

EASTERN PLATINUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("Eastplats" or the "Company") as at September 30, 2021 and for the three and nine months then ended in comparison to the same period in 2020.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and the related notes for the three and nine months ended September 30, 2021. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and in accordance with International Standard 34 Interim Financial Reporting.

The Company's presentation currency is U.S dollars. Monetary amounts in this MD&A are in thousands of U.S. dollars ("\$" or "U.S. dollars"), except when indicated as thousands of Canadian dollars ("Cdn\$" or "Canadian dollars"), thousands of South African Rand ("ZAR" or "Rand") and except for per share amounts, per tonnage amounts or as otherwise indicated. The effective date of this MD&A is November 10, 2021. Additional information relating to the Company, including its Annual Information Form for the year ended, December 31, 2020, is available under the Company's profile on SEDAR at www.sedar.com.

1. Overview

Eastplats owns directly and indirectly a number of platinum group metals ("PGM") and chrome assets in the Republic of South Africa ("**South Africa**"). All of the Company's properties are situated on the western and eastern limbs of the Bushveld Complex ("**BCX**"), the geological environment that hosts approximately 80% of the world's PGM-bearing ore.

As at September 30, 2021, the Company's primary assets were:

- (a) an 87.5% direct and indirect interest in Barplats Investments (Pty) Limited ("**BIL**"), whose main assets are the Crocodile River Mine (the "**CRM**") located on the western limb of the BCX and the Kennedy's Vale ("**KV**") project located on the eastern limb of the BCX;
- (b) an 87% direct and indirect interest in the Mareesburg project, located on the eastern limb of the BCX; and
- (c) a 93.4% direct and indirect interest in the Spitzkop project, also located on the eastern limb of the BCX.

Operations at the CRM currently include re-mining and processing its tailings resource. The chrome and PGM concentrates produced from the Barplats Mines (Pty) Limited ("**Barplats**") Zandfontein UG2 tailings facility have been delivered to offtakers under their respective offtake agreements. Eastplats is aiming to complete the optimization of the chrome plant in the second quarter of 2022.

The Company continues to actively monitor the PGM markets and other developments in the mining and minerals sector to assess the overall economics related to resuming active underground mining at CRM, which is currently in care and maintenance. Eastplats has completed the underground long-term plan and mine design study for the CRM and is executing the restart business plan to restart underground operations

in the latter half of 2022, subject to financing. The PGM main plant circuit B (**“PGM Main Circuit B”**) was successfully commissioned in October 2021, which enables the processing of the full feed from chrome tails to consistently produce PGM concentrates (see news release dated October 29, 2021 for further detail).

The Company is currently completing a legal scan in relation to the environmental impact assessment (**“EIA”**) for the Mareesburg project, which unfortunately has experienced delays as a result of COVID-19. The Company plans to continue work on an updated internal project assessment during the remainder of 2021 and then follow on with mine design study and technical review, environmental studies and amendments.

The Company entered an agreement for the sale of the Maroelabult resource property on October 24, 2019, and continues to work through the regulatory process to complete.

There are no developments to report in connection with the KV or the Spitzkop projects, both of which remain in care and maintenance. The KV, the Spitzkop and the Mareesburg projects (collectively the **“Eastern Limb Projects”**) currently are monitored collectively as a group by management.

COVID-19

The Company continues chrome and PGM production at the CRM and completion of its projects. As at the date of this MD&A there were no operation shutdowns or days lost due to COVID-19 or lockdowns in 2021. From October 1, 2021, South Africa reduced its restrictions by moving down the alert level to stage 1, which indicates a low spread of the virus with high health system readiness. The Company continues to operate with precautions, following the health guidelines of the Government of South Africa and continues to work through the Minerals Council together with the government on the roll-out of vaccines.

The effects of COVID-19 are evolving and changing and the consequences of a further temporary shutdown of the CRM or other related issues cannot be reasonably estimated at this time and could potentially have material adverse effects on the Company’s business, liquidity and cash flows.

Corporate Update

On October 29, 2021, the Company reported the successful commission of the PGM Main Circuit B following completion of the refurbishment and upgrade work commenced since May 2021. Construction and pre-commissioning were completed in September and commercial production of PGM concentrates started from October 18 with planned dispatches to Eastplats’ offtake partner scheduled from October 26. As mentioned earlier, the Company completed the commissioning to enable processing of the full feed from chrome tails to consistently produce an additional 600 tons of PGM concentrates per month on top of the current production of 200 tons per month once production build-ups are achieved, which is expected to be around Q1 2022.

Furthermore, Eastplats completed a life of mine (**“LOM”**) study and underground mine design for Zandfontein, the core section of the CRM. Based on the results of the study, the Eastplats’ Board of Directors supported carrying out the Zandfontein underground restart business plan, subject to final evaluation and funding arrangements. See news release dated October 29, 2021 for further detail.

2. Fiscal Year 2021 Third Quarter Highlights

2.1 Significant events

(a) Retreatment Project Update and Production

The Retreatment Project is a proprietary operation in South Africa producing chrome concentrates. It includes a combined hydro and mechanical reining method, magnetic separation applied to produce chrome concentrates, thus obtaining superior yield result compared to traditional gravity technology. The Retreatment Project is the only large-scale magnetic separation application in South Africa. Since 2017 Barplats has grown from 100 employees to over 350 contractors and employees engaged in supporting the Retreatment Project. The current Retreatment Project is expected to continue operating into 2024.

Operations consist of reining of the tailings material and processing the material through the Company's chrome plant and the chrome processing circuit (the "**Chrome Circuit**"). During the three months ended September 30, 2021 ("**Q3 2021**"), the Company produced 195,942 (three months ended September 30, 2020 ("**Q3 2020**") – 275,816) tons of chrome concentrate from the Retreatment Project, with an average grade of Cr₂O₃ at 38.77%. Year over year production decreased between Q3 2021 and Q3 2020 due to reduced input grade that was expected in the mining areas for the quarter.

The Company remains focused on lowering the costs and increasing the effectiveness of the logistics operations. It remains critical to ensure the chrome concentrate is transported to ports for shipping to China. The Company continues to expand its options for transport and will continue to actively manage logistics and monitor domestic and international issues that affect logistics.

Optimization Program

Due to COVID-19, Eastplats was required to delay the construction and installation of the additional equipment to optimize the chrome plant's overall efficiency and processing, which is designed to provide increased chrome recovery and grade (the "**Optimization Program**"). The Optimization Program began in February 2020 but was paused due to the COVID-19 lockdown in March 2020. Some construction work restarted in June 2020 with the original scope of civil works completed in December 2020. The Company completed the updated scope of civil work and are underway with the installation however, the completion time of the entire Optimization Program is currently being reviewed due to various uncertainties in relation to COVID-19 and other related delays.

(b) PGM Circuits

During early 2021, the Company committed ZAR9,000 (Cdn\$756) to the reconfiguring and optimization of the small-scale PGM Circuit D ("**PGM Circuit D**"), which was originally restarted and began operating during the third quarter of 2020. The optimization included funding for some of the initial work required to restart PGM Main Circuit B. Eastplats completed the work on PGM Circuit D in March 2021. As mentioned earlier in this MD&A, PGM Main Circuit B was commissioned in October 2021 and commercial production of PGM concentrates started soon thereafter, which is expected to drive further revenue growth and gross margin improvement.

During Q3 2021, the Company produced 366 dry tons of PGM concentrate from PGM Circuit D. This was lower than the previous quarter due to reduced production rates during pre-commissioning in September. The PGM concentrate was delivered under the existing offtake agreement (the "**PGM Offtake Agreement**") between Barplats and Impala Platinum Limited ("**Impala**").

(c) Project Agreement – PGM Circuit H

In July 2020, Barplats entered a Project Agreement with Advanced Beneficiation Technologies Proprietary Limited of South Africa (“**ABT**”), an organization fully compliant as a Black Economic Empowerment (“**BEE**”) Entrepreneur and a member of the Omang Group of companies, to complete an independent feasibility study (the “**Feasibility Study**”) for the development and construction of a new modular plant with a capacity to process the PGMs of the tailings re-deposited from the Retreatment Project at a designated area of the Zandfontein Tailings Dam (the “**Tailings Dam Area A**”) situated at the CRM in South Africa at an expected rate of 50,000 tons per month (the “**Circuit H Project**”).

There are several milestones required by Eastplats and the Project Agreement to complete and establish this Circuit H Project, including, at ABT’s risk and cost, the completion, assessment, and acceptance of the Feasibility Study, which was received during Q2 2021 and continues to be commercially evaluated. If approved, a successful Feasibility Study will be followed by the conclusion of various agreements, including a joint venture agreement between Barplats and ABT and the procurement of appropriate funding.

(d) Export tax

On October 22, 2020, the South African Government announced they had approved an export tax on chrome ore. Unfortunately, there are no additional details related to the timing of implementation or the proposed rate as of the date of this MD&A.

Although this potential cost will be absorbed by the Company’s offtaker during the Retreatment Project, this proposed export tax may decrease demand for chrome ore exports and could affect Eastplats’ growth potential in the future.

(e) Mining Charter Judgment

In September 2021, the full bench of the High Court (Gauteng Division, Pretoria) in South Africa ruled that the Mining Charter 2018 is a policy document and not law. Accordingly, the clauses of the Mining Charter, which were challenged by the Minerals Council of South Africa were reviewed and set aside. The judgment removes the clauses from the Mining Charter which compelled companies to top up their BEE shareholdings to 2018 Charter levels in respect of the renewal of existing mining rights and the transfer of mining rights. Hence, the “once empowered, always empowered” principle applies in those circumstances provided that certain criteria are met such as a minimum percentage of BEE shareholding being achieved and the timing of the departure of the BEE partners. The judgment also set aside certain other provisions and clauses.

The Company remains committed to working with the Department of Mineral Resources and Energy of South Africa to ensure ongoing compliance with mining regulations.

2.2 Financial Results – Q3 2021 vs Q3 2020

- Revenue was \$15,927 in Q3 2021 compared to \$16,847 in Q3 2020, a decrease of \$3,518 excluding the foreign currency translation gain of \$2,598 resulting from the appreciation of ZAR to U.S. dollar in 2021. The decrease in revenue for Q3 2021 was primarily due to lower shipments of Chrome concentrates to Union Goal Offshore Solution Limited (“**Union Goal**”) resulting in reduced logistics revenue offset by an increase in tons mined.
- Mining operation income was \$1,893 in Q3 2021 compared to \$1,650 in Q3 2020, a slight decrease of \$11 excluding foreign currency translation gain of \$254. This decrease is consistent with the decrease of revenue as discussed in the preceding paragraph.

- Gross margin increased from 9.8% in Q3 2020 to 11.9% in Q3 2021, as a result of the ongoing effort to optimize production.
- Operating loss was \$386 in Q3 2021 compared to an operating loss of \$841 in Q3 2020, resulting from efforts to reduce General & administrative (“G&A”) spending in Q3 2021.
- Net loss attributable to equity shareholders of \$2,507 in Q3 2021 compared to net income attributable to equity shareholders of \$172 in Q3 2020. The Q3 2021 net loss was largely attributable to the foreign exchange loss due to the depreciation of the South African Rand relative to the U.S. dollar.

3. Selected Quarterly Financial Data

The following table sets forth selected results of operations for the Company’s eight most recently completed quarters; compiled from the Company’s quarterly and annual financial statements, prepared in accordance with IFRS.

Table 1

Selected quarterly data (Expressed in thousands of U.S. dollars, except for per share amounts and foreign exchange rates)								
	2021			2020				2019
	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	15,927	19,982	16,683	15,819	16,847	9,298	14,179	12,096
Production costs	(12,322)	(14,707)	(13,644)	(12,584)	(14,287)	(7,670)	(11,796)	(10,445)
Production costs - depreciation	(1,712)	(1,958)	(1,606)	(1,700)	(910)	(688)	(953)	(927)
Mining operation income	1,893	3,317	1,433	1,535	1,650	940	1,430	724
General and administrative	(602)	(524)	(1,049)	(775)	(943)	(431)	(715)	(525)
Care and maintenance & site services	(1,677)	(2,085)	(2,113)	(1,446)	(1,548)	(1,527)	(1,906)	(1,108)
Impairment reversal	—	—	—	—	—	—	—	1,603
	(2,279)	(2,609)	(3,162)	(2,221)	(2,491)	(1,958)	(2,621)	(30)
Operating (loss) income	(386)	708	(1,729)	(686)	(841)	(1,018)	(1,191)	694
Other (expenses) income, net	(2,718)	3,388	542	4,160	978	(2,150)	(8,470)	2,572
(Loss) income before income taxes	(3,104)	4,096	(1,187)	3,474	137	(3,168)	(9,661)	3,266
Net (loss) income for the period	(3,117)	4,047	(1,185)	3,419	117	(3,240)	(9,692)	3,185
Net (loss) income attributable to equity shareholders of the Company	(2,507)	4,140	(865)	3,047	172	(3,009)	(8,184)	3,099
(Loss) earnings per share - basic and diluted	(0.02)	0.03	(0.01)	0.03	0.00	(0.03)	(0.09)	0.03
Average foreign exchange rates								
US dollar per South African Rand	0.0683	0.0709	0.0668	0.0641	0.0592	0.0558	0.0652	0.0680
US dollar per Canadian dollar	0.7936	0.8145	0.7896	0.7676	0.7511	0.7218	0.7447	0.7576
Period end foreign exchange rates								
US dollar per South African Rand	0.0660	0.0700	0.0677	0.0682	0.0597	0.0576	0.0561	0.0714
US dollar per Canadian dollar	0.7849	0.8068	0.7952	0.7854	0.7497	0.7338	0.7049	0.7699

The Company’s operations are not materially impacted by seasonality considerations, with the exception of seasonal electricity tariffs (winter rates in South Africa are 1.5 times the summer rates). The Company began ramping-up operations in early 2019 with appropriate staffing levels and they were maintained for 2019 and 2020. In 2021, as a result of the ramp-up of PGM operations additional staff recruitment occurred.

4. Results of Operations for the Three Months and Nine Months Ended September 30, 2021

All of the Company's mineral properties are located in South Africa and all of the care and maintenance costs, impairment recovery/charges towards the mineral properties, gain on disposal of property, plant and equipment, interest income, other income and finance costs are incurred in South Africa. Therefore, the Company is subject to the risks of foreign exchange and inflation fluctuations in South Africa.

Prior to the Retreatment Project, almost all South African funding was provided from Canada by its parent company, which holds its cash and cash equivalents, and short-term investments in U.S. dollars, Canadian dollars and South African Rand. The Company is now operating the Retreatment Project and the PGM circuits to generate mining operation income from chrome and PGM production, which has enabled the Company to fund its core operations in South Africa.

The Company's presentation currency is the U.S. dollar while the Company's operating expenses are predominately incurred in Canadian dollars and South African Rand. The average foreign exchange rate for Q3 2021 and 2020 is listed as follows:

	Cdn to USD	ZAR to USD
Q3 2021	0.7936	0.0683
Q3 2020	0.7511	0.0592

The estimated South African 2021 year to date average inflation rate was 4.31% (2020 – 3.23%).

The following table sets forth selected consolidated financial information for the three and nine months ended September 30, 2021 and 2020, respectively:

Table 2

Consolidated statements of (loss) income				
(Expressed in thousands of U.S. dollars, except per share amounts)				
	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue	15,927	16,847	52,592	40,324
Mining operation income	1,893	1,650	6,643	4,020
Expenses				
General and administrative	602	943	2,175	2,089
Site services	1,030	1,024	3,621	3,303
Care and maintenance	647	524	2,254	1,678
Operating loss	(386)	(841)	(1,407)	(3,050)
Other net (expenses) income and income tax expense	(2,731)	958	1,152	(9,765)
Net (loss) income for the period	(3,117)	117	(255)	(12,815)
Attributable to				
Non-controlling interest	(610)	(55)	(1,023)	(4,802)
Equity shareholders of the Company	(2,507)	172	768	(8,013)
Net (loss) income for the period	(3,117)	117	(255)	(12,815)
(Loss) earnings per share				
Basic and diluted	(0.02)	0.00	0.01	(0.08)
Weighted average number of common shares outstanding				
Basic	137,723	100,639	134,614	95,442
Diluted	137,723	101,662	137,066	95,442
Consolidated statements of financial position				
			September 30	December 31
			2021	2020
			\$	\$
Total assets			171,772	162,985
Total non-current liabilities			67,196	69,775

The Company recorded net loss attributable to equity shareholders of the Company of \$2,507 (or \$0.02 loss per share) in Q3 2021 compared to a net income of \$172 (or \$0.00 earnings per share) in Q3 2020. Detailed explanations are presented in the following section.

4.1 Overall Performance

Revenue

The Company generated revenue from processing chrome and PGM concentrates during Q3 2021 and nine months ended September 30, 2021 (“YTD Q3 2021”). The Company’s majority of revenue (approximately 96% and 93% for Q3 2021 and YTD 2021, respectively) is from the Union Goal Offtake Agreement in relation to chrome concentrate production from the Retreatment Project. The Retreatment Project produces revenue based on tons of material made available for processing by re-mining the tailings, recovery of certain operational costs and allocation of the upfront cash payment for the offtake of chrome concentrate to Union Goal. Additional non-cash deferred revenue is recognized based on tons made available for processing from the discounting of the chrome equipment debt and the construction loan based on the effective interest rate. The Company also derives PGM revenue under a PGM offtake agreement with Impala dated September 10, 2020 from further processing of tailings materials following the production of chrome concentrates.

The Company generated chrome processing revenue of \$15,268 and \$49,159 for Q3 2021 and YTD Q3 2021, respectively compared to \$16,847 and \$40,324 for the same respective periods in 2020. If excluding the foreign currency translation gain of \$2,598 and \$5,449 resulting from the strengthening of the South African Rand against the U.S. dollar during YTD Q3 2021, the revenue decreased \$4,177 for Q3 2021 and increased \$3,386 for YTD Q3 2021 compared to the same respective periods in 2020. The decrease in revenue for Q3 2021 was primarily due to lower shipments of Chrome concentrates to Union Goal resulting in reduced logistics revenue offset by an increase in tons remined. The increase of revenue for YTD Q3 2021 was due to the increased tons remined from the Retreatment Project while chrome production was interrupted by two shutdowns due to COVID-19 during YTD Q3 2020.

The Company generated PGM concentrate revenue of \$659 and \$3,433 in Q3 2021 and YTD Q3 2021, respectively; no PGM concentrate revenue was generated in Q3 2020 and YTD Q3 2020.

Furthermore, the Company incurred terminal handling costs at the loading ports from July 2020, which resulted in an increase in revenue.

Mining operation income

Mining operation income for Q3 2021 and YTD Q3 2021 was \$1,893 and \$6,643, respectively as compared to \$1,650 and \$4,020 for the same respective periods in 2020. Gross margin increased to 11.9% in Q3 2021 from 9.8% in Q3 2020 while gross margin increased to 12.6% in YTD Q3 2021 from 10.0% in YTD Q3 2020. As mentioned earlier in this MD&A, the increase in YTD Q3 2021 mine operating income is consistent with the increase in revenue and ongoing effort to optimize production.

Depletion and depreciation was \$1,712 and \$5,276 for Q3 2021 and YTD Q3 2021, respectively as compared to \$910 and \$2,551 for the same respective periods in 2020 due to the increase in cost of equipment relating to the Retreatment Project and increased tonnage remined year on year.

Operating income

The Company generated operating losses of \$386 and \$1,407, respectively for Q3 2021 and YTD Q3 2021 compared to operating losses of \$841 and \$3,050 for the same respective periods in 2020. The lower Q3 2021 and YTD Q3 2021 losses are the result of the Company working to increase production efficiency, improving cost control and looking to achieve additional revenue streams.

General and administrative

G&A costs are associated with the Company's Vancouver corporate head office and associated professional and corporate costs.

The G&A costs were \$602 and \$2,175 for Q3 2021 and YTD Q3 2021, respectively compared to \$943 and \$2,089 for the same respective periods in 2020. There was a decrease of \$394 excluding a foreign currency translation gain of \$53 in Q3 2021 and a decrease of \$66 excluding a foreign currency translation gain of \$152 for YTD Q3 2021. The overall G&A cost decrease for Q3 and YTD Q3 2021 is primary due to cost control initiatives implemented during YTD Q3 2021.

Site services

Site services relate to work performed indirectly to support operations and direct care and maintenance costs. As such, costs such as security, management and support operations are included in site services. These services have decreased by \$152 (excluding foreign currency translation gain of \$158) and \$156

(excluding foreign currency translation gain of \$474) to \$1,030 and \$3,621 in Q3 2021 and YTD Q3 2021, respectively from \$1,024 and \$3,303 for the same respective periods in 2020 as a result of an overall cost control initiative in South Africa.

Care and maintenance

Care and maintenance costs are incurred when production of the underground mining or other PGM projects are suspended and expenditures are reduced to the level required to maintain the good condition of such assets. Such costs consist of maintenance, pumping to prevent flooding of the workings, underground inspections to ensure that the integrity of critical excavations is preserved, certain general costs and other costs necessary to safeguard such projects and their associated assets. The Maresburg and KV concentrator projects were placed on care and maintenance in the fourth quarter of 2012 and the CRM underground was placed on care and maintenance in the third quarter of 2013.

Care and maintenance costs increased \$42 (excluding foreign currency translation gain of \$81) and \$353 (excluding foreign currency translation gain of \$223) to \$647 and \$2,254 in Q3 2021 and YTD Q3 2021, respectively from \$524 and \$1,678 for the same respective periods in 2020. The increase was due to a rise in labour and electricity costs in South Africa and underground care and maintenance work in connection with the CRM and Eastern Limb Projects.

Foreign exchange (loss) gain

Foreign exchange loss was \$2,328 and \$1,298 for Q3 2021 and YTD Q3 2021 as compared to a foreign exchange gain of \$1,673 and foreign exchange loss of \$5,844, respectively for the same periods in 2020. During Q3 2021 and YTD Q3 2021, there was a depreciation of the South African Rand to the U.S. dollar, which created a foreign exchange loss on the Company's U.S. dollar contract payable liability. During Q3 2020, the South African Rand recovered against the U.S. dollar resulting in a foreign exchange gain for the period, however, there was a significant decline in the foreign exchange rate of the South African Rand to the U.S. dollar resulting in a relatively large foreign exchange loss on the Company's U.S. dollar contract payable liability during YTD Q3 2020.

Other income

Other income for Q3 2021 and YTD Q3 2021 was \$785 and \$2,382, respectively, representing an increase of \$252 (excluding a foreign currency translation gain of \$71) and \$194 (excluding a foreign currency translation gain of \$205), respectively as compared to \$462 and \$1,983 for the same periods in 2020, respectively. Other income included rental income from Company-owned residential properties on the Eastern Limb Projects and at the CRM, sale of assets not going to be used in the future, and scrap metal sales not directly related to operations.

Settlement gain (loss)

During YTD Q3 2021, the Company received Cdn\$4,000 (\$3,258) in cash to settle and dismiss the outstanding lawsuits, which were previously described in the Company's press releases and corporate filings.

During YTD Q3 2020, the Company recorded a settlement loss of \$2,787 relating to the settlement agreement (the "**Settlement Agreement**") with AlphaGlobal Capital Inc. ("**AlphaGlobal**") to dismiss all claims against the Company and its subsidiaries and to release the Company from any and all claims that AlphaGlobal may have had against the Company or its subsidiaries.

4.2 Crocodile River Mine

Retreatment Project – Chrome recovery

The Retreatment Project produces revenue based on tons of material made available for processing by remining the tailings, recovery of certain operational costs and allocation of the upfront cash payment from Union Goal for the offtake of chrome concentrate.

Restated and Revised Retreatment Project Agreements

On March 10, 2021, the Company and its subsidiary, Barplats, entered into updated Retreatment Project Agreements with Union Goal, which include:

The 2021 Revised and Restated Framework Agreement;
The 2021 Revised and Restated Offtake Agreement;
The 2021 Revised and Restated Eastplats Loan Agreement; and
The 2021 Revised and Restated Barplats Equipment and Chrome Plant Agreement.

The above review highlighted the excellent operating results achieved to date and the updated Retreatment Project Agreements capitalize on two years of operating knowledge and Eastplats' continued commitment to the long-term benefits of the Retreatment Project.

Summary of chrome production for the three and nine months ended September 30, 2021 and 2020:

	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
Total Tailings Feed (Tons)	638,791	622,389	1,906,963	1,657,570
Average grade Cr concentrate	38.77%	38.66%	38.57%	38.58%
Tons of Cr concentrate	195,942	275,816	623,331	784,778

The financing of the costs of the Optimization Program were agreed in principle with Union Goal during 2020 and formalized in the updated agreements signed on March 10, 2021. The timing of completion of the Optimization Program, as discussed above, cannot be accurately projected due to COVID-19 restrictions.

During Q3 2021, the Company continued to work on the Optimization Program. The Company received an advance of \$nil in Q3 2021 and YTD Q3 2021 (Q3 2020 – \$nil and YTD Q3 2020 - ZAR17,780 (approximately \$1,077)) as a construction loan from Union Goal.

The Company continues the tailings storage facility (“TSF”) wall building program, utilizing waste rock and paddocking, to raise the wall for continued deposition of the reprocessed tailings.

PGM Circuits

During 2020, the Company completed the refurbishment of the PGM Circuit D. The Company restarted and began operating the PGM Circuit D during the third quarter of 2020 following the mandatory general lockdown imposed by the Government of South Africa in connection with COVID-19. The Company generated approximately 134 tons of pressed filter cake PGM concentrate and delivered approximately 32 tons during 2020. During early January 2021, the Company confirmed the provisional payment terms of the first delivered shipment of pressed filter cake PGM concentrate under the existing PGM Offtake Agreement between Barplats and Impala. These terms confirm the restart of PGM revenue.

Refurbishment work commenced on the PGM Main Circuit B during April 2021 and the circuit was commissioned in October 2021.

Summary of PGM production for the three and nine months ended September 30, 2021 and 2020:

	Q3 2021	Q3 2020	YTD Q3 2021	YTD Q3 2020
Tons of PGM concentrate(dry)	366	-	948	-

Project agreement – PGM Circuit H

In July 2020, the Company entered into a Project Agreement setting out the terms to complete a feasibility study and source funding for the recovery of PGMs through a joint venture from the redeposited tailings from the Retreatment Project. Results from the Feasibility Study were received during Q2 2021 and the project continues to be evaluated for commercial viability and funding options.

Sale of Maroelabult

On October 24, 2019, the Company and its subsidiary, Barplats, entered into a sales agreement (the “**Sales Agreement**”) with Eland Platinum (Pty) Limited (“**Eland**”). The Sales Agreement provides for the sale of the mining rights, immovable property, infrastructure and equipment of the Maroelabult resource property located near Brits in South Africa from the Company to Eland. The consideration to be paid by Eland to the Company consists of ZAR20,000 (approximately \$1,319), the assumption of the rehabilitation obligation and the assumption (in November 2019) of the care and maintenance costs (the “**Purchase Price**”) payable on closing upon giving effect to the transfers of legal title. The Sales Agreement is subject to standard representations and warranties by both parties and various legal and regulatory obligations required in South Africa which have taken significant time. The closing has been delayed due to COVID-19 but the Company has put in significant work and is targeting to close before the end of 2021.

Barplats has obtained immediate benefits by reducing its ongoing costs. Eland, without cost to Barplats, was appointed to render the required care and maintenance services for the related assets until closing of the transaction.

The Company will continue to look for opportunities to divest some of its non-core assets to focus its efforts and resources on core projects, primarily regarding the CRM in the short term.

4.3 Maresburg Project

The Company has experienced delays in completing the legal scan in relation to its EIA (due to COVID-19), and plans to continue work on an updated internal project assessment during the remainder of 2021 and then follow on with mine design study and technical review, environmental studies and amendments.

5. Liquidity and Capital Resources

On January 22, 2021 the Company completed a rights offering to its existing shareholders (the “**Rights Offering**”). Eastplats issued 36,841,741 common shares of the Company (each a “**Common Share**”) at a price of Cdn\$0.32 per Common Share for rights exercised on the TSX and R3.77136 per Common Share for rights exercised on the JSE and raised total gross proceeds of approximately \$9,307 (TSX – Cdn\$11,364 and JSE – ZAR5,011). A total of 32,808,630 Common Shares were issued under the basic subscription privilege and an additional 4,033,111 Common Shares were issued under the additional subscription

privilege. No Common Shares were issued under a stand-by commitment and no fees or commissions were paid in connection with the distribution.

As at September 30, 2021, the Company had working capital (current assets less current liabilities) of \$13,134 (December 31, 2020 – \$4,080) and a cash position of \$6,490 (consisting of cash and cash equivalents and short-term investments) (December 31, 2020 – \$1,772).

The increase in working capital was mainly the result of the completion of the rights offering in Q1 2021 and the receipt of legal settlement income of \$3,258 (Cdn\$4,000) in Q2 2021.

Eastplats' cash position decreased by \$3,814 in Q3 2021 compared to the balance as at June 30, 2021. If the foreign currency translation loss of \$263 is excluded, the actual decrease in the cash position would be \$3,551. The decrease results from (i) \$1,790 incurred for operations including G&A and care and maintenance of the CRM and the Eastern Limb Projects net of cash received from chrome and PGM concentrates sales; (ii) net addition of property, plant and equipment of \$1,398; (iii) \$420 of lease payments; (iv) an increase in other assets of \$73; offset by cash received of (i) \$50 from stock options exercised and (ii) \$80 of interest received net of finance costs paid.

The Company's cash position increased by \$4,718 in YTD Q3 2021 compared to the balance as at December 31, 2020. If the foreign currency translation gain of \$37 is excluded, the actual increase in the cash position would be \$4,681. The increase mainly results from (i) \$9,303 of net proceeds from the rights offering (net of share issuance costs); (ii) \$244 of interest received net of finance cost paid; (iii) \$3,653 of recovery from legal settlements; offset by cash payment of (i) \$3,338 incurred for operations including G&A and care and maintenance of the CRM and the Eastern Limb Projects net of cash received from chrome and PGM concentrates sales; (ii) a net addition of property, plant and equipment of \$3,574; (iii) \$1,266 of lease payments; (iv) an increase in other assets of \$201; and (v) \$140 (ZAR2,000) in connection with the AlphaGlobal Settlement Agreement.

The Retreatment Project, in relation to the recovery of chrome concentrate at CRM, is now in steady operation and has been operating for over two years. The Company was also able to begin operations via PGM Circuit D in December 2020 and commissioned PGM Main Circuit B in October 2021 to deliver PGM concentrates under the PGM Offtake Agreement with Impala. The CRM underground and all other properties and projects are under care and maintenance or are at an earlier stage of development.

The Company continues to forecast sufficient cash flows (working capital and operating income) to cover all operating costs and capital projects including all care and maintenance and other short-term commitments or costs for the next 12 months. Significant judgments and estimates are involved in projecting the future cash flows including the level of production of the Retreatment Project or other operations. As discussed earlier in this MD&A, funding was raised through the Rights Offering but additional funding may be required to advance the larger PGM development opportunity for commencing underground production at CRM, continued development of the Mareesburg Project or other development in the Eastern Limb Projects to bring them into production.

The Company's forecasts are based on assumptions and a significant portion of the current revenue is from a single offtake contract. There exists liquidity risk (See section 8 (c)(v)) if certain assumptions do not hold. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans.

The effects of COVID-19 are changing and evolving and the Company cannot reasonably estimate at this time all the impacts of COVID-19 or if new or unexpected changes to the lockdown levels imposed by the Government of South Africa will occur. Both of these could have material adverse effects on the Company's business, liquidity and cash flows and the timing of project completions.

The Company has approved \$3,793 in capital funding at December 31, 2020 to complete the chrome plant optimization and Phase II of the TSF dam lifts. Additional capital projects were approved in February 2021 following the Rights Offering. The Company approved its 2021 budget in December 2020 with additional capital approval of \$4,846 in February 2021 to execute the corporate objectives discussed in Section 5.1 of this MD&A. The Company's 2021 objectives are expected to be funded through existing working capital and operations or funding obtained from the Rights Offering. The uncertainty around COVID-19 and other challenges may impact fundraising in the future.

Under the Union Goal Agreements, the Company has purchased the equipment for the Chrome Circuit, subject to a put option if the operating performance of the equipment and chrome plant are not as agreed. This contract payable, the provision for environmental rehabilitation relating to the CRM and Eastern Limb projects and certain deferred income tax liabilities are considered non-current liabilities. The due date of the contract payable was extended by written agreement on December 31, 2020 to January 14, 2022, and further extended as per the Revised and Restated Union Goal Agreements signed on March 10, 2021 to 210 days after the date of issuing the plant commissioning certificate on the optimization equipment, which is estimated to be the end of 2022 or later.

5.1 Outlook

The Company's CRM Retreatment Project in South Africa was operating without restrictions at September 30, 2021 and as of the date of this MD&A. The Company restarted PGM Circuit D during Q1 2021 and PGM Main Circuit B was commissioned in October 2021. Eastplats continued to deliver chrome and PGM concentrates under the respective offtake agreements. The Company remains vigilant in continuing its high standards in regards to maintaining safe operations.

Although the current outlook is positive due to the reduced restrictions, all operations could be affected by new COVID-19 issues or new lockdown directives in South Africa.

The completion timing of the Optimization Program remains uncertain due to travel restrictions, construction regulations, and other COVID-19 related issues. Subject to changes due to COVID-19 or other government directives the Company will do its best to establish an updated schedule as soon as practical.

The Company will update its forecasts following the completion of the Optimization Program, which is currently not known. The effects of COVID-19 are changing rapidly and could have material effects on the Company's outlook and its ability to attain targets.

The Company's targets for 2021 were updated following the completed Rights Offering in January 2021, including:

- Continue operating the Retreatment Project efficiently;
- Reconfigure, optimize, and consistently operate the PGM Circuit D, which also includes funding for some of the initial work required to restart the main plant PGM Main Circuit B (See press release of February 2, 2021) (completed);
- Completion of the refurbishment of the existing PGM Main Circuit B to increase the capacity and opportunity of PGM recovery and sales (See press release of October 29, 2021) (completed);
- Completion of the Optimization Program for the Retreatment Project (ongoing);
- Establishment of the second phase of the TSF capital works program (ongoing);

- Upgrades and repairs to the CRM Zandfontein underground shaft and rock winder to ensure they are available for underground mining operations (rock winder completed and shaft repairs expected completion by year end);
- Maresburg project environmental work to complete the legal scan on the EIA and other environmental studies and amendments (ongoing);
- Prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies (ongoing);
- EIA and assessment work regarding a vertical furnace and pelletizer of chrome concentrate (ongoing); and
- CRM underground assessment including all chrome recovery activities in relation to the Retreatment Project (ongoing).

Care and maintenance with respect to the underground portion of the CRM will continue while the Company assesses the underground operations for restart. As mentioned earlier in this MD&A, Eastplats completed a LOM study and underground mine design for Zandfontein (“**Zandfontein Underground**”) and the Board of Directors supported carrying out the Zandfontein Underground restart business plan, subject to final evaluation and funding arrangements. Care and maintenance will also continue for the Company’s Eastern Limb Projects for the remainder of 2021. The Company is actively looking at opportunities for its other assets including continuing to explore options to utilize or monetize these assets.

The Company continually reviews, as appropriate, its other assets and the larger PGM market developments beyond the near term. It will also reassess the Chrome Circuit operations and the overall economics of such operations including reviewing the possibility to restart and develop the CRM underground. However, all decisions will be made based on long-term economic determinations. Any restart of projects currently under care and maintenance would require additional funding that may or may not be available to the Company or require changes to the current operations at the CRM.

With respect to the Maresburg project, subject to the completion of the legal scan in relation to its EIA, the Company plans to work on an updated internal project assessment during the remainder of 2021 and then follow on with mine design study and technical review, environmental studies and amendments. This may lead to the possible development of the Maresburg open cast mine, subject to capital requirements and the availability of financing.

Additional funding may also be required to bring other projects to production.

Potential funding for any of the possibilities discussed above may include debt financing arrangements, joint venture or other third-party participation in one or more of these projects, or sales of equity or debt securities of the Company. Any additional financing may be dilutive to shareholders of the Company, and debt financing, if available, may involve restrictions on financing, investing and operating activities. There can be no assurance that additional funding will be available to the Company when needed or, if available, that this funding will be on acceptable terms. If adequate funds are not available, including funds generated from any producing operations, the Company may be required to further delay or reduce the scope of these development projects or mining operations.

5.2 Share Capital

As mentioned earlier in this MD&A, on January 22, 2021 the Company completed the Rights Offering to its shareholders and issued 36,841,741 common shares at a price of Cdn\$0.32 per share. Total gross proceeds of approximately \$9,307 (TSX – Cdn\$11,364 and JSE – ZAR5,011) were raised.

In February 2021, 40,000 warrants were exercised at Cdn\$0.24 per common share. In July 2021, 300,000 stock options were exercised at Cdn\$0.21 per common share.

During Q3 2021 and YTD Q3 2021, a total of \$171 and \$228, respectively (Q3 2020 - \$nil, YTD Q3 2020 - \$4) was recorded as share-based compensation expense relating to employee stock options.

As at the date of this MD&A, the Company had:

- 137,820,773 common shares issued and outstanding;
- 5,960,000 warrants outstanding; and
- 5,340,000 stock options outstanding as listed as follows:

Table 3

Options outstanding	Options exercisable	Exercise price Cdn\$	Remaining Contractual Life (Years)	Expiry date
500,000	500,000	0.32	0.99	November 9, 2022
450,000	450,000	0.33	1.07	December 7, 2022
100,000	100,000	0.39	1.45	April 26, 2023
1,350,000	1,350,000	0.21	2.59	June 13, 2024
50,000	50,000	0.24	3.46	April 29, 2025
1,470,000	1,470,000	0.37	3.93	October 16, 2025
1,420,000	1,420,000	0.34	4.61	June 23, 2026
5,340,000	5,340,000		3.20	

5.3 Contractual Obligations, Commitments and Contingencies

The Company's major contractual obligations and commitments as at September 30, 2021 were as follows:

Table 4

(in thousands of U.S. dollars)	Total	Less than 1 year	1 - 5 years	More than 5 years
	\$	\$	\$	\$
Provision for environmental rehabilitation (i)	3,746	—	—	3,746
Lease obligations (ii)	4,079	1,620	2,459	—
Contracts payable (iii)	52,134	—	52,134	—
Other obligations (iv)	11,268	11,268	—	—
Capital expenditure and purchase commitments (v)	156	156	—	—
	71,383	13,044	54,593	3,746

(i) Environmental rehabilitation provision over the life of mining operations (including \$512 environmental rehabilitation provision relating to Maroelabult that has been presented as liabilities associated with the assets held for sale on the Company's statement of financial position), and amounts shown are estimated expenditures at fair value, assuming weighted average credit adjusted risk-free discount rate of 10.75% and an inflation factor of 4.20%.

(ii) Lease contracts for mining equipment relating to CRM operations and office space at head office. The amount shown is the undiscounted minimum lease payment.

(iii) Union Goal equipment and construction financing relating to the Retreatment Project. The amount shown represents the undiscounted payment based on the agreed nil interest rate until the due date according to the 2021 Updated Retreatment Project Agreement. The due date is 210 days after the date of issuing the plant commissioning certificate when the optimization program is completed and commissioned, which is estimated to be the end of 2022 or later. The terms in details are more fully described in Note 15 Contracts payable of the audited financial statements for the year ended December 31, 2020 and Note 4 of the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2021.

(iv) Other obligations consist of trade and other payables.

(v) Capital expenditure and purchase commitments contracted at September 30, 2021 but not recognized on the consolidated statement of financial position.

Petition by 258520 Ontario Limited to File a Derivative Action against the Company

On November 6, 2018, the Company received a petition filed with the Supreme Court of British Columbia, by 253, a shareholder of the Company, seeking leave from the court to commence a derivative action on behalf of the Company against certain of its current and former directors in relation to the approval of the transactions between the Company and Union Goal. The Board of Directors of the Company formed a Special Committee to review the petition and make a recommendation on the appropriate action. Following its detailed review of this matter, the Special Committee of the Board of Directors recommended opposing this petition, and this recommendation was accepted by the Board of Directors. As such, the Company filed its opposition to the petition and was provided security for costs. In June 2019 the petition was heard by the court and was dismissed on August 27, 2019. On September 27, 2019, the petitioner filed an appeal of the judgment which was heard on June 1, 2020 and dismissed on November 16, 2020. In January 2021, 253 sought leave to appeal to the Supreme Court of Canada, which declined to hear the appeal. The Company is seeking recovery from 253 of the costs incurred in responding to 253's unsuccessful petition and appeals.

Further litigation by 2538520 Ontario Limited against the Company

On February 7, 2020, 253 and its CEO, Rong Kai Hong, (the "**Plaintiffs**") filed a further claim regarding various allegations, including that the Company was acting to oppress the Plaintiffs' rights among other claims. Several of these claims are similar to the derivative action that was dismissed by the Court (appeal denied). The Plaintiffs seek, among other relief, orders requiring a change to the Company share ownership, election of new Directors, several changes to senior management and damages of US\$50,000 (or such greater amount as may be proven at trial) from the Company, certain present and former Directors and Officers, and separately seven other listed defendants. On June 11, 2021, the Plaintiffs filed an amended claim in response to an imminent application from the Company and its directors and officers to dismiss the claim as an abuse of process. The Plaintiffs agreed to a consent dismissal of the claims against the non-executive directors and struck a substantial portion of the contents of their notice of civil claim. Claims

against the Company, certain senior management as well as claims against certain other parties remain extant.

The Company intends to apply to dismiss the lawsuit. No provision is made in the consolidated financial statements as the Company assessed the allegations have no merit.

Litigation by Xiaoling Ren against the Company

During December 2020, the Company received a petition filed with the Supreme Court of British Columbia, by Xiaoling Ren, a shareholder of the Company, seeking leave from the court to commence a derivative action on behalf of the Company against certain of its current and former directors. Ms. Ren is represented by the same law firm that filed a similar petition in November 2018 for 253, which was dismissed in 2019, the appeal denied by the British Columbia Court of Appeal in November 2020, and application for leave to appeal to the Supreme Court of Canada denied in May 2021.

The Company filed a response seeking a dismissal of the petition as an abuse of process. Following a hearing of the Company's application to strike or dismiss the petition, the Supreme Court of British Columbia did not determine the Company's application and instead adjourned the matter on its own motion. The Company has filed a Notice of Appeal asking the Court of Appeal to overturn the decision to adjourn the application and substitute its own order striking or dismissing Ms. Ren's petition. No provision is made in the consolidated financial statements as the Company assessed the allegations have no merit.

2016 BEE Buyout Transactions

On June 30, 2016, former management of the Company purportedly caused the Company and certain of its subsidiaries to enter into certain BEE buyout agreements ("**BEE Buyout Agreements**") with Serina Services AG ("**Serina**") and Ingwenya Incorporated ("**Ingwenya**"). Serina is incorporated in Switzerland and Ingwenya is incorporated or registered in Panama or Liechtenstein. The Company has not been able to determine the beneficial ownership of those companies.

The BEE Buyout Agreements contemplated payment by Eastplats of \$13,367 in exchange for the acquisition/cancellation of the interests previously held by certain non-controlling partners ("**BEE Shareholders**") in Gubevu Consortium Investment Holdings (Pty) Ltd. ("**Gubevu**"), Lion's Head Platinum (Pty) Ltd. ("**Lion's Head**"), and Afriminerals Holdings (Pty) Ltd ("**Afriminerals**"). These transactions did not include a 17.65% interest in Afriminerals. Gubevu is the Company's BEE partner in Barplats. Lion's Head is a BEE compliant corporation in the Company's Mareesburg Joint Venture. Afriminerals is the Company's BEE partner in its Spitzkop Joint Venture. The Company was informed that the BEE Shareholders had originally acquired their interests with financing provided by Serina and Ingwenya, but that as a result of certain arrangements between those parties, the BEE Shareholders' interests had reverted to Serina and Ingwenya. The Company was not a party to nor has it been provided with all of the background details concerning those arrangements.

Following the 2016 annual general meeting, former management of the Company caused those funds to be paid to Serina and Ingwenya (see press release of July 4, 2016 for further information).

On June 7, 2018, the Company, together with its subsidiaries Eastplats Acquisition Co. Ltd. and Eastern Platinum Holdings Limited (collectively, along with Eastplats, "**the Eastplats Companies**"), filed a notice of civil claim in the Supreme Court of British Columbia against Serina and Ingwenya seeking recovery of the above payment, among other things. A default judgment was granted against Serina in 2019. The Company was unable to effect service of the claim against Ingwenya. At this time, the Company has determined that recovery of the funds or an enforceable judgment against the defendants appears remote.

No amount has been accrued on the Company's financial statements for this claim as it would be a contingent amount if successful.

In 2020, the Company was provided with certain documents entitled "**Settlement Agreement**" showing that Serina, Ingwenya and the BEE Shareholders had agreed to nullify and reverse the transactions among them with the result that the BEE Shareholders' interests had reverted to Serina and Ingwenya, effective as of 2017. In 2017, the Company also received notification on behalf of the BEE Shareholders acknowledging they no longer considered themselves as the Company's BEE Partners. These transactions did not include a 17.65% interest in Afriminerals. The Company was also not a party to nor provided with all of the background details concerning those arrangements.

The Company notes that as a result of the Settlement Agreements, the BEE Buyout Agreements and the information provided to it on behalf of the BEE Partners, the Company no longer had BEE Partners as from June 2017. South African mining regulations require certain levels of BEE ownership upon a party acquiring mining rights. The Company believes that it is and will remain in compliance with the applicable BEE requirements under the "once empowered, always empowered" principle under the applicable South African mining laws, as stated in September 2021 by the High Court (Gauteng Division, Pretoria) in South Africa as a result of a court challenge by the Minerals Council of South Africa. Failure to address any such alleged non-compliance may negatively impact the Company's operations and value of its assets and could lead to the Minister seeking to cancel or modify the mining rights under the Mineral and Petroleum Resources Development Act ("**MPRDA**"). The Company remains committed to working with the Department of Mineral Resources and Energy ("**DMR**") to ensure ongoing compliance.

Claim dispute regarding Spitzkop

The Company has received a notice from the DMR of an appeal launched with the DMR with respect to the Company's mineral license issued in 2012 relating to the Spitzkop property. In addition, the claimant has launched a dispute of the issue into the High court in South Africa for review. The Company, with the assistance of counsel, is addressing this matter and intends to defend this issue related to the validly issued mineral rights of Spitzkop. Further to this, the Company and the claimant are currently engaging to amicably resolve this matter.

General

The Company is subject to claims and legal proceedings arising in the ordinary course of business activities, each of which is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably to the Company. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its financial statements. When evaluating legal proceedings that are pending against the Company, the Company and its legal counsel assess the perceived merits of the legal proceedings along with the perceived merits of the amount of relief sought. It is management's opinion that there are currently no other claims expected to have a material effect on the results of operations or financial condition of the Company and therefore no accrual is provided.

6. Related Party Transactions

Summarized as follows is a list of related parties with whom the Company had transactions with for the three and nine months ended September 30, 2021 and 2020, as well as a description of the nature of the services provided therein.

The Company incurred the following fees and expenses in the normal course of operations in connection with certain companies owned by current and former officers and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

Table 5

(Expressed in thousands of U.S. dollars)	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Trading transactions				
Director fees	40	32	121	102
Management fees	63	57	279	169
Share-based payments	97	—	126	—
Total	200	89	526	271
Compensation of key management personnel				
Remuneration	232	208	1,036	627
Share-based payments	99	—	136	4
Total compensation of key management personnel	331	208	1,172	631

The Company had transactions with the following related parties for Q3 2021 and YTD Q3 2021:

The Company has agreed to pay \$22 (Cdn\$28) per month to Oriental Fortune Consulting Services Limited (“**Oriental Fortune**”), an entity controlled by the Company’s Chief Operating Officer (“**COO**”), for management consulting services rendered. Oriental Fortune received a bonus payment of \$nil and \$88 (Cdn\$112) in Q3 2021 and YTD Q3 2021, respectively (Q3 2020 and YTD Q3 2020 - \$nil and \$nil).

The Company’s key management includes the Chief Executive Officer (“**CEO**”), the Chief Financial Officer (“**CFO**”), the COO and the General Manager of South Africa (“**GM**”). As stated in Table 5, the total compensation to key management in Q3 2021 and YTD Q3 2021 was \$331 and \$1,172, respectively (Q3 2020 - \$208 and YTD Q3 2020 - \$631).

Key management personnel were not paid post-employment benefits or other long-term benefits in Q3 2021 and YTD Q3 2021 and the comparative periods of 2020.

7. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impact on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

Furthermore, the impact of the COVID-19, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is possible that circumstances may arise which cause actual results to differ from the estimates and judgments applied in these interim consolidated financial statements, and such differences affecting Eastplats future financial position and results cannot be determined at this time.

The Company has three reportable segments – the CRM, the Eastern Limb Projects and corporate. The Eastern Limb Projects consist of the KV, Spitzkop and Mareesburg projects. Corporate operations in Barbados, BVI and Canada collectively are the corporate segment. All of the reportable segments have consistently applied the same accounting policies as disclosed in Note 4 of the Company’s audited consolidated financial statements for the year ended December 31, 2020.

Areas of significant judgment and estimates made by management for the three and nine months ended September 30, 2021 in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(u) and 4(v) of the Company’s audited consolidated financial statements for the year ended December 31, 2020.

8. Financial Instruments and Other Instruments

(a) Management of capital risk

The capital structure of the Company consists of contracts payable, equity attributable to common shareholders, comprised of issued capital, equity-settled employee benefits reserve, deficit, and accumulated other comprehensive loss. The Company’s objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, increase the amount of the contracts payable or acquire or dispose of assets.

The Company is not subject to any capital requirements imposed by any other party.

(b) Fair value of financial instruments

(i) Fair value estimation of financial instruments

The fair values of cash and cash equivalents, restricted cash, trade and other receivables, short-term investments, other assets, trade and other payables approximate their carrying values due to the short-term to maturities of these financial instruments.

Contracts payable and lease liabilities required assessing the appropriate market interest rates on the liabilities. Financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. The Union Goal contracts payable did not contain any derivatives that required bifurcation and measurement at fair value through profit and loss.

(ii) Fair value measurements recognized in the consolidated statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

There were no transfers between levels during the three and nine months ended September 30, 2021 and 2020.

(c) *Financial risk management*

The Company's financial instruments are exposed to certain financial risks, including currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Company's exposure to these risks and its methods of managing the risks remain consistent since year end.

(i) *Currency risk*

The Company is exposed to foreign exchange risk as the Company undertakes certain transactions and holds assets and liabilities in currencies other than its functional currencies. The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations. The Company's exposure to currency risk affecting net income is summarized in Table 6 as follows:

Table 6

	June 30	December 31
	2021	2020
	\$	\$
Financial assets		
Denominated in USD at Canadian head office	1	—
Denominated in USD at South African subsidiaries	2,076	—
Denominated in Rand at Canadian head office	—	7
Total	2,077	7
Financial liabilities		
Contracts payable denominated in Rand at Canadian head office	6,528	6,890
Contracts payable denominated in USD at South African subsidiaries	42,550	43,686
Total	49,078	50,576

As at September 30, 2021, with other variables unchanged, a 10% strengthening (weakening) of Canadian dollars against the South African Rand would have increased (decreased) net income by approximately \$593; with other variables unchanged, a 10% strengthening (weakening) of the South African Rand against U.S dollars would have increased (decreased) net income by approximately \$3,679.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its short-term investments. The risk that the Company will realize a loss as a result of a decline in the fair value of short-term investments is limited because these investments, although financial assets, will mature within 12 months from the year end and are generally not sold before maturity. The Company also staggers the maturity dates of its investments over different time periods and dates to minimize exposure to interest rate changes. The Company monitors its exposure to interest rates and has not entered into any derivative financial instruments to manage this risk. The sensitivity of the Company's net earnings due to changes in interest rates is not material.

(iii) *Commodity price risk*

The Company's PGM concentrate sales are exposed to commodity price risk with respect to fluctuations in the prices of platinum group metals going forward. Prior to January 1, 2021, the Company did not have

material revenues from PGM concentrate sales. Chrome concentrate sales are structured based on the tonnage processed referenced to the long-term chrome concentrate commodity price according to the Union Goal contract.

(iv) Credit risk and concentration risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, trade and other receivables and other assets. The carrying value of these assets included in the consolidated statements of financial position represents the maximum credit exposure.

There is both a credit risk and concentration risk associated with the collection of revenue from Union Goal. This risk is mitigated due to the contract structure and the significant outstanding contracts payable due to Union Goal.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments.

The Company started generating revenue from its Retreatment Project in December 2018, and at consistent levels since May 1, 2019. Despite the Retreatment Project and the forecasted PGM production cash flows, CRM underground remains in care and maintenance and all other properties and projects are on hold. The Company also generated some income from interest on investments and other income from the sale of non-core properties; although not expected to be significant, some of this income will be recurring in 2021 and in future years. The projected cash flows for the next 12 months are sufficient to cover the Company's operating expenses, capital expenditures and all other care and maintenance expenses. Additional funding will be required in the future to commence underground production at CRM, and to develop and bring the Eastern Limb Projects into commercial production.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. Table 4 summarizes the Company's significant commitments and corresponding due dates.

Additionally, the Company's business could be significantly adversely affected by the effects of COVID-19. The Company cannot accurately predict the impact COVID-19 will have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the risk of continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions to the Optimization Program or other objectives and targets and other factors that will depend on future developments beyond the Company's control. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries (including South Africa, Canada and China), resulting in an economic downturn that could negatively impact the Company's financial position, financial

performance, cash flows, and its ability to raise capital in 2021. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's anticipated activities, and operations, cannot be reasonably estimated at this time.

9. Application of New and Revised IFRS

9.1 Newly adopted Accounting Standards

No new standards, amendments to standards and interpretations that are not yet effective for the three and nine months ended September 30, 2021, are expected to have a material impact on the Company's consolidated financial statements.

10. Off-Balance Sheet Arrangements

As at September 30, 2021, the Company had not entered into any off-balance sheet arrangements.

11. Internal Control Over Financial Reporting and Disclosure Controls and Procedures

Disclosure Controls and Procedures

The CEO and the CFO have designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures ("DCP") to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries has been recorded, processed, summarized and disclosed in a timely manner in accordance with regulatory requirements and good business practices and that the Company's DCP will enable the Company to meet its ongoing disclosure requirements.

Internal Control over Financial Reporting

The CEO and the CFO have designed, or caused to be designed under their supervision, the Company's internal controls over financial reporting ("ICFR") in order to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS").

The Company's ICFR are designed based on the *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The scope of the Company's design of the DCP and the ICFR excluded Gubevu Consortium Investment Holdings (Pty) Ltd., an associated entity which is accounted for using the equity method under IFRS.

Limitation of Controls and Procedures

The Company's management, including its CEO and CFO, believe that any DCP and ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override to the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any control system will succeed in achieving its stated goals under all

potential future conditions. Accordingly, because of the inherent limitations in a cost effective, control system, misstatements due to error or fraud may occur and not be detected.

12. Risk Factors

The exploration of mineral deposits involves significant risks and uncertainties. A comprehensive list of risk factors relating to the Company's business is provided under the heading "Risk Factors" in the Company's AIF for the year ended December 31, 2020, which is available under the Company's profile on SEDAR at www.sedar.com.

COVID-19

The effects of COVID-19 are changing rapidly and the consequences of future shutdowns cannot be reasonably estimated at this time but could have material adverse effects on the Company's business, liquidity and cash flows. The Company has provided specific information in the December 31, 2020 AIF in relation to the risks and possible effects to its operations and business in relation to COVID-19.

13. Non-GAAP Measures

This MD&A may include certain terms or performance measures commonly used in the mining industry that are not defined under IFRS as issued by the International Accounting Standards Board, which is incorporated in the CPA Canada Handbook. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. Any such data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Any such non-GAAP measures should be read in conjunction with our financial statements.

14. Cautionary Statement on Forward-Looking Information

This MD&A contains certain "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. This MD&A contains forward-looking statements, pertaining to, among other things: profitability; the Company's targets for 2021; forecast of operational activity and optimization of the Retreatment Project; estimated operations and production of PGM Circuit D and PGM Main Circuit B; estimated ramp-up or upgrades to PGM Circuit B and PGM Main Circuit B; establishment of the second phase of the TSF capital works program; potential additional revenue growth and gross margin improvement from PGM Circuit D and PGM Main Circuit B; execution of the Zandfontein Underground restart business plan and related funding; Mareesburg project environmental work to complete the legal scan on the EIA and other environmental studies and amendments; prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies; EIA and assessment work regarding a vertical furnace and pelletizer of chrome concentrate; CRM underground assessment including all chrome recovery activities in relation to the Retreatment Project; the Company's plans for its properties; the resolution of current litigation; the 2016 BEE Buyout Transactions and all related transactions; the pandemic and COVID-19 issues currently occurring; the seasonality of the Company's operations; the continuing impact of adverse economic factors on the South African PGM industry; the potential restarts of the CRM if there is a sustained strengthening of PGM prices and a marked improvement in the South African operating environment; the possibility of restarting the development of

the Mareesburg open cast mine; the possibility of developing the Kennedy's Vale and Spitzkop project in the future; the requirement of additional funding to bring projects into production and how that funding will be attained; estimated resources and reserves; economic assessments; extension of the life of the Retreatment Project; estimated costs and timelines of construction; estimated operations; capital costs and payment terms related to the Chrome Circuit and PGM circuits; estimated timelines for revenue, production and anticipated capital costs; test work results; the possibility of any impairment or reversal of impairment if there are any changes to future market conditions and commodity prices; the composition of G&A costs; potential non-compliance with the MPRDA and the corresponding impact; the possible impact of Mining Charter 2018; the share capital of the Company; the renewal of consulting agreements; the ongoing assessment of mine life; critical accounting judgments made by the Company; the impact of the new IFRS on consolidated financial statements; adoption of new IFRS standards; impairment estimates and the applicable risk factors.

With respect to the forward-looking statements contained in this MD&A, assumptions have been made regarding, among other things: the 2016 BEE Buyout Transactions, the resolution of the BEE requirements, the price of PGMs, fluctuations in currency markets, inflation, the regulatory framework in the jurisdictions that the Company conducts its business, operating costs, the Company's ability to obtain financing on acceptable terms and litigation outcome.

Forward-looking statements are subject to all of the risks and uncertainties normally incident in the mining and development of PGMs that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risks include, but are not limited to: the risk of fluctuations in the assumed exchange rates of currencies that directly impact the Company, such as the Canadian dollar, Rand and U.S. dollar; the risk of fluctuations in the assumed prices of PGM and other commodities; the risk of changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, South Africa, Barbados or other countries in which the Company carries, or may carry on business in the future; litigation risks and the uncertainty thereof; risks associated with mining or development activities; the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, assumed quantities or grades of reserves, need for additional funding, availability and terms of additional funding, and certain other known and unknown risks detailed from time to time in the Company's public disclosure documents, copies of which are available on the Company's SEDAR profile at www.sedar.com.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The Company's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.