for a period of 2 years from the closing date, being the date on which the last condition precedent to the sale agreement will be fulfilled.

The sale agreement is subject to a number of conditions precedent, primarily Chinese Government approvals, South Africa Competition Commission approval and a number of DMR regulatory approvals. The outside date for the fulfilment of the conditions precedent was initially fixed at 30 June 2014 but has been extended to 31 October 2014 by agreement between the parties.

Adoption of IFRS 11 Joint Arrangements

Following a change to IFRS 11 *Joint Arrangements* governing the accounting for jointly controlled investments, Aquarius commenced accounting for its investments in Mimosa, Blue Ridge and Sheba's Ridge using the equity accounting method from 1 July 2013. The equity method recognises the Group's share of net assets and contribution to profit and loss as single line items in the statement of financial position and statement of comprehensive income. This differs from the previous approach where Aquarius proportionately consolidated its investments in Mimosa, Blue Ridge and Sheba's Ridge and included each line item such as revenue, cost of sales and expenses as part of the consolidated results. This change has not resulted in a change to the net assets of the Group.

Results of operations (continued)

Operating results

Aquarius recorded a net loss of $13 million for the financial year. On-mine EBITDA[1] of $30 million was down 15.6% compared to $35 million in the prior year due to the impact of strikes on the Platinum Mile operation as well as the inclusion of the development shaft at Kroondal, K6, in operations for the first time in 2014. The result reflects continued improvement of operational performance at all operating mines, be it in a difficult and lower PGM price environment.

Revenue (PGM sales, interest) for the year was $233 million, 2% lower than the prior year due to lower PGM metal prices and the effect that the Anglo Platinum strike action had on Platinum Mile. The PGM basket price for the year was $1,164 per PGM ounce, down 5% from the prior year. Gross margins improved at Kroondal on higher production and a weaker Rand but margins were lower at Mimosa due to lower Dollar PGM basket prices.

Total cash cost of sales was $202 million, down $7 million despite a 2% increase in production at Kroondal and Platinum Mile. Kroondal recorded its seventh consecutive +100,000 PGM ounce production quarter, a record for the mine. This is particularly pleasing given the ongoing difficulties prevailing in the sector.

Exchange rate movements continued to have a volatile effect on earnings. The Rand weakened significantly to average R10.37 to the US Dollar compared to R8.80 in the prior year.

The Group's cash balance at 30 June 2014 was $137 million (2013: $78 million) with a further $8 million (2013: $25 million) attributable to Aquarius held in joint venture entities. The directors are of the view that the Group's present cash reserves are sufficient to manage its operating mines for the next twelve months based on present market dynamics.

Dividends

No dividend has been declared for the year ended 30 June 2014.

Significant changes in the group's state of affairs

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

Events subsequent to the end of the financial year

There were no material events subsequent to 30 June 2014 that have not been reflected in the financial statements.

Likely developments and expected results

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

Environmental regulation and performance

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

Meetings of directors

The number of meetings of the Board of Directors of the parent entity held during the year ended 30 June 2014 and the number of meetings attended by each director are tabled below:

Director	Number of meetings held whilst in office				Number of meetings attended			
	Board	Audit/Risk	Remuneration	Nomination	Board	Audit/Risk	Remuneration	Nomination
N T Sibley	5	4	2	-	5	4	2	-
J Nel	5	-	-	-	5	-	-	-
D R Dix	5	4	2	-	5	4	2	-
G E Haslam	5	4	2	2	5	4	2	2
T Freshwater	5	4	-	2	5	4	-	2
K Morna	5	4	-	2	5	4	-	2
Z Mankazana	5	-	2	-	5	-	2	-
S de Bruyn Sebotsa	5	-	-	2	4	-	-	2

Directors' and officers' insurance

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

Going concern

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

Signed in accordance with a resolution of the directors.

Jean Nel
Director
30 September 2014

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

	2014 $'000	2013 $'000
Gross profit/(loss)	1,898	(11,611)
Interest income	(5,676)	(6,070)
Depreciation and amortisation	29,000	39,143
Profit on sale of assets	653	-
Foreign exchange gain	3,851	13,765
On-mine EBITDA	29,726	35,227

[2] Refer to Note 9(d)

The directors of Aquarius Platinum Limited present the Remuneration Report for the Group for the financial year ended 30 June 2014.

Statement from the Chairman of the Remuneration Committee

The Remuneration Report has been divided into two sections - the Policy Report which sets out the directors' remuneration policy for all directors, and the Annual Remuneration Report which sets out details of how the directors and executive management were paid during the 2014 financial year and how the policy will be applied in 2015. Both reports will be tabled for discussion at the 2014 Annual General Meeting (AGM).

The Committee considered the following items during the year:
- review of executive director remuneration;
- structure of the share scheme arrangements for employees and the executive team;
- introduction of the new deferred bonus plan and the grant of awards under the plan; and
- annual bonus plan.

There was no substantial change in the pay of the Chief Executive Officer (CEO) but as announced last year, there has been a change in the manner of payment in that the CEO receives the majority of pay in the form of shares at a fixed share price of 35 cents. In terms of an unsolicited proposal which Mr Nel, CEO, submitted to the Board on 3 July 2013, he offered to receive approximately 70% of his salary and any applicable bonuses he may receive over the next three years (commencing from 1 July 2013) in shares instead of cash. The terms of this proposal were approved by shareholders at the AGM held in November 2013. The arrangement is described in more detail in the Policy Report and the Annual Remuneration Report.

Remuneration Committee

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

During the financial year the Remuneration Committee comprised four non-executive directors, the majority of whom were independent. None of the members of the Committee participated in any bonus scheme, long-term incentive, pension or other form of remuneration other than the fees disclosed below. There is no actual or potential conflict of interest arising from the other directorships held by members of the Committee. The Committee is supported by the Company Secretary who also acts as secretary to the Committee.

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

During the year the Committee appointed Meis to provide remuneration advice. The fees paid for this advice are based on a 12 month retainer of £8,000 p.a.

Statement from the Chairman of the Remuneration Committee (continued)

Remuneration Committee (continued)

The Committee meet as required but at least twice a year. During the financial year under review the Committee met formally in August and October 2013. At these meetings the Committee considered, amongst other things:

- August 2013 - drafting of the Aquarius Director/Employee Share Plan (2013), subject to shareholder approval, for the cash conservation initiatives of the Company which involved non-executive directors receiving 25% of their directors fees in shares and the CEO receiving 70% of his salary in shares; and
- October 2013 - the grant of the CEO's 2013 financial year bonus and grant of shares under the various company share plans.

Remuneration policy

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

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

- use external benchmark data on a transparent and open basis using comparator groups that reflect the industry and size of the Company;
- divide variable components of senior management remuneration between short-term incentive payments and long-term incentive payments in a manner which allows immediate reward of positive achievements in growth and profitability, but reinforces the importance of running the business with long-term strategic goals at the forefront of the decision process;
- provide long-term incentives that align remuneration to the long-term performance of the Company; and
- encourage executives, and in particular executive directors, to build and maintain a meaningful shareholding in the Company.

Consideration of employment conditions generally in the Company

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

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

Consideration of shareholder views

The Committee believes that dialogue with shareholders is important and undertakes shareholder consultation in advance of any significant changes to policy. The Committee always welcomes feedback from shareholders on the Company's remuneration policy and commits to undergoing shareholder consultation.

Remuneration policy (continued)

Table of remuneration policy

Remuneration element	Purpose and link to strategy	Driving factors	Operation
Base pay	Basic element of the remuneration package ensuring the ability to recruit and retain staff of the appropriate level	Role requirements and technical skill sets Geographic and industry Value potential in role	Pay is reviewed following the release of the full year results to the market. Pay increases will take account of the benchmark data and performance of the individual, and any increases in percentage terms will not generally exceed that of the general workforce. Reviews take effect from 1 January. The next pay review will be in January 2015. Pay is positioned at about the median of comparator companies of similar size, complexity and operations. Pay reviews may occur at times other than 1 January and pay increases may exceed general pay increases in the case of a change of responsibilities, change in complexity of the role, change in the size or complexity of the organisation or pay levels being substantially out of line with the market data. For the current CEO, for a period of three years from July 2013, a proportion of pay (70%) will be paid in shares using a fixed share price of 35 cents. The remainder of base pay will be paid in cash. The shares issued in lieu of cash are issued quarterly in arrears. The policy for the current CEO is specific to the individual and is not a policy for directors generally.
Benefits	To provide market competitive benefits consistent with the recruitment and retention of staff of the appropriate level	To retain a market competitive remuneration package	Normal benefits such as car or car allowance, life insurance, private medical, subscriptions, phones, accommodation, security or similar assistance may be provided as part of an individual's remuneration package all of which forms part of a total non-variable equivalent remuneration cost to the Company. The total non-variable equivalent remuneration (base pay cost) is the combined value of the base pay and pension provision but excludes any annual or long-term bonus amounts.
Pensions	To provide market competitive benefits consistent with the recruitment and retention of staff of the appropriate level	To retain a market competitive remuneration package	A payment in lieu of up to 10% may be provided. Where payment is required to be made under any statutory provisions then such provision will be included in the above amount unless the statutory provision exceeds such amount.
Annual bonus	To reward the delivery of short-term performance against agreed measures critical to the organisation's success	Market practice – geographic and industry standards Degree of value creation potential through outperformance	Performance criteria are set at the beginning of each year. The bonus scheme is based on a combination of Company and individual targets. The Company targets are aimed at encouraging and rewarding achievement of both operational and financial targets at organisational level with performance indicators such as ounces produced, cost per ounce and safety being key. The Committee will decide at the beginning of each year the balance and selection of these measures that meet the requirements for the coming year. The balance between the measures shall be 40% operational and safety, 40% corporate and 20% long-term objectives. Subject to the achievement of the performance conditions, the grant of a bonus is still subject to the discretion of the Committee. The maximum bonus opportunity is 100% of base pay and on target is 50% of base pay, and the bonus for threshold performance is 10%. There is no deferral of bonus payments and bonus payments will be made in cash. Bonus payments not paid may be withheld or cancelled if matters come to light which would, in the Committee's view, be such that it would be inappropriate to pay a bonus. In the case of the current CEO, any bonus payment in respect of the financial years 2014 and 2015 will be made in shares using a share price of 35 cents to calculate the conversion. The CEO declined to be considered for a bonus in the 2012 financial year.

Remuneration policy (continued)

Table of remuneration policy (continued)

Remuneration element	Purpose and link to strategy	Driving factors	Operation
Long-term incentives	To link executives interests to the longer term share performance of the Company and hence drive long-term shareholder value	To reward by reference to the return delivered to shareholders of the longer term	The Company has two retention share schemes: • The Employee Retention Share Scheme (ERSS) which is designed to retain and incentivise senior executives and managers deemed key to the rollout of the Group's business plan, and • The Aquarius Director/Employee Share Plan (2008), which is only available to executive directors and key executives who do not participate in the Employee Retention Share Scheme. The Committee may from time to time determine that an employee may participate in the ERSS and the extent of that participation. In making that determination, the Committee may consider: • the seniority of the employee and the position the employee occupies with the Company or any subsidiary of the Company; • the length of service of the employee with the Company or any subsidiary of the Company; • the record of employment or engagement of the employee with the Company or any subsidiary of the Company; • the potential contribution of the employee to the growth and profitability of the Company or any subsidiary of the Company; and • any other matters which the Board considers relevant.
Share ownership	To encourage ownership of shares and build a union of interest with shareholders	To encourage meaningful share ownership in the Company	Although the Company has no formal policy, the arrangements in place to pay the CEO the majority of base pay and bonus in shares has the effect of ensuring that there is a meaningful holding of shares.

Performance conditions (annual and long-term)

The performance conditions have been chosen as they are key to the delivery of both financial and operational performance. These measures taken as whole are seen as delivering long-term shareholder value in achieving the Group's:

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

The above policy is generally consistent with the remuneration policy that applies to other employees.

Remuneration policy (continued)

Aquarius Director/Employee Share Plan (2008)

The Aquarius Director/Employee Share Plan (2008) was established to provide the long-term incentive portion of executive remuneration. It is designed to retain the services of key executives and to ensure that a portion of executive remuneration is directly aligned with the long-term strategic goals of the Company and shareholder value. During the year 611,611 shares were issued to directors and employees of the Company. Details of shares issued to directors are disclosed in the table at the end of the Remuneration Report.

Shares are issued at the discretion of the Remuneration Committee. The estimated aggregate number of shares required for the participants is acquired by the Company on the open market from time to time at the discretion of the Remuneration Committee and retained in a treasury pool pending allocation pursuant to the directive of the Remuneration Committee. To qualify, participants need to be in the employment of the Group at 30 June of each determinant year. Shares awarded are subject to continued employment and completion of an annual performance review for each financial year. This review shall be performed upon release of the full year results to the market. Shares awarded vest in tranches covering a three year period unless determined otherwise by the Remuneration Committee.

No future awards are contemplated since the intention is to seek shareholder approval to replace the scheme with a long-term incentive plan.

Aquarius Director/Employee Share Plan (2013)

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

During the year 1,326,851 shares were issued to directors and employees in lieu of cash salary and bonuses. Details of shares issued are disclosed in the table at the end of the Remuneration Report.

Employee Retention Share Scheme

Established on 1 July 2012, the ERSS is designed to retain and incentivise senior executives and managers deemed key to the rollout of the Group's revised business plans in South Africa which include the successful transition to Owner Operator model, implementation of the revised mining support system, management of care and maintenance projects and returning the South African operating business to profitability.

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

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

During the year 2,469,816 shares were purchased for the ERSS and 991,853 shares were issued to employees.

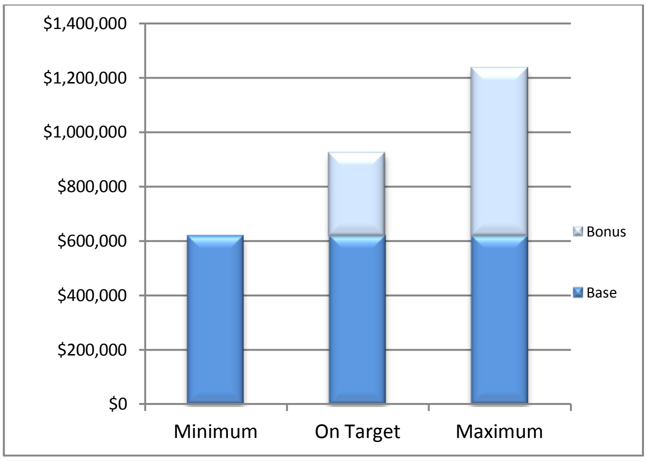
Remuneration policy of other employees

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

Remuneration policy (continued)

Illustration of application of policy

The following table shows the potential value of the CEO's remuneration package based upon the policy as indicated above.



Policy for the appointment of a new executive director

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

The structure of the remuneration package of a new executive director will follow the policy above, however in certain circumstances, the Committee may use other elements of remuneration if it considers it appropriate to do so, with due regard to the best interests of the shareholders. In particular, it may use a service contract that contains a longer initial notice period, tapering down to 12 months over a set period of time. The overall value of the package will not exceed the aggregate of the policy above. The Company is currently drafting a long-term incentive plan which may form part of the remuneration package. Awards under this plan of up to 200% of the annual total cost to the Company may be granted in exceptional circumstances. This may also apply in the recruitment of new executives. The plan will be put to shareholders for approval in due course.

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

Policy on payment on ceasing employment

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

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

Remuneration policy (continued)

Policy on payment on ceasing employment (continued)

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

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

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

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

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

Policy on external appointments

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

Service agreement for executive director

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

Remuneration policy for non-executive directors

Non-executive directors receive fixed remuneration only, which comprises annual board fees and committee fees based on membership of the various committees of the Board. Remuneration is paid quarterly. In November 2013 at the AGM of the Company, shareholders approved resolutions to allow directors to receive 25% of their directors’ fees in shares as opposed to cash (commencing 1 January 2014) as part of the Company's cash conservation initiatives. In addition, directors agreed to a 10% reduction in fees effective 1 January 2014. There is no variable or other performance related component to the remuneration structure for non-executive directors.

Remuneration policy (continued)

Remuneration policy for non-executive directors (continued)

Remuneration element	Purpose and link to strategy	Driving factors	Operation
Fees	Market competitive reward to facilitate recruitment and retention of individuals with the skills and experience to be able to support the short and long-term development of the Company.	Market practice globally for the individual with the necessary skills and experience.	Non-executive directors' remuneration is reviewed annually by the full Board, taking into account the findings and recommendations of the Remuneration Committee. Non-executive director fees are benchmarked against the remuneration of non-executive directors serving on the Boards of comparable companies in terms of size, industry and geography. Fees are paid quarterly and the current basic fee is \$198,000 for Chairman and \$90,000 for non-executive directors. 25% of director fees are paid in shares that the Company may issue under the terms as approved by shareholders at the AGM held in November 2013. Non-executive director fees were last reviewed in the 2011 financial year and no increases were made. Fees will be reviewed every two years but a review will not necessarily result in an increase. The next review will be in January 2015.
Additional fees			In addition to the basic fee, non-executive directors are entitled to the following additional fees for chairing any committee (or being a committee member): Chair audit \$15,000 Chair remuneration \$12,000 Chair nomination \$12,000 Membership of committees attracts a \$7,500 annual fee. Senior independent director fee \$15,000
Other payments			No awards or options of any kind have been granted to non-executive directors.

Annual remuneration report

Base pay

The base pay cost of the CEO is $605,000 comprising $425,000 and ZAR1.8 million ($180,000 at an exchange rate of ZAR10:$1.00). No increase was awarded at the review in January 2014 or January 2013.

Issue of shares in lieu of salary

In terms of an unsolicited proposal which Mr Nel, CEO, submitted to the Board on 3 July 2013, he offered to receive approximately 70% of his salary and any applicable bonuses he may receive over the next three years (commencing from 1 July 2013) in shares instead of cash. The terms of this proposal were approved by shareholders at the AGM held in November 2013. During the year 531,000 shares were issued to Mr Nel in lieu of salary, details of which are disclosed in the table at the end of the Remuneration Report.

Benefits

The CEO's remuneration package does not include any benefits. Company policy determines that all remuneration packages are negotiated on a total cost to Company. On this basis should any benefits such as housing or vehicles be included in the CEO's non-variable remuneration package, the base pay cost salary component of the remuneration package will be reduced by an amount equal to the cost of providing such benefits.

2013 annual bonus

The Remuneration Committee approved a bonus equal to 100% of the CEO's base salary at a deemed equivalent of 1,008,000 shares following a review of his performance. The bonus comprised a cash portion of $354,312 and 504,000 shares. The maximum bonus opportunity was achieved having exceeded the Company's business plan including improved production, lower operating unit costs and lower corporate costs. Any bonus paid in 2014 and 2015 will be payable only in shares.

2014 annual bonus

The Remuneration Committee established the following KPI's for the purposes of determining the 2014 annual bonus:

40% operational and safety
- achievement of budget targets for production, costs and safety at Kroondal and Mimosa

40% corporate
- completion of the refinance of the convertible bond
- completion of the sale of identified non-core assets
- compliance with the MPRDA/Mining Charter requirements

20% long-term objectives
- development of the Group's Strategic Plan including the establishment of a credible pipeline of growth projects

Annual remuneration report (continued)

Directors' and executives' emoluments

Details of the nature and amount of each element of the emolument of each director of the Group and the other key management personnel during the financial year are shown in the table below. The Group operates in an industry that has a limited number of participants, is under constant pressure from skills shortages and is exposed to a high level of staff poaching. For these reasons, remuneration of key management personnel is shown in aggregate. Refer also to Note 33 – Share-based payment plans and Note 34 – Related party disclosures for participation by the directors and key management personnel in the Company's Share Plan and Option Plan.

	Short-term benefits				Post-employment benefits	Share-based payments	
Name	**Board Fee** $	**Committee Fee** $	**Cash salary** $	**Cash bonus** $	**Superannuation/ ex gratia** $	**Options/ Shares** $	**Total** $
J. Nel	-	-	178,256	354,312	-	872,975 (a)	1,405,543
N.T. Sibley	184,250	-	-	-	-	18,000 (b)	202,250
D.R. Dix	83,750	22,500	-	-	-	11,250 (c)	117,500
G.E. Haslam	83,750	27,000	-	-	-	11,250 (c)	122,000
T. Freshwater	83,750	30,000	-	-	-	11,250 (c)	125,000
K. Morna	83,750	15,000	-	-	-	11,250 (c)	110,000
Z. Mankazana	83,750	7,500	-	-	-	11,250 (c)	102,500
S. de Bruyn Sebotsa	83,750	12,000	-	-	-	11,250 (c)	107,000
	686,750	114,000	178,256	354,312	-	958,475	2,291,793
Other key management personnel	-	-	1,622,783	506,754	140,904	737,270	3,007,711

a) represents 166,667 shares at $0.64 per share granted under the Aquarius Director/Employee Share Plan (2008); 531,000 shares at $0.63 per share granted in lieu of salary and 504,000 shares at $0.64 per share granted in lieu of bonus. In addition, it includes an accrual of $109,000 for which 313,290 shares were issued subsequent to year end at $0.35 per share.
b) represents 19,336 shares granted in lieu of directors fees at $0.64 per share. In addition, it includes an accrual of $5,625 for which shares were issued subsequent to year end.
c) represents 8,789 shares granted in lieu of directors fees at $0.64 per share. In addition, it includes an accrual of $5,625 for which shares were issued subsequent to year end.

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

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

Board of directors

Structure of the board

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

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

Board Structure			
Name of director in office at the date of this report	**Date appointed to office**	**Executive/ Non-executive**	**Independent**
N.T. Sibley – Chairman	26 October 1999	Non-executive	Yes
J. Nel - Chief Executive Officer	3 April 2012	Executive	No
D.R. Dix	31 March 2004	Non-executive	Yes
G.E. Haslam	1 May 2004	Non-executive	Yes
T. Freshwater	9 August 2006	Non-executive	Yes
K. Morna	6 February 2007	Non-executive	No
Z. Mankazana	6 November 2008	Non-executive	No
S. de Bruyn Sebotsa	6 February 2013	Non-executive	Yes

Roles and responsibilities of the board

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

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

Board of directors (continued)

Roles and responsibilities of the board (continued)

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

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

Appointments to the board

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

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

Directors' retirement and re-election

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

Director independence

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

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

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

In line with the Recommendations, the Board has accepted the guidelines outlined below in determining the independence of non-executive directors. In accordance with these guidelines, all directors, with the exception of Mr Jean Nel as Chief Executive Officer of the Company, Mr Kofi Morna and Mr Zwelakhe Mankazana, who represent the Savannah Consortium's BEE interests, are deemed independent.

Board of directors (continued)

Director independence (continued)

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

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

Board evaluation

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

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

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

Meetings of the board

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

Senior independent non-executive director

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

Board of directors (continued)

Succession planning

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

Induction and education

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

Company secretary

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

Code of conduct

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

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

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

Diversity policy

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

Securities trading policy

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

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

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

Committees of the board

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

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

Audit/Risk Committee

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

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

The members of the Committee at the date of this report are as follows:
- Mr David Dix (Chairman)
- Mr Tim Freshwater
- Mr Edward Haslam
- Mr Kofi Morna
- Mr Nicholas Sibley

Committees of the board (continued)

Audit/Risk Committee (continued)

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

Mr Freshwater is a solicitor in the UK and Hong Kong and has been involved in Asian markets for over 40 years. He is a director of a number of companies, including Swire Pacific Limited, Chong Hing Bank Limited, Cosco Pacific Limited, Savills PLC, Hong Kong Exchanges and Clearing Limited. Mr Freshwater was appointed to the Audit/Risk Committee on 6 February 2013.

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

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

Mr Sibley is a Fellow of the Institute of Chartered Accountants in England and Wales, a director of Richland Resources Ltd, Wah Kwong Maritime Transport Holdings Ltd and a quoted investment company. He was formerly Deputy Chairman of Wheelock Capital from 1994 to 1997, as well as Executive Chairman of Barclays de Zoete Wedd (Asia Pacific) Limited from 1989 to 1993. Mr Sibley is a former director of Barclays de Zoete Wedd Holdings Ltd.

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

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

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

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

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

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

Details of attendance at committee meetings are set out in the Directors' Report.

Committees of the board (continued)

Remuneration Committee

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

- Mr Edward Haslam (Chairman)
- Mr Nicholas Sibley
- Mr David Dix
- Mr Zwelakhe Mankazana

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

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

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

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

Nomination Committee

The Nomination Committee (the Committee) formerly comprised the full Board of the Company. In November 2012 the Committee was restructured to comprise a five member Committee as well as approve a revised Committee Charter which sets out the process for selection, appointment and re-election of Directors. The members of the Committee at the date of this report are:

- Ms Sonja de Bruyn Sebotsa (Chairman)
- Mr Tim Freshwater
- Mr Ed Haslam
- Mr Kofi Morna
- Mr Willi Boehm

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

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

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

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

Committees of the board (continued)

Nomination Committee (continued)

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

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

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

Social & Ethics Committee

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

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

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

- Ms A Kawa (Chairman)
- Ms S de Bruyn Sebotsa
- Mr C Kendall
- Mr J Nel
- Mr R Schroder

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

1.1 Social and economic development, including the Company's standing in terms of the goals and purposes of:
- the United Nations Global Compact's Ten Principles;
- the OECD recommendations on corruption prevention;
- the Employment Equity Act;
- the Mineral and Petroleum Resources Development Act 2002 (South Africa); and
- the Mining Charter.

1.2 Good corporate citizenship, including the Company's:
- promotion of equality, prevention of unfair discrimination, elimination of corruption and ethics performance in general;
- contribution to development of the communities in which its activities are predominately conducted; and
- record of sponsorships, donations and charitable giving.

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

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

Continuous disclosure

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

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

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

Communications with shareholders

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

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

Meetings

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

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

Risk management

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

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

Corporate governance compliance

Notification of departure

Audit/Risk Committee members

The Company's Audit/Risk Committee (Committee) comprises five members. Four of the members (Mr Dix, Mr Freshwater, Mr Haslam and Mr Sibley) are independent non-executive directors of the Company. Mr Morna, whilst being a non-executive director, is not considered an independent director of the Company.

Whilst the above membership of the Committee complies with the Australian Securities Exchange Corporate Governance Guidance and the South African King Code of Governance Principles, it does not comply with the UK's Corporate Governance Code provision C3.1 which recommends that all Committee members should be independent non-executive directors.

Mr Morna was appointed in February 2010 to further strengthen the Committee, in view of his experience and understanding of mining and finance. The Board has noted provision C3.1 of the UK's Corporate Governance Code in conjunction with the governance guidance applicable in Australia and South Africa and believe that Mr. Morna's appointment adds value to the Committee.

Aquarius Platinum Limited

Statement of comprehensive income for the year ended 30 June 2014

	Note	2014 $'000	2013 $'000 Restated *
Revenue	7	233,056	237,115
Cost of sales	7	(231,158)	(248,726)
Gross profit/(loss)		**1,898**	**(11,611)**
Other income	7	174	278
Administrative costs	7	(7,353)	(12,368)
Foreign exchange gain/(loss)		1,843	(19,323)
Finance costs	7	(28,091)	(26,669)
Impairment losses	7	(3,084)	(214,111)
Profit on repurchase of bonds	22	10,925	-
Profit on sale of assets		653	-
Closure, transition and rehabilitation reversal/(cost)	7	5,342	(54,538)
Share of profit/(loss) from joint venture entities	13	5,055	(2,698)
Loss before income tax		**(12,638)**	**(341,040)**
Income tax (expense)/benefit	8	(544)	53,127
Net loss for the year		**(13,182)**	**(287,913)**
Other comprehensive income that may be recycled to profit or loss			
Foreign currency translation adjustments		(15,979)	(93,697)
Total other comprehensive loss		**(15,979)**	**(93,697)**
Total comprehensive loss		**(29,161)**	**(381,610)**
Loss is attributable to:			
Equity holders of Aquarius Platinum Limited		(13,048)	(287,207)
Non-controlling interests		(134)	(706)
		(13,182)	**(287,913)**
Total comprehensive loss is attributable to:			
Equity holders of Aquarius Platinum Limited		(29,064)	(380,974)
Non-controlling interests		(97)	(636)
		(29,161)	**(381,610)**
Earnings per share **			
Basic loss per share (cents per share)	9	(1.38)	(34.55)
Diluted loss per share (cents per share)	9	(1.38)	(34.55)

* Certain amounts shown here do not correspond to the 30 June 2013 annual report and reflect adjustments made as detailed in Note 36.

** Earnings per share for both the current and prior year reflect the impact of the bonus element of the rights issue undertaken in the year ended 30 June 2014.

Aquarius Platinum Limited

***Statement of financial position** as at 30 June 2014*

	Note	2014 $'000	2013 $'000 Restated *	2012 $'000 Restated *
Assets				
Non-current assets				
Receivables	11	9,180	9,605	11,189
Available-for-sale investments	12	451	476	609
Investments in joint venture entities	13	230,410	242,079	264,534
Mining assets	15	209,211	230,846	512,593
Deferred tax asset	8	14,652	16,875	-
Restricted cash in environmental trusts	16	16,902	16,712	18,055
Intangible asset	17	54,499	59,449	87,882
Total non-current assets		**535,305**	**576,042**	**894,862**
Current assets				
Cash and cash equivalents	18	136,820	77,773	166,652
Trade and other receivables	19	30,104	34,622	57,006
Inventories	20	15,246	15,237	11,232
Total current assets		**182,170**	**127,632**	**234,890**
Total assets		**717,475**	**703,674**	**1,129,752**
Equity and liabilities				
Capital and reserves				
Issued capital	27	73,216	24,343	23,516
Unissued shares		-	-	2,436
Treasury shares	28	(26,239)	(26,526)	(18,128)
Reserves	29	781,692	639,881	722,734
Accumulated losses		(360,450)	(347,402)	(60,195)
Total equity attributable to equity holders of Aquarius Platinum Limited		**468,219**	**290,296**	**670,363**
Non-controlling interests		5,549	5,646	6,282
Total equity		**473,768**	**295,942**	**676,645**
Non-current liabilities				
Payables	21	2,065	2,665	4,205
Interest bearing loans and borrowings	22	118,919	268,970	262,346
Deferred tax liabilities	8	16,837	19,112	64,130
Provisions	23	65,763	74,322	40,393
Total non-current liabilities		**203,584**	**365,069**	**371,074**
Current liabilities				
Trade and other payables	24	34,189	33,687	77,641
Interest bearing loans and borrowings	25	1,362	4,116	3,359
Income tax payable	8	90	218	6
Provisions	26	4,482	4,642	1,027
Total current liabilities		**40,123**	**42,663**	**82,033**
Total liabilities		**243,707**	**407,732**	**453,107**
Total equity and liabilities		**717,475**	**703,674**	**1,129,752**

* Certain amounts shown here do not correspond to the 30 June 2013 and 30 June 2012 annual report due to the adoption of IFRS11 *Joint Arrangements*. The adjustments relating to the 2013 financial year are detailed in Note 36.

Aquarius Platinum Limited

***Statement of changes in equity** for the year ended 30 June 2014*

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

Aquarius Platinum Limited

Statement of changes in equity ***for the year ended 30 June 2013***

	Issued capital	Unissued shares	Treasury shares	Share premium reserve	Foreign currency translation reserve	Equity benefits reserve	Ridge replacement options reserve	Equity reserve	Convertible bond equity component	Accumulated losses	Owners of the parent	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 July 2012	23,516	2,436	(18,128)	1,019,896	1,440	466	92	(361,826)	62,666	(60,195)	670,363	6,282	676,645
Loss for the period	-	-	-	-	-	-	-	-	-	(287,207)	(287,207)	(706)	(287,913)
Other comprehensive income	-	-	-	-	(93,767)	-	-	-	-	-	(93,767)	70	(93,697)
Total comprehensive income for the period	-	-	-	-	(93,767)	-	-	-	-	(287,207)	(380,974)	(636)	(381,610)
Transactions with owners in their capacity as owners:													
Shares issued	700	-	-	8,605	-	-	-	-	-	-	9,305	-	9,305
Purchase of company shares by a controlled entity	-	-	(9,305)	-	-	-	-	-	-	-	(9,305)	-	(9,305)
Transfer to issued shares	127	(2,436)	-	2,309	-	-	-	-	-	-	-	-	-
Equity benefits provided to employees	-	-	907	-	-	-	-	-	-	-	907	-	907
At 30 June 2013	24,343	-	(26,526)	1,030,810	(92,327)	466	92	(361,826)	62,666	(347,402)	290,296	5,646	295,942

Aquarius Platinum Limited

***Statement of cash flows** for the year ended 30 June 2014*

	Note	2014 $'000	2013 $'000 Restated *
Cash flows from operating activities			
Receipts from customers		231,520	253,927
Payments to suppliers and employees		(215,959)	(251,068)
Closure and transition costs		-	(27,582)
Interest received		5,714	5,466
Other income		398	252
Income taxes paid		(581)	(1,387)
Net cash from/(used in) operating activities		**21,092**	**(20,392)**
Cash flows from investing activities			
Payments for mining assets		(28,073)	(36,268)
Proceeds from sale of mining assets		849	638
Refund of deposit for mineral acquisition		-	15,000
Net cash used in investing activities		**(27,224)**	**(20,630)**
Cash flows from financing activities			
Interest and other finance costs paid		(12,709)	(13,441)
Payment for repurchase of bonds including transaction costs		(162,429)	-
Proceeds from rights issue		223,845	-
Transaction costs relating to rights issue		(8,351)	-
Proceeds from sale of rights		3,049	-
Foreign exchange loss on currency contract		-	(24,039)
Proceeds from borrowings		2,989	-
Repayment of borrowings		(4,274)	(5,830)
Proceeds from issue of shares		-	9,305
Purchase of shares by a controlled entity		-	(9,305)
Loans to joint venture entities		(2,222)	(2,109)
Dividends from joint venture entities		22,373	10,000
Net cash from/(used in) financing activities		**62,271**	**(35,419)**
Net increase/(decrease) in cash held		56,139	(76,441)
Cash and cash equivalents at the beginning of the financial year		77,773	166,652
Net foreign exchange differences		2,908	(12,438)
Cash and cash equivalents at the end of the financial year	18	**136,820**	**77,773**

* Certain amounts shown here do not correspond to the 30 June 2013 annual report and reflect adjustments made as detailed in Note 36.

1. Corporate information

The consolidated financial statements of Aquarius Platinum Limited (Aquarius or the Company) for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 30 September 2014. Aquarius Platinum Limited is a limited company incorporated and domiciled in Bermuda whose shares are publicly traded. The principal activities of the Group are described in the Directors' Report.

2. Basis of preparation

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

Statement of compliance

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

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

Basis of consolidation

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

Subsidiaries are consolidated from the date the parent entity obtains control and continue to be consolidated until such time as control ceases. Where there is a loss of control of a subsidiary, the consolidated accounts include the results for the part of the reporting period during which the parent entity had control. A list of subsidiaries appears in Note 34(a).

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

3. Changes in accounting policies and disclosures

The Group has adopted all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 July 2013. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies as set out below:

Reference	Title	Summary	Impact
IFRS 10	Consolidated Financial Statements	IFRS 10 establishes a new control model that applies to all entities. It replaces parts of IAS 27 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control.	The Group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under IFRS 10 than under IAS 27 and SIC-12. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements were required as a result of the adoption of IFRS 10. The Group's accounting policy has been updated to reflect the requirements of IFRS 10.
IFRS 11	Joint Arrangements	IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC 13 *Jointly-controlled Entities – Non-monetary Contributions by Ventures*. IFRS 11 uses the principle of control in IFRS 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method.	Management have undertaken an assessment of the impact of IFRS 11. The assessment indicates that the arrangements where joint control currently exists under IAS 31 are unchanged under IFRS 11. Mimosa, Blue Ridge and Sheba's Ridge have been classified as joint ventures under IFRS 11. This has resulted in Mimosa, Blue Ridge and Sheba's Ridge being accounted for under the equity method. This is a change from the previous treatment where they were proportionately consolidated. The equity method recognises the Group's share of net assets and results as single line items in the statement of financial position and statement of comprehensive income respectively. This change has not resulted in a change to the net assets of the Group. The Kroondal and Marikana operations and Chrome Tailings Retreatment Plant have been classified as Joint Operations under IFRS 11, with the Group recognising its share of assets, liabilities, income and expenses on a line by line basis. Refer to Note 36.

3. Changes in accounting policies and disclosures (continued)

Reference	Title	Summary	Impact
IFRS 12	Disclosure of Interests in Other Entities	IFRS 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	The Group needs to disclose additional information relating to subsidiaries with material non-controlling interests, including summarised financial information. Refer to Note 34 – Related Party Disclosure.
IFRS 13	Fair Value Measurement	IFRS 13 establishes a single source of guidance for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	Additional disclosure requirements for the Group's assets and liabilities carried at fair value or where a fair value measurement is disclosed.
IAS 19	Employee Benefits	The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.	There was no material impact on the Annual Report.
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset if an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the 'stripping activity asset'. The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate.	The Group had no open pit mines in production in the current or previous reporting period. Therefore, the adoption of IFRIC 20 had no impact.

4. Significant accounting judgements and estimates

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

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

  Judgement is also required to classify a joint arrangement as either a joint operation or a joint venture. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, it considers:
  - The structure of the joint arrangement – whether it is structured through a separate vehicle
  - When the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from:
    - the legal form of the separate vehicle; and
    - the terms of the contractual arrangement.

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

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

  There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

  Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

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

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

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

4. Significant accounting judgements and estimates (continued)

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

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

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

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

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

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

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

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

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

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

4. Significant accounting judgements and estimates (continued)

- *Production start date*
  The Group assesses the stage of each mine under construction to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of a plant and its location. The Group considers various relevant criteria to assess when the mine is substantially complete, including, but not limited to, the following:
  - the level of capital expenditure compared to the construction cost estimates;
  - completion of a reasonable period of testing of the mine plant and equipment;
  - ability to produce product in saleable form (within specifications); and
  - ability to sustain ongoing production of metal.

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

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

5. Significant accounting policies

(a) Exploration for and evaluation of mineral resources

Pre-license costs are expensed in the statement of comprehensive income as incurred.

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

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

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

Expenditure deemed to be unsuccessful is recognised in the statement of comprehensive income immediately.

5. Significant accounting policies (continued)

(b) Mining assets

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

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

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

Mining tenements

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

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

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

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

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

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

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

Useful lives and residual values are reassessed annually.

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

5. Significant accounting policies (continued)

(b) Mining assets (continued)

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

Useful lives and residual values are reassessed annually.

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

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

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

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

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

(c) Impairment

Non-financial assets
The carrying amounts of the Group’s assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated and the book value of the asset is written down to its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows and that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

5. Significant accounting policies (continued)

(c) Impairment (continued)

Non-financial assets (continued)
Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. A previously recognised impairment loss is reversed, in the statement of comprehensive income, if the recoverable amount of an asset increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

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

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

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

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

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

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in other comprehensive income is transferred to the statement of comprehensive income.

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

5. Significant accounting policies (continued)

(d) Fair value measurement

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

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

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

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

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

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

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

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

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

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

(e) Investments and other financial assets

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

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

5. Significant accounting policies (continued)

(e) Investments and other financial assets (continued)

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

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

(f) Derecognition of financial assets and liabilities

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

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

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

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

5. Significant accounting policies (continued)

(g) Foreign currencies

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

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

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

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

(h) Business combinations

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

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

(i) Intangible assets

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

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

5. Significant accounting policies (continued)

(j) Revenue recognition

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

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

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

For PGM concentrate sales the sales price is determined on a provisional basis at the date of delivery. Adjustments to the sale price occur based on movements in the metal market price up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement. The period between provisional invoicing and final pricing is typically between 2 and 4 months. Revenue on provisionally priced sales is initially recorded at the estimated fair value of the consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the characteristics of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in the statement of comprehensive income and trade debtors in the statement of financial position. In all cases, fair value is determined with reference to estimated forward prices using consensus forecasts.

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

(k) Income taxes

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

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

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

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

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

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

5. Significant accounting policies (continued)

(k) Income taxes (continued)

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

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

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

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

(l) Employee entitlements

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

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

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

(m) Interest bearing loans and borrowings

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

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

(n) Borrowing costs

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

(o) Trade and other payables

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

5. Significant accounting policies (continued)

(p) Provisions

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

(q) Cash

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

(r) Inventories

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

(s) Trade and other receivables

Trade receivables include actual invoiced sales of PGM concentrate as well as sales not yet invoiced for which deliveries have been made and the risks and rewards of ownership have passed. The receivable amount calculated for the PGM concentrate delivered but not yet invoiced is recorded at the fair value of the consideration receivable at the date of delivery. At each subsequent reporting date the receivable is restated to reflect the fair value movements in the pricing mechanism which is considered to represent an embedded derivative.

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

(t) Provision for mine site rehabilitation

The provision for rehabilitation represents the cost of restoring site damage following initial disturbance. Increases in the provision are capitalised to deferred mining assets to the extent that the future benefits will arise. Costs incurred that relate to an existing condition caused by past operations and do not have a future economic benefit are expensed.

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

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

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

5. Significant accounting policies (continued)

(u) Share capital

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

(v) Treasury shares

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

(w) Leases

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

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

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

(x) Interest in joint operations

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

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

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

(y) Investments in joint ventures

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

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

5. Significant accounting policies (continued)

(y) Investments in joint ventures (continued)

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

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

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

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

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

(z) Share-based payment transactions

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

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

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

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

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

5. Significant accounting policies (continued)

(z) Share-based payment transactions (continued)

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

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

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

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

(aa) Earnings per share

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

Diluted earnings per share
Diluted earnings per share is calculated as net profit attributable to equity holders of the parent, adjusted for:
- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

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

(bb) Dividends

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

(cc) Comparative amounts

Where appropriate, comparative amounts have been reclassified to be consistent with the current year's presentation. This comprises:
- adoption of a new accounting standard, IFRS 11 *Joint Arrangements*, as set out in note 36; and
- reclassification of various asset categories into the category of 'mining assets' to be consistent with internal management reporting and the reporting of the major operating subsidiary, AQPSA. These changes are appropriate because the adoption of IFRS 11 resulted in the Mimosa and Blue Ridge segments no longer being proportionately consolidated and therefore the previous asset categories applied are no longer consistent. This reclassification did not impact the cost, accumulated depreciation or amortisation, and carrying amount of non-current assets.

5. Significant accounting policies (continued)

(dd) Standards issued but not yet effective

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

Reference	Title	Summary	Application date of standard	Application date for Group
IFRIC 21	Levies	This interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 July 2014
IAS 32	Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities	The IASB adds application guidance to IAS 32 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of IAS 32, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014
IAS 36	Amendments to IAS36 – Recoverable Amount Disclosures for Non-Financial Assets	The IASB amends the disclosure requirements in IAS 36 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	The IASB makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	1 July 2014	1 July 2014

5. Significant accounting policies (continued)

(dd) Standards issued but not yet effective (continued)

Reference	Title	Summary	Application date of standard	Application date for Group
IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	1 July 2016
IFRS 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue and related Interpretations* (IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.	1 January 2017	1 July 2017

5. Significant accounting policies (continued)

(dd) Standards issued but not yet effective (continued)

Reference	Title	Summary	Application date of standard	Application date for Group
IFRS 9	Financial Instruments	On 24 July 2014 the IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2018	1 July 2018

5. Significant accounting policies (continued)

(dd) Standards issued but not yet effective (continued)

Reference	Title	Summary	Application date of standard	Application date for Group
		d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: - The change attributable to changes in credit risk are presented in other comprehensive income - The remaining change is presented in profit or loss IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.		

6. Operating segments

(a) Identification of reportable segments

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

The operations of Kroondal, Marikana, Everest and Mimosa mine, process and sell concentrate containing platinum group metals. The operations of CTRP and Platinum Mile operate as tailings retreatment facilities from which they produce and sell a concentrate containing platinum group metals. Marikana, Everest, Blue Ridge and CTRP were on care and maintenance through-out the whole year.

The operations of Kroondal, Marikana, Everest, Blue Ridge, CTRP and Platinum Mile are based in South Africa. The operations of Mimosa are based in Zimbabwe. Repatriation of funds from South Africa and Zimbabwe are subject to regulatory approval in the respective countries.

(b) Accounting policies and inter-segment transactions

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

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

(c) Zimbabwe operations

Indigenisation

On 14 December 2012, Mimosa Investment Holdings ("Mimosa Investments"), which is held jointly in a 50:50 partnership with Impala Platinum Holdings Limited, concluded a non binding term sheet in respect of a proposed indigenisation implementation plan ("IIP") with the Government of Zimbabwe. The term sheet provided for, subject to certain conditions precedent, the sale by Mimosa Investments of an aggregate 51% equity ownership of Mimosa Holdings (Private) Limited, the wholly owned operating subsidiary of Mimosa Investments which owns and manages the Mimosa mine. During 2013 the Government of Zimbabwe indicated to Mimosa, and to the other platinum producers in Zimbabwe who concluded similar transactions, that it was no longer supportive of the term sheets. Following the national elections held in Zimbabwe in August 2013 a new Minister of Indigenisation was appointed. Mimosa has had frequent interaction with the Ministry, but to date no agreements or definitive terms have been agreed by Mimosa. As a result, the matter is ongoing and management is unable to estimate the financial impact of the proposed transaction.

Budget update

Aquarius has noted amendments contained in the proposed Zimbabwean national budget for 2014 as well as amendments to the Finance Act of 2014, which, if implemented, will negatively impact the company. These include:

- a 15% royalty on the export of unrefined PGM's; and
- rendering current mining royalties payable by Mimosa non-deductible for income tax purposes (currently deductible).

Mimosa management in consultation with the Zimbabwe Chamber of Mines will continue to engage with the Government of Zimbabwe to clarify the proposed changes to the fiscal regime, acknowledging that Aquarius and Mimosa share the vision of a growing platinum mining sector with the Government of Zimbabwe. The financial impact of any amendments has not been determined and will only be known if the legislation is passed in its current form, since only then can the impact be estimated with a level of certainty.

6. Operating segments (continued)

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

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

6. Operating segments (continued)

30 June 2013	Kroondal	Marikana	Everest	Mimosa	Plat Mile	CTRP	Blue Ridge	Corporate/ Unallocated	Segment Result	Reconciliation to Consolidated Information *	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	217,253	828	1,101	133,412	12,657	387	37	4,873	370,548	(133,433)	237,115
Cost of sales											
- mining, processing and administration	(192,838)	(2,383)	(3,743)	(96,181)	(9,317)	(503)	(1,564)	(4)	(306,533)	96,950	(209,583)
- depreciation and amortisation	(32,396)	(532)	(2,642)	(12,066)	(3,309)	(249)	(68)	(15)	(51,277)	12,134	(39,143)
Gross profit/(loss)	(7,981)	(2,087)	(5,284)	25,165	31	(365)	(1,595)	4,854	12,738	(24,349)	(11,611)
Other income	-	-	-	-	-	-	-	278	278	-	278
Administrative costs	-	-	-	-	-	-	-	(12,924)	(12,924)	556	(12,368)
Foreign exchange gain/(loss)	11,930	71	122	(124)	760	41	-	(32,246)	(19,446)	123	(19,323)
Finance costs	-	-	-	-	-	-	-	(30,817)	(30,817)	4,148	(26,669)
Impairment losses	-	(18,799)	(85,922)	-	(12,379)	-	(14,170)	(94,696)	(225,966)	11,855	(214,111)
Closure, transition and rehabilitation costs	(2,982)	(41,275)	(10,281)	-	-	-	-	-	(54,538)	-	(54,538)
Community share ownership trust	-	-	-	(1,500)	-	-	-	-	(1,500)	1,500	-
Share of loss from joint venture entities	-	-	-	-	-	-	-	-	-	(2,698)	(2,698)
Profit/(loss) before income tax	967	(62,090)	(101,365)	23,541	(11,588)	(324)	(15,765)	(165,551)	(332,175)	(8,865)	(341,040)
Income tax benefit	-	-	-	-	-	-	-	44,262	44,262	8,865	53,127
Net profit/(loss) from ordinary activities	967	(62,090)	(101,365)	23,541	(11,588)	(324)	(15,765)	(121,289)	(287,913)	-	(287,913)
Segment assets	194,225	64,672	44,818	255,810	78,457	1,597	29,089	96,253	764,921	(61,247)	703,674
Capital expenditure	30,718	386	1,653	18,126	189	-	-	3,305	54,377	(18,126)	36,251
Segment liabilities	9,248	68,423	8,276	47,969	24,187	3	29,884	280,989	468,979	(61,247)	407,732

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

	2014	2013
	$'000	$'000

6. Operating segments (continued)

Geographical information

	2014 $'000	2013 $'000
Revenue		
South Africa	228,869	232,263
Zimbabwe	130,512	133,412
Corporate/Unallocated	4,224	4,873
Total revenue per operating segment note	**363,605**	**370,548**

The two most significant customers represented 61% (2013: 59%) (Rustenburg Platinum Mines Limited) and 36% (2013: 36%) (Centametall AG) of the Group's total segment revenue.

	2014 $'000	2013 $'000
Non-current assets		
South Africa	329,263	356,907
Zimbabwe	190,123	184,027
Corporate/Unallocated	39,868	38,253
Total non-current assets per operating segment note	**559,254**	**579,187**

7. Revenue and expenses

	2014 $'000	2013 $'000
Revenue		
Sale of mine products	225,335	231,306
PGM price adjustments *	2,045	(261)
Interest income	5,676	6,070
	233,056	**237,115**

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

	2014 $'000	2013 $'000
Cost of sales		
Depreciation and amortisation	29,000	39,143
Other costs of production	201,814	208,792
Royalties	344	791
	231,158	**248,726**
Other income		
Other	174	278
	174	**278**
Administrative costs		
Advertising and promotion	151	175
Consulting fees	1,286	2,014
Directors' fees	811	905
Insurance	93	148
Legal fees	175	1,601
Rental on operating leases	263	273
Share-based payments	1,807	907
Stock exchange and registry management	357	433
Travel	372	1,034
Wages, salaries and employee benefits	1,477	4,331
Other	561	547
	7,353	**12,368**

7. Revenue and expenses (continued)

	2014 $'000	2013 $'000
Finance costs		
Interest on borrowings	12,019	12,909
Accretion of interest on convertible bond	10,016	10,299
Accretion of mine-site rehabilitation liability	5,112	2,453
Amortisation of borrowing costs	944	1,008
	28,091	**26,669**
Staff costs included in the statement of comprehensive income		
Salaries and wages	60,763	52,684
Share-based payments	1,807	907
Superannuation	7,381	2,911
	69,951	**56,502**
Depreciation and amortisation included in the statement of comprehensive income		
Depreciation of mining assets	27,398	36,930
Amortisation of intangible asset	1,602	2,213
	29,000	**39,143**
Impairment losses		
Class of asset:		
Mining assets (a)	1,792	200,523
Intangible asset (b)	-	12,379
Investments in joint venture entities	1,292	1,209
	3,084	**214,111**
(a) Relates to the following segments:		
Corporate/Unallocated – Afarak (i)	-	84,233
Corporate/Unallocated – TKO, Chieftans, Valhalla, Magaliesburg, Zondernaam (ii)	1,792	11,569
Everest (iii)	-	85,922
Marikana (iv)	-	18,799
	1,792	**200,523**

(i) The present low price environment and reduction in market activity, especially in the areas surrounding the Afarak properties, necessitated the reassessment of the carrying value of the assets acquired under the Afarak transaction. The future viability of these prospecting rights has become uncertain given the current challenges faced by the platinum industry. On the basis of the above it has been concluded that the carrying value of the assets be written off in full as the fair value less cost of sale is unable to be reliably estimated in the current market.

(ii) The present low price environment and cessation of activity on these properties has necessitated the reassessment of their carrying values. No production is currently anticipated from any of these properties. On the basis of the above it has been concluded that the carrying value of the assets be written off in full as the fair value less cost of sale is unable to be reliably estimated in the current market.

(iii) The Everest mine was placed on care and maintenance in June 2012. The future of the operation was expected to be positively impacted through the purchase of the Booysendal property adjacent to Everest. This purchase was terminated during the 2013 financial year as a result of a condition precedent not being fulfilled. Accordingly the carrying value of Everest was reassessed. The recoverable amount was determined by Management on a value in use basis using independent consensus metal prices and a post tax real discount rate of 10.7%.

7. Revenue and expenses (continued)

Impairment losses (continued)

(iv) During the 2013 financial year a decision was made to mine the economically viable Marikana reserves as part of the Kroondal mine and treat all ore through the K1 and K2 plants. Under the current plan the Marikana plant will not be utilised. Accordingly the carrying value of Marikana has been reassessed. Assets comprising the Marikana operations have been assessed individually. Management have determined that the recoverable amount of all underground infrastructure assets that will no longer be used is nil, on a fair value less cost of sale basis. The recoverable amount of underground infrastructure assets that will continue to be utilised was determined by management on a value in use basis using independent consensus metal prices and a post tax real discount rate of 10.7%. The recoverable amount of the Marikana plant has been determined to exceed its carrying value on a fair value less cost of sale basis determined by an indicative purchase offer from a third party.

(b) The present low price environment necessitated a reassessment of the carrying value of the Platinum Mile tailings retreatment operation. The recoverable amount was determined by management on a value in use basis using independent consensus metal prices and a post tax real discount rate of 10.7%.

	2014	2013
	$'000	$'000
Closure, transition and rehabilitation costs		
Closure and transition costs	-	17,695
Rehabilitation costs	(5,342)	36,843
	(5,342)	**54,538**

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

8. Income tax

Major component of tax benefit for the year		
Income statement:		
Current income tax	579	753
Deferred tax – origination and reversal of temporary differences	(576)	(54,462)
Royalties	541	582
Income tax expense/(benefit)	**544**	**(53,127)**

As a Bermudian corporation, Aquarius has no tax liability under that jurisdiction with respect to income derived. Certain of its foreign derived income is subject to applicable tax in the countries from which such income is derived.

Amounts charged or credited directly to equity	-	-

8. Income tax (continued)

A reconciliation of income tax expense applicable to loss from operating activities before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate at year end is as follows:

	2014 $'000	2013 $'000
Loss from ordinary activities before income tax	(12,638)	(341,040)
Less: Share of (profit)/loss from joint venture entities	(5,055)	2,698
Parent company and subsidiaries' loss before income tax	(17,693)	(338,342)
At the South African income tax rate of 28%	(4,954)	(94,736)
Profit or loss of parent company not subject to taxation	4,856	16,971
Foreign exchange adjustments on tax liabilities	(122)	(1,238)
Unrecognised tax losses	(51)	56
Income not assessable	(211)	(245)
Expenditure not allowable for income tax purposes	402	2,404
Tax asset not recognised	863	23,924
Under provision from prior year	(239)	(263)
Income tax expense/(benefit)	**544**	**(53,127)**
Current tax liabilities		
Tax payable	**90**	**218**
Deferred tax assets		
Capital allowances on machinery	3,679	-
Provision for mine site rehabilitation	18,294	20,747
Closure costs	171	-
Tax losses	5,922	14,878
Provisions	1,230	401
Gross deferred tax assets	**29,296**	**36,026**
Set off of deferred tax liabilities	(14,644)	(19,151)
Net deferred tax assets	**14,652**	**16,875**
Reconciliation of movement in deferred tax assets		
Balance at beginning of year	16,875	-
Deferred tax expense	(631)	50,493
Foreign exchange translation of deferred tax assets	(1,592)	3,042
Deferred tax asset no longer offset against deferred tax liability	-	(36,660)
Balance at end of year	**14,652**	**16,875**

8. Income tax (continued)

	2014 $'000	2013 $'000
Deferred tax liabilities		
Capital allowances on machinery	(2,088)	(3,695)
Fair value uplift on mining assets	(7,376)	(9,165)
Environmental trust	(2,649)	(2,809)
Closure costs	(4)	(1,219)
Identifiable intangible assets	(15,260)	(16,646)
Unrealised foreign exchange gains	(1,730)	(1,835)
Mine debtors/creditors	(1,643)	(1,572)
Other	(731)	(1,322)
Gross deferred tax liabilities	**(31,481)**	**(38,263)**
Set off of deferred tax assets	14,644	19,151
Net deferred tax liabilities	**(16,837)**	**(19,112)**
Reconciliation of movement in deferred tax liabilities		
Balance at beginning of year	(19,112)	(64,131)
Deferred tax expense	1,207	3,969
Foreign exchange translation of deferred tax liabilities	1,068	4,390
Deferred tax asset no longer offset against deferred tax liability	-	36,660
Balance at end of year	**(16,837)**	**(19,112)**

At 30 June 2014, the potential benefit of tax losses of a foreign subsidiary amounting to $5 million (2013: $5 million) has not been brought to account in these financial statements, as it is not probable that the benefit will flow to that entity. Potential withholding taxes not currently recognised on undistributed profits from jointly controlled entities totals $17 million (2013: $17 million).

9. Earnings per share

	2014 $'000	2013 $'000
a) Basic loss per share - cents	(1.38)	(34.55)
Basic loss per share is calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.		
b) Diluted loss per share - cents	(1.38)	(34.55)
Diluted loss per share is calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of shares outstanding during the year (after adjusting for the effects of potential dilutive ordinary shares).		

c) Reconciliations

	2014	2013
Net loss used in calculating basic and diluted earnings per share	(13,048)	(287,207)
	Number of shares	**Number of shares**
Weighted average number of shares used in the calculation of basic loss per share	942,823,111	831,298,165
Effect of dilutive securities		
Dilutive instruments	-	-
Adjusted weighted average number of shares used in the calculation of diluted loss per share	**942,823,111**	**831,298,165**

9. Earnings per share (continued)

c) Reconciliations (continued)

	2014 $'000	2013 $'000
Number of potential ordinary shares not considered dilutive		
Share options	-	120,000
Convertible bonds	33,122,029	78,711,041
	33,122,029	**78,831,041**

d) Headline loss per share is disclosed as required by the JSE Limited

	2014 $'000	2013 $'000
Loss attributable to ordinary equity holders of the parent entity	(13,048)	(287,207)
Adjustments net of tax:		
Impairment losses	3,084	214,111
Other	(653)	(76)
Headline loss	**(10,617)**	**(73,172)**
Headline loss per share – cents		
Basic	(1.13)	(8.80)
Diluted	(1.13)	(8.80)

Earnings per share for both the current and prior year reflect the impact of the bonus element of the rights issue undertaken in the year ended 30 June 2014.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

10. Dividends paid, declared or proposed

No dividend has been paid, declared or proposed for the 2014 or 2013 financial years.

11. Receivables – non-current

	2014 $'000	2013 $'000
Amount due from joint operation participant for share of mine site closure costs	9,180	9,605
	9,180	**9,605**

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

12. Available-for-sale investments

	2014 $'000	2013 $'000
Shares in other corporations	**451**	**476**

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

13. Investments in joint venture entities

The Group has the following investments in joint venture entities:

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

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

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

13. Investments in joint venture entities (continued)

30 June 2013	Mimosa Investments Limited	Blue Ridge Platinum (Pty) Limited	Sheba's Ridge Platinum (Pty) Ltd
	$'000	$'000	$'000
Revenue	266,824	74	-
Cost of sales - mining, processing and administration	(192,362)	(3,128)	(8)
Cost of sales - depreciation and amortisation	(24,132)	(136)	-
Foreign exchange loss	(248)	-	-
Interest expense	(548)	(7,747)	-
Impairment losses	-	(28,340)	-
Community share ownership trust	(3,000)	-	-
Profit/(loss) before income tax	**46,534**	**(39,277)**	**(8)**
Income tax expense	(17,730)	-	-
Profit/(loss) after tax	**28,804**	**(39,277)**	**(8)**
Reconciliation of the above amounts to the share of profit/(loss) from joint venture entities recognised in the Statement of Comprehensive Income			
Profit/(loss) after tax	28,804	(39,277)	(8)
Group interest	50%	50%	39%
Group's ownership interest	14,402	(19,638)	(3)
Interest payable by Blue Ridge to Group entities	-	2,541	-
Share of profit/(loss) from joint venture entities	**14,402**	**(17,097)**	**(3)**
Dividends received from joint venture (Aquarius Platinum's share)	10,000	-	-
Non-current assets	366,530	52,496	41,851
Current assets	145,090	5,682	59
Non-current liabilities	(77,508)	(1,032)	-
Current liabilities	(18,430)	(135,020)	(18,815)
Net assets/(liabilities)	**415,682**	**(77,874)**	**23,095**
Assets and liabilities above include:			
Cash and cash equivalents	48,838	1,480	-
Current financial liabilities	(18,430)	(134,576)	(18,806)
Non-current financial liabilities	(3,116)	-	-
Reconciliation of the above amounts to the investment recognised in the Statement of Financial Position			
Net assets/(liabilities)	415,682	(77,874)	23,095
Group interest	50%	50%	39%
Group's ownership interest	207,841	(38,937)	9,018
Receivables from other group entities forming part of the net investment in joint venture entities	-	52,943	11,214
Carrying value of Group's interest	**207,841**	**14,006**	**20,232**

	2014	2013
	$'000	$'000
Capital expenditure commitments (non-cancellable)	13,487	7,710

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

14. Interests in joint operations

The Group has the following interests in joint operations:

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

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

	2014 $'000	**2013** $'000
Current assets	63,686	58,584
Non-current assets	204,906	201,910
	268,592	260,494
Current liabilities	(29,885)	(27,036)
Non-current liabilities	(67,845)	(50,638)
	(97,730)	(77,674)
Net assets	**170,862**	**182,820**
Revenue	222,917	218,468
Cost of sales	(216,185)	(228,901)
Foreign exchange gain	3,577	12,042
Closure, transition and rehabilitation costs	-	(6,729)
Impairment expense	-	(18,799)
Profit/(loss) before income tax	10,309	(23,919)
Income tax expense	-	-
Net loss	**10,309**	**(23,919)**
Capital expenditure commitments (non-cancellable)	5,371	201

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

15. Mining assets

	Mining tenements $'000	Mine development $'000	Process plant $'000	Exploration and evaluation asset $'000	Buildings and equipment $'000	Total $'000
30 June 2014						
Beginning carrying value	43,825	109,559	68,686	7,515	1,261	230,846
Additions	-	16,726	3,322	53	7,094	27,195
Disposals	(55)	(29)	-	-	(826)	(910)
Reduction in provision for rehabilitation	-	(3,862)	(717)	-	-	(4,579)
Depreciation	(3,568)	(14,057)	(3,504)	-	(6,269)	(27,398)
Impairment	(1,662)	-	-	(130)	-	(1,792)
Foreign exchange variance	(2,454)	(7,247)	(3,952)	(429)	(69)	(14,151)
Closing carrying value	**36,086**	**101,090**	**63,835**	**7,009**	**1,191**	**209,211**
Cost	117,460	399,355	166,753	9,384	2,944	695,896
Accumulated depreciation and impairment	(81,374)	(298,265)	(102,918)	(2,375)	(1,753)	(486,685)
Closing carrying value	**36,086**	**101,090**	**63,835**	**7,009**	**1,191**	**209,211**
30 June 2013						
Beginning carrying value	72,474	310,509	119,598	8,501	1,511	512,593
Additions	-	22,748	2,862	3,296	7,345	36,251
Disposals	-	(251)	-	-	(305)	(556)
Increase in provision for rehabilitation	-	2,800	674	-	-	3,474
Depreciation	(5,483)	(19,640)	(4,783)	-	(7,024)	(36,930)
Impairment	(12,072)	(156,696)	(29,360)	(2,392)	(3)	(200,523)
Foreign exchange variance	(11,094)	(49,911)	(20,305)	(1,890)	(263)	(83,463)
Closing carrying value	**43,825**	**109,559**	**68,686**	**7,515**	**1,261**	**230,846**
Cost	128,047	488,101	202,145	10,446	2,949	831,688
Accumulated depreciation and impairment	(84,222)	(378,542)	(133,459)	(2,931)	(1,688)	(600,842)
Closing carrying value	**43,825**	**109,559**	**68,686**	**7,515**	**1,261**	**230,846**

Refer to Note 32 for security granted over these assets.

15. Mining assets (continued)

In accordance with the Group's policy on mining assets, the directors have reviewed the carrying value of mineral exploration tenements as at 30 June 2014. The value of the mineral exploration tenements is carried forward as an asset provided the rights to tenure of the area of interest are current and either:

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

	2014	**2013**
	$'000	$'000

16. Restricted cash in environmental trusts

Contributions to environmental rehabilitation trusts	**16,902**	**16,712**
Reconciliation of movement		
Balance at beginning of year	16,712	18,055
Interest received	760	802
Foreign exchange variance	(570)	(2,145)
Balance at end of year	**16,902**	**16,712**

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

17. Intangible asset

Contract for treatment of tailings material	69,507	73,699
Less accumulated amortisation and impairment	(15,008)	(14,250)
	54,499	**59,449**
Reconciliation of movement		
Balance at beginning of year	59,449	87,882
Impairment charge	-	(12,379)
Amortisation charge	(1,602)	(2,213)
Foreign currency adjustment	(3,348)	(13,841)
Balance at end of year	**54,499**	**59,449**

The intangible asset relating to the contract for treatment of tailings material originating from Anglo Platinum's Rustenburg operations that is in production is being amortised to 2028. Platinum Mile has not yet commenced treatment of K1/K2 tailings and therefore the intangible relating to it is not yet being amortised.

18. Cash and cash equivalents

	2014 $'000	2013 $'000
Cash at bank	47,500	33,813
Short-term deposits	89,320	43,960
	136,820	**77,773**

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

19. Trade and other receivables – current

	2014 $'000	2013 $'000
Trade receivables (a)	29,833	33,916
Other receivables (b)	271	706
	30,104	**34,622**

(a) Trade receivables are net of an amount of $49 million (2013: $48 million) relating to the pre-financing by Rustenburg Platinum Mines Limited of delivered PGM concentrates. This amount is subject to interest at the London Inter-Bank Offered Rate (LIBOR) plus 1%. The pre-financing is due to be offset in US Dollars against the final invoice amount during July, August, September and October 2014.

Trade receivables are due from major minerals mining and processing companies. None of the amounts are considered past due or impaired. At 30 June 2014, gross sales of $78 million (2013: $75 million) were subject to price adjustments. Refer to Note 35(b)(ii).

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

20. Inventories

	2014 $'000	2013 $'000
Ore stockpiled at cost	795	380
Ore stockpiled at net realisable value	-	222
Consumables at cost	14,451	14,635
	15,246	**15,237**

21. Payables – non-current

	2014 $'000	2013 $'000
Amount due to joint operation in respect of mine closure costs	2,065	2,665
	2,065	**2,665**

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

22. Interest bearing loans and borrowings – non-current

	2014 $'000	2013 $'000
Secured loans (a)	57	158
Finance lease liabilities (b) – refer Note 25	1,214	953
Convertible bonds (c)	117,648	267,859
	118,919	**268,970**

(a) Secured loans comprise a loan of $0.1 million (ZAR0.6 million) (2013: $0.2 million and ZAR1.6 million) payable to the Land and Agricultural Bank of South Africa by a subsidiary, TKO Investment Holdings Ltd. The loan is secured by a first mortgage bond on all the fixed properties amounting to ZAR3.3 million within the TKO Group and cross guarantees between all the companies in the TKO Group.

(b) Finance lease liabilities relating to vehicles are calculated at an effective interest rate of the South African prime bank lending rate less an average of 1% with a lease term of 4 years. Finance lease liabilities relating to mining equipment are calculated at an effective interest rate of the South African prime bank lending rate less 0.5% with an average lease term of 3 years.

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

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

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

iii) On satisfying the required notice period, the Company has the right to redeem all, but not some only, of the Bonds if the market value of the Common Shares is at a premium of 30% to the Conversion Price for a certain period. The Company may also redeem the Bonds in circumstances where 85% of the Bonds have been converted, redeemed or purchased and cancelled;

iv) The Conversion Price may be adjusted in certain circumstances, including the payment of dividends to Shareholders, rights issues and bonus issues. In addition, if a Change of Control (as defined in the terms and conditions of the Bonds) occurs, holders have a right to convert their Bonds at a Conversion Price that shall be adjusted downwards for a limited period of time or to require redemption of their Bonds at their principal amount plus accrued and unpaid interest;

v) The Bonds bear interest of 4% per annum payable semi-annually in arrears;

vi) Should an Event of Default occur the Bonds may become due and repayable immediately at their principal amount plus accrued and unpaid interest. Events of Default include failure to pay amounts due under the Bonds, non-payment of other financial indebtedness above certain thresholds and insolvency or similar events occurring; and

vii) The Bonds are unsecured but subject to a negative pledge whereby the Group undertakes not to create or permit any security being registered over its assets without meeting certain requirements to the satisfaction of the Trustee.

For accounting purposes the Bonds have two elements: a liability component included in Note 22 (a host debt contract) and an equity element included in Note 29(f) (an embedded option entitling the Bond holder to convert the liability into Common Shares in the Company). The liability element is initially recognised at fair value and is subsequently carried at amortised cost whereby the initial carrying value of the liability is accreted to the principal amount over the life of the Bond. This accretion is recognised as a finance cost together with the interest expense. The balance of the Bond proceeds is allocated to the value of the embedded option equity component.

22. Interest bearing loans and borrowings – non-current (continued)

On 21 May 2014 the Company repurchased bonds with a face value of $172.6 million for $162.7 million (including transaction costs). Consistent with the process undertaken when the bonds were first issued the Company has determined the fair value of the liability component (the host debt contract) at the date of the repurchase, with the balance allocated to the value of the embedded option equity component. This process determined that of the total consideration paid, $150.2 million relates to the liability component and $12.5 million is the equity component. The equity component of the consideration paid for the repurchase has been recognised directly in equity.

A profit on the repurchase on the liability component has been determined accordingly as follows:

	$'000
Carrying amount of repurchased bonds liability	161,173
Consideration allocated to the liability component (including transaction costs)	(150,248)
Profit on repurchase of bonds	**10,925**

Following the bond repurchase on 21 May 2014 and repurchases undertaken previously, the face value of outstanding bonds at 30 June 2014 is $125.4 million.

The fair value of the Bond at 30 June 2014 is $121 million (2013: $233 million).

23. Provisions – non-current

	2014 $'000	**2013** $'000
Provision for mine site rehabilitation	65,676	74,253
Provision for employee entitlements	87	69
	65,763	**74,322**
Reconciliation of movement		
Balance at beginning of year	74,322	40,393
Additional/(reversal of) provision for employee entitlements	15	(1)
(Reduction)/increase in mine site closure costs provided	(9,270)	38,874
Interest adjustment due to accretion in mine-site rehabilitation liability	5,112	2,453
Net exchange differences	(4,416)	(7,397)
Balance at end of year	**65,763**	**74,322**

The majority of rehabilitation relating to the Marikana mine will take place over the next 9 years and the remainder at the end of the life of each mine ranging between 9 and 10 years.

Provision for mine site rehabilitation
The provision for rehabilitation represents the cost of restoring site damage following initial disturbance. Increases in the provision are capitalised to deferred mining assets to the extent that the future benefits will arise. Costs incurred that related to an existing condition caused by past operations that do not have a future economic benefit are expensed.

Provision for employee entitlements
The provision for employee entitlements represents accrued employee leave entitlements.

	2014 $'000	2013 $'000

24. Trade and other payables – current

	2014 $'000	2013 $'000
Trade payables	18,893	15,292
Other payables	15,296	18,395
	34,189	**33,687**

Trade and other payables are interest free, payable within 90 days, predominantly denominated and repayable in ZAR and USD and located in South Africa.

25. Interest bearing loans and borrowings – current

	2014 $'000	2013 $'000
Finance lease liabilities – refer Note 22(b)	1,362	4,116
	1,362	**4,116**

26. Provisions – current

	2014 $'000	2013 $'000
Provision for employee entitlements	**4,482**	**4,642**

The provision for employee entitlements represents accrued employee leave entitlements.

27. Issued capital

a) Authorised capital

	2014 $'000	2013 $'000
1,590,000,000 (2013: 1,590,000,000) common shares with a par value of $0.05 each	79,500	79,500
5 (2013: 5) "A" class shares with a par value of $2,400 each	12	12
50,000,000 (2013: 50,000,000) preference shares with a par value of $0.15 each	7,500	7,500
	87,012	**87,012**

b) Issued capital

	2014 $'000	2013 $'000
1,464,310,359 (2013: 486,851,336) common shares of $0.05 each fully paid	**73,216**	**24,343**

Movement in issued capital	**Number of shares**	**$'000**
At 1 July 2012	470,312,578	23,516
Shares issued as consideration for asset purchase	2,538,758	127
Shares issued to controlled entity – refer Note 28(a)	14,000,000	700
At 30 June 2013	**486,851,336**	**24,343**
At 1 July 2013	486,851,336	24,343
Rights issue	976,206,906	48,810
Equity benefit issued to employees	1,252,117	63
At 30 June 2014	**1,464,310,359**	**73,216**

27. Issued capital (continued)

Terms and conditions of issued capital

Common shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Preference shares, when issued, have rights and restrictions attached to them as determined by the Board, in accordance with the bye-laws of the Company.

Options

For information regarding the Company's Option Plans, refer to Note 33.

Rights issue

During the year the Company undertook a 2 for 1 rights issue at AUD 0.25, GBP 0.14 or ZAR 2.41 per Common Share. The amount recognised as issued capital and share premium from that rights issue represents the USD equivalent amount (being the Company's functional currency) at the date that the various Common Shares were allotted.

Black Economic Empowerment (BEE) transaction
South Africa
The BEE transaction announced to shareholders on 26 July 2004 and approved by shareholders in a Special General Meeting on 11 October 2004 was formally executed with the receipt of ZAR860 million in cash by the Aquarius Group on 29 October 2004.

The transaction has two key components, both of which are complete.

The first step saw the BEE consortium, led by Savannah Resources (Pty) Limited (Savcon), subscribe for a 29.5% shareholding in the enlarged share capital of AQPSA as follows:

- Savcon were issued with 400 shares in AQPSA for cash of $38.2 million (ZAR234.5 million) and shareholder loans of $97.4 million (ZAR598.4 million). The terms and conditions of the loans were as follows:
  I. a loan of ZAR498.4 million that was unsecured, subordinated to AQPSA's third party debt, was interest free, had no fixed terms of repayment and ranks pari passu with the other shareholder loans; and
  II. a loan of ZAR100 million that was unsecured, subordinated to AQPSA's third party debt, bore interest at a rate of 12.745% per annum, had no fixed terms of repayment and ranked pari passu with the other shareholder loans.
- Aquarius also agreed to sell 13 AQPSA shares to Savcon for $4.4 million (ZAR27.1 million).

Concurrently Impala Platinum Holdings Limited (Impala) acquired an additional holding in AQPSA from Aquarius to increase their shareholding to 20% in AQPSA following the dilution resulting from the issue of the new shares in AQPSA to the BEE consortium. Aquarius agreed to sell 30 AQPSA shares to Impala for $11.5 million (ZAR71.5 million). This was settled by the cession of ZAR71.5 million of interest bearing loan account to Aquarius.

On 26 April 2007 the Company announced the acquisition of a 3.5% equity interest in AQPSA from Savcon for cash consideration of ZAR342.5 million following the receipt of Section 11(1) consent from the South African Department of Minerals and Energy. As a result of the transaction Aquarius increased its ownership interest in AQPSA from 50.5% to 54%. The difference between the consideration paid of $33.1 million and the carrying value of the non-controlling interest acquired was treated as an equity transaction. Refer Note 29(e).

27. Issued capital (continued)

Black Economic Empowerment (BEE) transaction (continued)

On 16 April 2008 the Company announced the buy back by AQPSA of the 20% interest in AQPSA held by Implats for consideration of $504.9 million and the buy back by AQP of Implats' 8.4% interest in AQP for a consideration of $285 million. As a result of the transaction Aquarius increased its ownership interest in AQPSA from 54% to 67.5%. The difference between the consideration paid of $504.9 million and the carrying value of the non-controlling interest acquired in AQPSA was treated as an equity transaction. Refer Note 29(e).

The second step occurred on 27 October 2008 where the Company announced that it had completed the final phase of the BEE transaction whereby Savcon exchanged its 32.5% holding in AQPSA for 65,042,856 new shares in AQP. As a result of the transaction Aquarius increased its ownership interest in AQPSA from 67.5% to 100%. The difference between the share consideration of $105.1 million and the carrying value of the non-controlling interest acquired in AQPSA has been treated as an equity transaction. Refer Note 29(e).

28. Treasury shares

	2014 $'000	**2013** $'000
26,568,554 (2013: 16,256,169) common shares (refer Note 33)	**(26,239)**	**(26,526)**
Reconciliation of movement		
Balance at beginning of year – 16,256,169 shares	(26,526)	(18,128)
Issued by the share plan trustee – 1,678,198 shares (2013: 1,148,750)	1,012	907
Purchased by the share plan trustee – 2,469,816 shares (2013: nil)	(1,477)	-
Participation in rights issue by controlled entities – 9,520,767 shares (2013: nil)	(2,297)	-
Consideration received by controlled entities from sale of equity rights in the parent entity	3,049	-
Purchased by a controlled entity – nil shares (2013: 14,000,000 shares) (a)	-	(9,305)
Balance at end of year – 26,568,554 shares	**(26,239)**	**(26,526)**

(a) In October 2012 the Company issued 14,000,000 new shares to a controlled entity, Aquarius Platinum Investments Limited (API). The issue of these shares was part of a transaction intended to preserve the black economic empowerment (BEE) credentials of the Group by assisting the Group's BEE Partners in preserving their shareholdings in the Company. As part of that transaction API entered into a limited guarantee and pledged the shares (Security Arrangements) to the financiers of the BEE Partners. The purpose of the Security Arrangements was to provide sufficient share security to the BEE Partners' financiers. In January 2013 the shares, which formed the limited guarantee and pledge, were released. In May 2013 Aquarius agreed to reinstate the limited guarantee and pledge provided to the BEE Partners' financiers for 10,200,000 million shares on identical terms and conditions.

29. Reserves

	2014 $'000	2013 $'000
Share premium reserve (a)	1,201,126	1,030,810
Foreign currency translation reserve (b)	(108,343)	(92,327)
Equity benefits reserve (c)	466	466
Ridge replacement options reserve (d)	92	92
Equity reserve (e)	(338,019)	(361,826)
Convertible bond equity component (f)	26,370	62,666
	781,692	**639,881**
Movement in reserves		
a) Share premium reserve		
Balance at beginning of year	1,030,810	1,019,896
Premium on rights issue	169,584	-
Premium on equity benefit to employees	732	-
Premium on shares issued as consideration for asset purchase	-	2,309
Premium on shares issued to controlled entity	-	8,605
Balance at end of year	**1,201,126**	**1,030,810**

The share premium reserve is used to record the premium arising on the issue of shares calculated as the difference between the issue price and the par value of $0.05 per share.

b) Foreign currency translation reserve		
Balance at beginning of year	(92,327)	1,440
Loss on translation of foreign subsidiaries	(16,016)	(93,767)
Balance at end of year	**(108,343)**	**(92,327)**

The foreign currency translation reserve is used to record currency differences arising from the translation of the financial statements of foreign operations.

c) Equity benefits reserve		
Balance at end of year	**466**	**466**

The equity benefits reserve is used to record the value of equity benefits granted to employees and the value of shares reserved under the share plan.

d) Ridge replacement options reserve		
Balance at end of year	**92**	**92**

The Ridge replacement options reserve is used to record the fair value of options issued to replace options previously on issue by Ridge Mining.

29. Reserves (continued)

	2014 $'000	2013 $'000
e) Equity reserve		
Balance at beginning of year	(361,826)	(361,826)
Repurchase of convertible bonds	23,807	-
Balance at end of year	**(338,019)**	**(361,826)**

The equity reserve is used to record gains and losses associated with equity transactions with non-controlling interests (where the Group maintains control) plus equity transactions arising from the repurchase of financial instruments previously issued by the Company not otherwise recognised in the convertible bond equity component.

	2014 $'000	2013 $'000
f) Convertible bond equity component		
Balance at beginning of year	62,666	62,666
Repurchase of convertible bonds	(36,296)	-
Balance at end of year	**26,370**	**62,666**

The convertible bond equity component is used to record the excess of the proceeds received from the issue of convertible bonds over the fair value of the debt component.

30. Commitments

	2014 $'000	2013 $'000
a) Operating lease (non-cancellable)		
Not later than 1 year	112	191
Later than 1 year but not later than 5 years	-	273
Later than 5 years	-	-
	112	**464**
b) Finance lease commitments		
Not later than 1 year	1,517	4,298
Later than 1 year but not later than 5 years	1,301	983
Total minimum lease payments	2,818	5,281
Less future finance charges	(242)	(212)
Present value of minimum lease payments	**2,576**	**5,069**
Disclosed in the consolidated accounts as:		
Current interest bearing liability (Note 25)	1,362	4,116
Non-current interest bearing liability (Note 22)	1,214	953
	2,576	**5,069**
c) Capital expenditure (non-cancellable)	18,858	7,912

These commitments represent contractual commitments relating to development activities at the Kroondal and Mimosa projects and include AQP's share of capital expenditure associated with the capital development of those mines. The liabilities arising from the above commitments will be settled out of cash resources and from the available Wesbank facility of ZAR80 million ($7 million).

31. Commitments (continued)

d) Other commitments

Sale of Kruidfontein prospecting rights
On 29 January 2014, Aquarius agreed terms to dispose of 100% of C&L Mining and Resources (Pty) Limited (C&L), which holds the Kruidfontein prospecting right, to Pilanesberg Platinum Mines (Pty) Ltd, a subsidiary of Sedibelo Platinum Mines Limited (previously Platmin Limited). The total sale consideration is $30 million in cash. The material asset of C&L is a prospecting right known as Kruidfontein in which C&L has a 90% economic benefit. The sale is conditional on renewal of the prospecting right and the approval in terms of Section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002. The renewal and approval in terms of Section 11 was obtained in June 2014 and is currently awaiting registration at the Department of Mineral Resources titles office.

Upon completion of the sale, Aquarius will receive $16.2 million (before tax) in consideration for its economic interest in the prospecting right with the remaining $10.8 million (before tax) due to the original vendors of the right. In terms of an agreement with the original vendors of the Kruidfontein prospecting right, Aquarius may elect to retain the remaining $10.8 million (less any tax payable), in return for an issue of shares in Aquarius, of same value, at the time the sale becomes unconditional, resulting in a net cash inflow of $27 million (before tax) for Aquarius.

For accounting purposes, the Kruidfontein prospecting rights were previously written off in full.

Sale of Blue Ridge & Sheba's Ridge
On 29 January 2014, Aquarius agreed terms to dispose of its indirect interests in Blue Ridge Platinum (Pty) Ltd and Sheba's Ridge Platinum (Pty) Ltd to a consortium led by the China National Arts & Crafts (Group) Corporation for a total consideration of $37 million in cash, of which $4.3 million will be lent and advanced by Ridge Mining (Pty) Ltd to Blue Ridge for a period of 2 years from the closing date, being the date on which the last condition precedent to the sale agreement will be fulfilled.

The sale agreement is subject to a number of conditions precedent, primarily Chinese Government approvals, South Africa Competition Commission approval and a number of DMR regulatory approvals. The outside date for the fulfilment of the conditions precedent was initially fixed at 30 June 2014 but has been extended to 31 October 2014 by agreement between the parties.

The sale is expected to recover the carrying value of the Blue Ridge and Sheba's Ridge equity accounted investments at 30 June 2014.

32. Contingencies

Contractor litigation
Aquarius is aware of litigation between one of its former contractors and some of its former employees. Aquarius is not a party to the litigation, continues to monitor the situation and continues to take advice on any potential exposure.

Financial guarantees
Pursuant to a financing facility, AQPSA's commercial bankers have issued financial guarantees on behalf of AQPSA totalling ZAR350million ($33 million) (2013: ZAR370 million and $37 million). The guarantees are for the rehabilitation, closure obligations and other purposes of AQPSA and are secured by a first ranking fixed and floating charge over all the assets of AQPSA.

33. Share-based payment plans

Directors' and employees' share and option plans

Aquarius has the following share and option plans ("Plans") for the directors and employees:

- Aquarius Director/Employee Share Plan (2008)
- Aquarius Director/Employee Share Plan (2013)
- Employee Retention Share Scheme
- Option Plan

The Remuneration Committee administers the Company's Plans. Participation in the Plans is at the discretion of the Remuneration Committee, having regard to:

a) the seniority of the participant and the position the participant occupies with the company or subsidiary;
b) the length of service of the participant with the company or subsidiary;
c) the record of employment of the participant with the company or subsidiary;
d) the potential contribution of the participant to the growth and profitability of the company or subsidiary; and
e) any other matters which the committee considers relevant.

Aquarius Director/Employee Share Plan (2008)

In 2008 the Company adopted a Share Plan for eligible participants. Under the Share Plan the Board can authorise the Trustee to purchase shares and hold them as either unallocated shares or as shares for and on behalf of an eligible participant. The participant may require the Trustee to transfer the plan shares held by the Trustee on behalf of the participant to the participant subject to satisfaction of any performance criteria or vesting conditions imposed by the Board. The Board may also direct the Trustee to allocate to a participant shares purchased as unallocated shares.

If a participant departs prior to satisfaction of any performance criteria or vesting conditions imposed by the Board then, subject to Board discretion, the shares that were held on behalf of the participant will be held by the Trustee as unallocated shares.

During the current and prior years, no shares were purchased by the trustee.

During the year 611,611 shares (2013: 1,148,750) were issued. At the time of issue the average share price was $0.62 resulting in an expense of $0.4 million. The shares vested immediately.

Aquarius Director/Employee Share Plan (2013)

At the Company's Annual General Meeting held on 29 November 2013, shareholders approved the Aquarius Director/Employee Share Plan (2013) which allows directors and senior executives to receive shares in lieu of cash remuneration.

During the year the Group issued 1,326,851 shares with a value of $0.8 million to those individuals. The shares vested immediately.

Employee Retention Share Scheme

Established in 2012, the Employee Retention Share Scheme (ERSS) is designed to retain and incentivise senior executives and managers deemed key to the rollout of the Group's revised business plans in South Africa. The grant of the shares is a long-term incentive plan to cover three years. The ERSS is only available to senior management who do not participate in the Aquarius Director/Employee Share Plan (2008).

During the year 2,469,816 shares (2013: nil) were purchased for the ERSS.

During the year 991,853 shares (2013: nil) were issued. At the time of issue the average share price was $0.63 resulting in an expense of $0.6 million. The shares vested immediately.

33. Share-based payment plans (continued)

Option plan

Options granted under the Option Plan may not be transferred without written approval from the Board of Directors. Each option entitles the holder to one fully paid common share, which ranks equally in all respects with other shares on issue. The option exercise price approximates the fair value of the shares at the date of offer, being the average of the last sold prices on the LSE in the five dealing days prior to the offer date. No person entitled to exercise options has any right by virtue of the option to participate in any share issue of the company or any related body corporate. Information with respect to the number of options granted under the Option Plan is as follows:

	Number of Options				
Options	**Balance at beginning of year**	**Granted**	**Forfeited/ cancelled**	**Exercised**	**Balance at end of year**
Exercise price of £1.11, granted 21 November 2003, expiring 21 November 2013	120,000	-	(120,000)	-	-
Total	120,000	-	(120,000)	-	-
Options exercisable	120,000				-

Pensions and other post employment benefit plans

Employer entities within the Group participate in defined contribution pension plans for eligible employees in accordance with the applicable laws in their country of domicile. Contributions made by the Group ranged from 8% to 20% of the employees' base salary.

34. Related party disclosures

Compensation of directors and key management personnel of the Group

	2014 $'000	**2013** $'000
Compensation of directors:		
Short-term benefits	1,334	3,185
Post employment retirement benefits	-	415
Share-based payments	958	681
	2,292	**4,281**
Compensation of key management personnel:		
Short-term benefits	2,130	2,355
Post employment retirement benefits	141	142
Share-based payments	737	206
	3,008	**2,703**
Total remuneration of directors and key management personnel of the Company in respect of the financial year	**5,300**	**6,984**

Related parties

a) Controlled entities

Details of significant controlled entities are as follows:

Name	**Country of incorporation**	**% Equity interest 2014**	**2013**
Aquarius Platinum Corporate Services (Pty) Ltd	Australia	100%	100%
Aquarius Platinum (South Africa) (Proprietary) Limited	South Africa	100%	100%
Aquarius Platinum (SA) Corporate Services (Proprietary) Limited	South Africa	100%	100%
Aquarius Platinum (SA) (Pty) Ltd Rehabilitation Trust	South Africa	100%	100%
Platinum Mile Resources (Pty) Ltd	South Africa	91.7%	91.7%
Ridge Mining Limited plc	UK	100%	100%

34. Related party disclosures (continued)

Related parties (continued)

b) Joint venture entities

Details of significant joint venture entities are as follows:

Name	Country of incorporation	% Equity interest 2014	2013
Mimosa Investments Limited	Mauritius	50%	50%
Mimosa Holdings (Private) Limited	Zimbabwe	50%	50%
Mimosa Mining Company (Private) Limited	Zimbabwe	50%	50%
Blue Ridge Platinum (Pty) Ltd	South Africa	50%	50%
Sheba's Ridge Platinum (Pty) Ltd	South Africa	39%	39%

c) Transactions within the Group

During the financial year, unsecured loan advances were made by subsidiaries within the Group and between subsidiaries and the parent entity. Certain such loans carried a discounted rate of interest. Intercompany loan balances have been eliminated in the financial statements of the Group.

d) Smaller related party transactions – issue and pledge of 14 million new shares in order to preserve BEE credentials

As announced on 3 October 2012 and 24 May 2013, the Company has on two separate occasions pledged shares in the Company as part of a transaction to preserve the black economic empowerment credentials of the Company. The transactions both constituted a "smaller related party transaction" pursuant to FSA Listing Rule 11.1.10 and these disclosures are made pursuant to that rule.

Savannah Platinum SPV (Savannah), Chuma Platinum SPV (Chuma) and Malibongwe Platinum SPV (Malibongwe) (together, the BEE Partners) each have share funding arrangements in place in respect of their shareholdings in the Company with South African based financial institutions which were due to expire at the end of October 2012. The financial institutions agreed to advance new loans to finance the redemption of the existing funding on the condition that each of the BEE Partners' loan facilities are secured against shares in the Company which, as a condition of the loan agreements, must have an aggregate market value of at least two times the loan amount. Failure to refinance the share funding arrangements may have resulted in the financial institutions selling some or all of the BEE Partners' shares in the Company and thereby affecting the Company's black economic empowerment status.

The Board resolved that it was in the Company's interest to preserve the current holdings of the BEE Partners by issuing 14 million new shares in the Company to be held by a new subsidiary of the Company and to secure the giving of a limited guarantee by that new subsidiary in favour of the financial institutions in respect of the BEE Partners' share funding arrangements (the First Transaction).

The First Transaction was automatically released in January 2013 when the market price of shares in the Company recovered such that the security requirements of the BEE Partners' share funding arrangements were met by the market value of the shares in the Company actually held by the BEE Partners. However, after weakening of the market price of shares in the Company in March and April 2013, it became necessary for the Company to reinstate the pledge in respect of 10.2 million shares in the Company on identical terms in order to ensure the sufficiency of security under the BEE Partners' share funding arrangements (the Second Transaction).

34. Related party disclosures (continued)

Related parties (continued)

d) Smaller related party transactions – issue and pledge of 14 million new shares in order to preserve BEE credentials (continued)

As the purpose of the First Transaction and the Second Transaction (together the Transactions) was to provide credit support to the BEE Partners in order to preserve the Company's black economic empowerment credentials, the BEE Partners did not provide any consideration for the Company's share-backed guarantee in favour of the BEE Partners' financiers. However, the Company did put in place several contractual terms to prevent, to the extent possible, unintended benefits to Savannah as a consequence of the Transactions, including:

- agreeing that the BEE Partners do not benefit from the economic value of the security or any increase in the value of the pledges shares in the Company; and
- agreeing that any breach of the share funding arrangement results in Savannah's owns shares in the Company being sold before any of the shares in the Company held by the Company's subsidiary.

Both the First Transaction and the Second Transaction provided a benefit to Savannah. Savannah is a related party of the Company for the purposes of FSA Listing Rule 11.1.4R(5) by way of its association with Mr Zwelakhe Mankazana and Mr Kofi Morna who:

- are both directors of the Company, Savannah and Savannah Resources (Proprietary) Limited; and
- each hold 25% of Savannah Resources (Proprietary) Limited which in turn holds 50% of Savannah.

However, neither of the Transactions exceeded 5% in any of the "percentage ratios" prescribed by FSA Listing Rule 11.1.10 (including when aggregated pursuant to FSA Listing Rule 11.1.11(1)). Accordingly, the Company concluded that the Transactions each constituted a "smaller related party transaction" pursuant to FSA Listing Rule 11.1.10. This position was confirmed by the Company's independent UK adviser Liberum Capital Limited who also concluded that each Transaction was fair and reasonable as far as the shareholders of the Company are concerned. Pursuant to FSA Listing Rule 11.1.10(2)(c), the Company undertook in writing to the UKLA to make the above disclosure in this Annual Report.

35. Financial instruments

a) Financial risk management objectives & policies

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- meet all its financial commitments;
- maintain the capacity to fund corporate growth activities; and
- pay a reasonable dividend.

The Group monitors its forecast financial position on a regular basis. The Group has a Treasury Committee that meets quarterly and considers cash flow projections for the following 12 months in detail, taking into consideration the impact of market conditions including metal prices and foreign exchange rates. The Committee also receives reports from independent foreign exchange consultants and receives presentations from advisors on current and forecast economic conditions.

Credit risk, liquidity risk and market risk (including foreign exchange, commodity price, interest rate and price risk) arise in the normal course of the Group's business. The Group's principal financial instruments comprise cash, short-term deposits, interest bearing receivables and interest bearing liabilities. Other financial instruments include trade receivables and trade payables, which arise directly from operations. The Group's forecast financial risk position with respect to key financial objectives and compliance with treasury practice are regularly reported to the Board. The Group's objectives, policies and processes for managing risks arising from financial instruments have not changed from the previous financial year.

35. Financial instruments (continued)

b) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency for each entity within the Group. The Group's borrowings and cash deposits are largely denominated in US Dollars, South African Rand and Australian Dollars.

Currently there are no foreign exchange hedge programmes in place, however, the Group treasury function manages the purchase of foreign currency to meet operational requirements.

	2014	**2013**
	$'000	$'000
At reporting date, entities which have a USD functional currency have exposure to ZAR denominated financial instruments as follows:		
Financial assets		
Cash and cash equivalents	207	142
At reporting date, entities which have a ZAR functional currency have exposure to USD denominated financial instruments as follows:		
Financial assets		
Trade and other receivables	24,552	26,943
At reporting date, entities which have a USD functional currency have exposure to AUD denominated financial instruments as follows:		
Financial assets		
Cash and cash equivalents	4,953	5,012
At reporting date, entities which have a USD functional currency have exposure to GBP denominated financial instruments as follows:		
Financial assets		
Cash and cash equivalents	8,341	20,727

35. Financial instruments (continued)

b) Market risk (continued)

(i) Foreign exchange risk (continued)

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the exchange rate of the South African Rand, Great British Pound and Australian Dollar for entities with a US dollar functional currency, with all other variables held constant, and the sensitivity of financial instruments held at reporting date to movements in the US dollar for entities with a South African Rand functional currency. The South African Rand, Great British Pound, Australian Dollar and US dollar instruments have been assessed using the sensitivities indicated in the table. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding 5 year period.

	Impact on profit/equity pre tax gain/(loss)	
Judgements of reasonable possible movements	**2014**	**2013**
	$'000	$'000
Currency exposure for entities with USD functional currency		
10% strengthening of ZAR against USD (2013: 10%)	23	16
10% weakening of ZAR against USD (2013: 10%)	(19)	(13)
10% strengthening of AUD against USD (2013: 10%)	495	501
10% weakening of AUD against USD (2013: 10%)	(450)	(456)
10% strengthening of GBP against USD (2013: 10%)	834	2,072
10% weakening of GBP against USD (2013: 10%)	(758)	(1,884)
Currency exposure for entities with ZAR functional currency		
10% strengthening of USD against ZAR (2013: 10%)	2,455	2,694
10% weakening of USD against ZAR (2013: 10%)	(2,455)	(2,694)

(ii) Commodity price risk

The Group's revenues are exposed to commodity price fluctuations, in particular movements in the price of platinum group metals (PGM's). The Group regularly measures exposure to commodity price risk by stress testing the Group's forecast financial position to changes in PGM prices. The Group does not hedge commodity prices.

The financial instruments exposed to movements in metal prices are as follows:

	2014	**2013**
	$'000	$'000
Financial assets		
Receivables (gross notional amount)	77,671	75,117
	77,671	**75,117**

These receivables comprise quotational period embedded derivatives that are carried at fair value in accordance with the policy set out in Note 5(j).

35. Financial instruments (continued)

b) Market risk (continued)

(ii) Commodity price risk (continued)

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the relevant forward commodity price, with all other variables held constant. The sensitivities are based on reasonably possible changes, over a financial year, using observed ranges of actual historical rates.

	Impact on profit/equity pre tax gain/(loss)	
Judgements of reasonable possible movements	**2014**	**2013**
	$'000	$'000
10% (2013: 10%) increase in platinum, palladium and rhodium prices; 10% (2013: 10%) increase in gold price	7,767	7,512
10% (2013: 10%) decrease in platinum, palladium and rhodium prices; 10% (2013: 10%) decrease in gold price	(7,767)	(7,512)

(iii) Interest rate risk

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates.

The Group's main interest rate risk arises from short-term loans with interest charges based on either the London Inter-Bank Offered Rate (LIBOR) or the Johannesburg Interbank Acceptance Rate (JIBAR). Floating rate debt exposes the Group to cash flow interest rate risk. Cash holdings are subject to interest rate risk of the currency of the deposit. The convertible bond has a fixed interest rate of 4%. All other financial assets and liabilities in the form of receivables, investments in shares and payables are non-interest bearing.

The Group does not engage in any hedging or derivative transactions to manage interest rate risk. In conjunction with external advice, management consideration is given on a regular basis to alternative financing structures with a view to optimising the Groups' funding structure.

The financial instruments exposed to movements in variable interest rates are as follows:

	2014	**2013**
	$'000	$'000
Financial assets		
Cash and cash equivalents	136,820	77,773
Restricted cash in environmental trusts	16,902	16,712
	153,722	**94,485**
Financial liabilities		
Interest bearing liabilities exposed to LIBOR *	48,700	48,174
	48,700	**48,174**

Cash and cash equivalents are exposed to movements in USD and ZAR cash deposit rates.

* Relates to the pre-financing of delivered PGM concentrates that has been offset against trade receivables in the statement of financial position. Refer Note 19(a).

35. Financial instruments (continued)

b) Market risk (continued)

(iii) Interest rate risk (continued)

The following table summarises the sensitivity of the financial instruments held at reporting date, following a movement in variable interest rates, with all other variables held constant. The sensitivities are based on reasonably possible changes over a financial year, using the observed range of actual historical rates for the preceding 5 year period.

	Impact on profit/equity pre tax gain/(loss)	
Judgements of reasonable possible movements	**2014**	**2013**
	$'000	$'000
Cash		
- increase +50bps (2013: +50bps)	683	387
- decrease -50bps (2013: -50bps)	(683)	(387)
Restricted cash in environmental trusts		
- increase +50bps (2013: +50bps)	84	84
- decrease -50bps (2013: -50bps)	(84)	(84)
Interest bearing liabilities - sensitive to LIBOR		
- increase +100bps (2013: +100bps)	(487)	(482)
- decrease 0bps (2013: 0bps)	-	-

(iv) Price risk

Price risk is the risk that the Group's financial position will be adversely affected by movements in the market value of its available-for-sale financial assets. The financial instruments exposed to movements in market value are as follows:

	2014	**2013**
	$'000	$'000
Financial assets		
Other financial assets	451	476

The exposure to price risk is not considered material to the Group.

35. Financial instruments (continued)

c) Liquidity risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost effective manner. The Group Treasury Committee continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. Notes 22 and 25 detail the repayment obligations in respect of the amount of the facilities, and Note 31(d) includes details of other commitments.

The contractual maturity analysis of payables at the reporting date was as follows:

	Payables Ageing Analysis $'000				
	Total	**< 6 months**	**6-12 months**	**1-5 years**	**> 5 years**
2014					
Trade payables	18,893	18,893	-	-	-
Other payables	15,296	15,296	-	-	-
Amount due to joint operation in respect of mine closure costs	2,065	-	-	2,065	-
Loans and borrowings	128,034	681	681	126,672	-
Total payables	**164,288**	**34,870**	**681**	**128,737**	**-**
2013					
Trade payables	15,292	15,292	-	-	-
Other payables	18,395	18,395	-	-	-
Amount due to joint operation in respect of mine closure costs	2,665	-	-	2,665	-
Loans and borrowings	303,045	2,058	2,058	298,929	-
Total payables	**339,397**	**35,745**	**2,058**	**301,594**	**-**

d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. The carrying amount of financial assets represents the maximum credit exposure. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group's credit risk is limited to the carrying value of its financial assets.

At reporting date there is a significant concentration of credit risk represented in the cash and trade receivables balance. With respect to trade receivables, this is due to the fact that the majority of sales by the Group and a joint venture entity are made to two specific customers as per contractually agreed terms. The two customers, being Rustenburg Platinum Mines Limited and Centametall AG, have complied with all contractual sales terms and have not at any stage defaulted on amounts due.

The maximum exposure to credit risk at the reporting date was as follows:

	2014	**2013**
	$'000	$'000
Current		
Cash and cash equivalents	136,820	77,773
Trade receivables	29,833	33,916
Other receivables	271	706
	166,924	**112,395**
Non-current		
Restricted cash in environmental trusts	16,902	16,712
Amount due from joint operation participant for share of mine site closure costs	9,180	9,605
	26,082	**26,317**

35. Financial instruments (continued)

d) Credit risk (continued)

The ageing of receivables at the reporting date was as follows:

	Receivables Ageing Analysis $'000				
	Total	**< 6 months**	**6-12 months**	**1-5 years**	**>5 years**
2014					
Trade receivables	29,833	29,833	-	-	-
Other receivables	271	271	-	-	-
Amount due from joint operation participant for share of mine site closure costs	9,180	-	-	9,180	-
Total receivables	**39,284**	**30,104**	**-**	**9,180**	**-**
2013					
Trade receivables	33,916	33,916	-	-	-
Other receivables	706	706	-	-	-
Amount due from joint operation participant for share of mine site closure costs	9,605	-	-	9,605	-
Total receivables	**44,227**	**34,622**	**-**	**9,605**	**-**

e) Capital management

The Group treasury function is responsible for capital management. This involves the use of corporate forecasting models, which facilitates analysis of the Group's financial position including cash flow forecasts to determine the future capital management requirements. Group treasury monitors gearing and compliance with various contractual financial covenants. The Group defines capital as total shareholders' equity.

Capital management is undertaken to ensure a secure, cost effective supply of funds to ensure the Group's operating and capital expenditure requirements are met. The mix of debt and equity is regularly reviewed. The Group does not have a target debt/equity ratio, but has a policy of maintaining a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise. At 30 June 2014 the Group's gearing ratio is 25% (2013: 92%).

During the year the Company paid no dividends (2013: nil). The Board maintains a policy of balancing returns to shareholders with the need to fund growth.

f) Fair value

The fair value of a financial asset or a financial liability is the amount at which the asset could be exchanged or liability settled in a current transaction between willing parties in an arm's length transaction. The fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying values, as a result of their short maturity or because they carry floating rates of interest. The fair value of financial instruments traded in active markets such as publicly traded available-for-sale securities are based on quoted market prices at the reporting date. The quoted market price used for available-for-sale securities held by the Group is the current bid price. The fair value of convertible bonds disclosed at Note 22 (c) has been determined by reference to the last traded market price prior to the reporting date between unrelated parties on an arm's length basis.

Available-for-sale financial assets and quotational period embedded derivatives are carried at fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

35. Financial instruments (continued)

f) Fair value (continued)

Available-for-sale financial assets of $0.5 million (2013: $0.5 million) are measured using level 1 valuation techniques. Quotational period embedded derivatives of $78 million (2013: $75 million) are measured using level 2 valuation techniques with reference to consensus forecasts and spot metal prices and exchange rates at the reporting date. The valuation techniques used have not changed for each of these financial instruments from the prior period.

36. Impact of new accounting standards

As detailed in Note 3, there has been a significant change to accounting requirements on the adoption of IFRS 11 *Joint Arrangements*. Previously, the Group's 50% interest in Mimosa and Blue Ridge and 39% interest in Sheba's Ridge were classified as a jointly controlled entity and the Group's share of the assets, liabilities, revenue and expenses were proportionately consolidated in the consolidated financial statements. Upon adoption of IFRS 11, the Group has determined its interest to be a joint venture and it is required to be accounted for using the equity method. The effect of applying IFRS 11 is as follows:

Statement of comprehensive income

	As reported at 30 June 2013 $'000	**IFRS 11 restatement** $'000	**As restated at 30 June 2013** $'000
Revenue	370,548	(133,433)	237,115
Cost of sales	(357,810)	109,084	(248,726)
Gross profit/(loss)	**12,738**	**(24,349)**	**(11,611)**
Other income	278	-	278
Administrative costs	(12,924)	556	(12,368)
Foreign exchange gain/(loss)	(19,446)	123	(19,323)
Finance costs	(30,817)	4,148	(26,669)
Impairment losses	(225,966)	11,855	(214,111)
Closure, transition and rehabilitation costs	(54,538)	-	(54,538)
Community share ownership trust	(1,500)	1,500	-
Share of profit/(loss) from joint venture entities	-	(2,698)	(2,698)
Loss before income tax	**(332,175)**	**(8,865)**	**(341,040)**
Income tax benefit	44,262	8,865	53,127
Net loss for the year	**(287,913)**	**-**	**(287,913)**
Other comprehensive income that may be recycled to profit or loss			
Foreign currency translation adjustments	(93,697)	-	(93,697)
Total other comprehensive loss	**(93,697)**	**-**	**(93,697)**
Total comprehensive loss	**(381,610)**	**-**	**(381,610)**
Loss is attributable to:			
Equity holders of Aquarius Platinum Limited	(287,207)	-	(287,207)
Non-controlling interests	(706)	-	(706)
	(287,913)	**-**	**(287,913)**
Total comprehensive loss is attributable to:			
Equity holders of Aquarius Platinum Limited	(380,974)	-	(380,974)
Non-controlling interests	(636)	-	(636)
	(381,610)	**-**	**(381,610)**

36. Impact of new accounting standards (continued)

Statement of financial position

	As reported at 30 June 2013 $'000	IFRS 11 restatement $'000	As restated at 30 June 2013 $'000
Assets			
Non-current assets			
Receivables	60,700	(51,095)	9,605
Available-for-sale investments	3,433	(2,957)	476
Investments in joint venture entities	-	242,079	242,079
Mining assets	422,017	(191,171)	230,846
Deferred tax asset	-	16,875	16,875
Restricted cash in environmental trusts	16,712	-	16,712
Intangible asset	59,449	-	59,449
Total non-current assets	**562,311**	**13,731**	**576,042**
Current assets			
Cash and cash equivalents	102,932	(25,159)	77,773
Trade and other receivables	58,424	(23,802)	34,622
Inventories	40,990	(25,753)	15,237
Income tax receivable	264	(264)	-
Total current assets	**202,610**	**(74,978)**	**127,632**
Total assets	**764,921**	**(61,247)**	**703,674**
Equity and liabilities			
Capital and reserves			
Issued capital	24,343	-	24,343
Treasury shares	(26,526)	-	(26,526)
Reserves	639,881	-	639,881
Accumulated losses	(347,402)	-	(347,402)
Total equity attributable to equity holders of Aquarius Platinum Limited	**290,296**	-	**290,296**
Non-controlling interests	5,646	-	5,646
Total equity	**295,942**	**-**	**295,942**
Non-current liabilities			
Payables	5,563	(2,898)	2,665
Interest bearing loans and borrowings	270,346	(1,376)	268,970
Deferred tax liabilities	37,837	(18,725)	19,112
Provisions	77,196	(2,874)	74,322
Total non-current liabilities	**390,942**	**(25,873)**	**365,069**
Current liabilities			
Trade and other payables	42,113	(8,426)	33,687
Interest bearing loans and borrowings	31,269	(27,153)	4,116
Income tax payable	-	218	218
Provisions	4,655	(13)	4,642
Total current liabilities	**78,037**	**(35,374)**	**42,663**
Total liabilities	**468,979**	**(61,247)**	**407,732**
Total equity and liabilities	**764,921**	**(61,247)**	**703,674**

36. Impact of new accounting standards (continued)

Statement of cash flows

	As reported at 30 June 2013 $'000	IFRS 11 restatement $'000	As restated at 30 June 2013 $'000
Cash flows from operating activities			
Receipts from customers	392,373	(138,446)	253,927
Payments to suppliers and employees	(340,891)	89,823	(251,068)
Closure and transition costs	(27,582)	-	(27,582)
Interest received	5,560	(94)	5,466
Other income	252	-	252
Income taxes paid	(7,793)	6,406	(1,387)
Net cash from/(used in) operating activities	**21,919**	**(42,311)**	**(20,392)**
Cash flows from investing activities			
Payments for mining assets	(54,359)	18,091	(36,268)
Proceeds from sale of mining assets	790	(152)	638
Refund of deposit for mineral acquisition	15,000	-	15,000
Net cash from/(used in) investing activities	**(38,569)**	**17,939**	**(20,630)**
Cash flows from financing activities			
Interest and other finance costs paid	(13,539)	98	(13,441)
Foreign exchange loss on currency contract	(24,039)	-	(24,039)
Repayment of borrowings	(10,324)	4,494	(5,830)
Proceeds from issue of shares	9,305	-	9,305
Purchase of shares by a controlled entity	(9,305)	-	(9,305)
Loans to joint venture entities	-	(2,109)	(2,109)
Dividends from joint venture entities	-	10,000	10,000
Net cash from/(used in) financing activities	**(47,902)**	**12,483**	**(35,419)**
Net decrease in cash held	(64,552)	(11,889)	(76,441)
Cash and cash equivalents at the beginning of the financial year	180,088	(13,436)	166,652
Net foreign exchange differences	(12,604)	166	(12,438)
Cash and cash equivalents at the end of the financial year	**102,932**	**(25,159)**	**77,773**

37. Events after reporting date

There were no material events subsequent to 30 June 2014 that have not been reflected in the financial statements.

38. Auditor's remuneration

	2014 $'000	2013 $'000
Amounts received or due and receivable by Ernst & Young for:		
- an audit or review of the financial report of the company and any other entity in the consolidated group	531	570
- income tax related services	6	35
- other services in relation to the company and any other entity in the consolidated group	138	131
	675	**736**

The amounts disclosed above include those paid by joint venture entities and joint operations.

In accordance with a resolution of the Board of Directors of Aquarius Platinum Limited, I state that:
In the opinion of the directors:

a) the financial statements and notes of the consolidated entity:

   I. give a true and fair view of the financial position as at 30 June 2014 and the performance for the year ended on that date of the consolidated entity; and

   II. comply with International Accounting Standards; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Jean Nel
Director

30 September 2014

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Independent audit report to members of Aquarius Platinum Limited

We have audited the accompanying financial report of Aquarius Platinum Limited and the entities it controlled ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of this financial report in accordance with International Financial Reporting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the company, and have met the independence requirements of Australian and International professional ethical pronouncements.

Auditor's Opinion

In our opinion, the consolidated financial report presents fairly in all material respects the financial position of the Group as of 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst + Young

Ernst & Young
Perth
30 September 2014

The following information was reflected in the Company's registers and other records as at 2 September 2014.

Distribution of shareholders

Range	Ordinary shares Number of holders
1 - 1,000	2,708
1,001 - 5,000	2,458
5,001 - 10,000	929
10,001 - 100,000	1,400
100,001 - and over	564
Total	**8,059**

There were 1,286 holders of ordinary shares holding less than a marketable parcel.

Substantial shareholders

The following shareholders have a substantial shareholding in the Company:

Shareholder	Number of shares	%
HSBC Custody Nominees (Australia) Limited	116,715,764	7.97
JP Morgan Nominees Australia Limited	70,461,195	4.81

Voting rights

Only the shares carry voting rights, which upon a poll are one vote for each share held.

Twenty largest holders of fully paid shares

	Shareholder	Number of shares	%
1	HSBC Custody Nominees (Australia) Limited	116,715,764	7.97
2	JP Morgan Nominees Australia Limited	70,461,195	4.81
3	Chase Nominees Limited (Lend)	31,774,758	2.17
4	Savannah Resources Limited	28,194,290	1.92
5	National Nominees Limited	26,729,906	1.82
6	HSBC Global Nominee (UK) Limited (357206)	22,207,102	1.52
7	BBHISL Nominees Limited (128859)	20,443,021	1.40
8	State Street Nominees Limited (OM02)	19,806,058	1.35
9	Citicorp Nominees Pty Ltd	17,966,319	1.23
10	The Bank of New York (Nominees) Limited	16,674,215	1.14
11	BBHISL Nominees Limited (129686)	16,507,406	1.13
12	State Street Nominees Limited (OM04)	16,350,677	1.12
13	Zero Nominees Pty Ltd	16,241,428	1.11
14	Vidacos Nominees Limited (2303)	14,832,221	1.01
15	BNY Mellon Nominees Limited (BSDTGUSD)	14,456,728	0.99
16	Barclayshare Nominees Limited	14,287,753	0.98
17	Euroclear Nominees Limited (EOC01)	14,079,234	0.96
18	Lynchwood Nominees Limited (20066420)	11,489,048	0.78
19	Chase Nominees Limited	11,295,398	0.77
20	Morstan Nominees Limited (SEG)	10,711,840	0.73
Top 20 shareholders		**511,224,361**	**34.90**
Other shareholders		**953,648,538**	**65.10**
Total		**1,464,872,899**	**100.00**

Incorporation and general information

The Company was incorporated in Bermuda as an exempted company and is subject to Bermudian law.

In Australia, the Company is registered as a foreign company under the Australian Corporations Act (registration no. ARBN 087 577 893). It is not subject to Chapter 6 of the Australian Corporations Act dealing with the acquisition of shares (including substantial shareholdings and takeovers). However, the Company has inserted into its bye-laws some restrictions on the ability to acquire shares in the Company. These sections of the bye-laws reflect the restrictions on acquisitions of shares contained in Parts 6.1 and 6.2 of the Australian Corporations Act. The Company has undertaken to comply with the Listing Rules of the ASX.

Bermuda law does not impose any limitation on the acquisition of securities in the Company.

Corporate information

The consolidated financial statements for Aquarius for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 30 September 2014. Aquarius is a limited company incorporated and registered as an exempted company in Bermuda. As an exempted company, Aquarius is authorised to carry on business outside Bermuda but may not (except in certain circumstances) carry on business within Bermuda.

The consolidated financial statements have been presented using United States Dollars as the presentation currency. The US Dollar is traded at par with the Bermuda Dollar and accepted as the currency of Bermuda's main industries.

The registered office of Aquarius is located at Clarendon House, 2 Church Street, Hamilton, Bermuda.

The following definitions apply throughout the financial statements:

Aquarius	Aquarius Platinum Limited, the parent entity, a company incorporated in Bermuda with registration number EC 26290
AQPSA	Aquarius Platinum (South Africa) (Proprietary) Limited (registration number 2000/000341/07), a company incorporated in the Republic of South Africa and a controlled entity of Aquarius
ASX	Australian Securities Exchange
AUD	Australian Dollar
DIIR	Disabling injury incidence rate, being the number of lost-time injuries expressed as a rate per 200,000 man-hours worked
GBP	Great British Pound
Implats	Impala Platinum Holdings Limited (registration number 1957/001979/06), a company incorporated in the Republic of South Africa
JSE	Johannesburg Stock Exchange
MIL	Mimosa Investments Limited (registration number 26645/6593), a company incorporated in the Republic of Mauritius and a jointly controlled entity of Aquarius and Implats (formerly known as ZCE Platinum Limited)
Mimosa	Mimosa Mining Company (Private) Limited, a company incorporated in Zimbabwe
LSE	London Stock Exchange
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PSA1	Pooling & Sharing Agreement between AQPSA and RPM Ltd on Kroondal
PSA2	Pooling & Sharing Agreement between AQPSA and RPM Ltd on Marikana
TKO	TKO Investment Holdings Limited, a company incorporated in the Republic of South Africa and a controlled entity of AQPSA
USD	United States Dollar
ZAR	South African Rand