EASTERN PLATINUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 December 31, 2023 and for the three months and year then ended in comparison to the same periods in 2022.

This MD&A should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended December 31, 2023 (the "consolidated financial statements") and the annual information form ("AIF") for the year ended December 31, 2023. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

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 May 3, 2024. Additional information relating to the Company, including its AIF for the year ended, December 31, 2023, is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Restated Comparative Figures for the Year Ended December 31, 2022

This MD&A reflects changes the Company made in its consolidated financial statements for the year ended December 31, 2023 related to the recognition of revenue in the comparable period, the fiscal year ended December 31, 2022.

During the preparation of the Company's consolidated financial statements for the year ended December 31, 2023, an error was identified in the recognition of revenue related to a chrome concentrate sales transaction in Q4 2022 which impacts the Company's previously filed audited consolidated financial statements for the year ended December 31, 2022. Chrome concentrate revenue is recognized when control is transferred to the buyer, all performance obligations are met and payment is considered probable. The sales transaction was recognized in Q1 2023, but should have been recognized in Q4 2022 based on the fact that the Company had met all of its required performance obligations. Revenue for Q4 2022 was understated by $4,049, while corresponding changes were made to Production cost, Inventories and Deferred revenue.

The Company has updated the comparable figures in its December 31, 2023 audited consolidated financial statements to reflect these changes. As a result, Fiscal 2022 net income and net income per share increased by approximately $1,710 and $0.01, respectively (further information on these adjustments and a reconciliation of amounts previously reported is contained in Note 24 of the Company's audited consolidated financial statements for the year ended December 31, 2023).

The consolidated financial statements and related financial information for the affected period contained in the Company's filings filed prior to May 3, 2024 should no longer be relied upon.

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 December 31, 2023, the Company's primary assets were:

(a) the Crocodile River Mine (the "CRM") located on the western limb of the BCX;
(b) the Kennedy's Vale ("KV") project located on the eastern limb of the BCX;
(c) the Mareesburg project, located on the eastern limb of the BCX; and
(d) the Spitzkop project, also located on the eastern limb of the BCX.

Operations at the CRM up to the end of 2023 included remining and processing its tailings resource. The chrome and PGM concentrates produced from the Barplats Mines (Pty) Limited ("Barplats") Zandfontein UG2 tailings facility are contracted to be delivered to offtakers under related offtake agreements. Since July 2022, with the consent of the chrome offtaker, Union Goal Offshore Solutions Limited, ("Union Goal"), chrome concentrates have been stored on-site at the CRM and sold directly to third-parties. During the year ended December 31, 2023 ("Fiscal 2023"), the Company recognized sales of 548,921 tons of chrome concentrate to third-parties.

The PGM main plant circuit B ("PGM 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). Eastplats has completed the underground long-term plan and mine design study for the CRM, and is executing the business plan to restart underground operations. The Company continues to actively monitor the PGM markets and other developments in the mining and minerals sector as it assesses the overall economics related to resuming active underground mining at CRM.

The Company has completed a legal analysis in relation to the environmental impact assessment ("EIA") for the Mareesburg project. The Company continues to work on an updated internal assessment of the project.

There are no developments to report in connection with the KV project, however at Spitzkop, the Company started a desktop study on the open pit potential, and started a conceptual study and process of amending the environmental authorizations which is expected to be completed in 2024, subject to financing. KV, Spitzkop and the Mareesburg projects (collectively the "Eastern Limb Projects") currently are monitored collectively as a group by management, however, any future development of these projects will be based on the individual merit of each.

<u>Corporate Update</u>

On December 4, 2023, the PGM Tailings Concentrate Agreement (the "PGM Offtake Agreement") between Impala Platinum Limited ("Impala"), a subsidiary of Impala Platinum Holdings Limited ("Implats"), and Barplats, signed on September 29, 2020 for delivery of PGM tailings concentrate to Impala was extended. All terms and conditions as provided for in the PGM Offtake Agreement will remain as is up to and including December 21, 2024.

On November 7, 2023, the Company announced it had obtained approval from the South Africa Competition Commission regarding the acquisition of common shares of the Company by Ka An Development Co. Limited pursuant to the rights offering (see news release of May 8, 2023), subject to establishment of an employee share ownership program, which will hold at least 5% of Barplats and will be established within 6 months from Barplats attaining a steady state of certain run of mine tonnages for a period of six consecutive months.

In late October of 2023, the Company commenced blasting activities at the CRM, which initiated the soft restart of the Zandfontein underground section. The blasting has allowed the Company to stockpile ore for processing in the first half of 2024. At a normalized run rate, this soft restart phase is expected to produce 40,000 tons of PGM ore a month by the end of 2024. The next phase will see operations ramp up to 70,000 tons of PGM ore a month at the end of 2025, operating at a steady state rate in between 70,000 and 80,000 tons monthly by 2026 (see news release on January 23, 2024).

On June 21, 2023, the Company announced the voting results of the Company's 2023 Annual General Meeting of Shareholders held on June 20, 2023 (the "Meeting"). A total of 65,194,989 common shares were voted at the Meeting, representing 47.30% of the votes attached to all the outstanding common shares of the Company. All resolutions were approved as submitted and all Directors were re-elected.

On May 8, 2023, the Company announced the completion of its offering to its shareholders (the "2023 Rights Offering") (see news release on March 24, 2023). On May 12, 2023, (the "Issue Date"), Eastplats issued an aggregate of 64,080,653 common shares of the Company at a price of Cdn$0.11 per common share issued in respect of the exercise of rights trading on the TSX and ZAR1.4564 per common share issued in respect of the exercise of rights trading on the JSE for total gross proceeds of approximately Cdn$7,043. The aggregate number of 64,080,653 Common Shares is comprised of 52,313,551 Common Shares, which were issued in respect of the rights exercised under the Basic Subscription Privilege, and an additional 11,767,102 Common Shares, which were issued in respect of applications to subscribe for additional Common Shares received by the Company under the Additional Subscription Privilege (on the basis that all applications for additional Common Shares were allocated in full). As of the date of this MD&A, 201,901,426 Common Shares of Eastplats are issued and outstanding.

On April 24, 2023, the Company announced that its Board of Directors (the "Board") received unproven whistleblower allegations, including allegations of undisclosed related party transactions pertaining to the sale of chrome concentrate at discounted prices (the "Allegations"). The Board proceeded to form a special committee (the "Committee") consisting of two independent directors, together with independent counsel retained by the Committee and a third-party e-discovery specialist, to conduct an investigation, review and analysis of the Allegations. The Committee's work included retrieving and reviewing relevant documents; over 135,000 documents comprising of emails and other documents from the Company's document management system have been collected and uploaded into an e-discovery and legal search platform. Various searches have been implemented and relevant documents reviewed. As well, interviews with key members of management and material persons have occurred (see news releases dated May 12, 2023, June 20, 2023, August 11, 2023 and November 11, 2023). On December 11, 2023, the Company announced that the Committee's investigation had been completed. The Committee found the Allegations advanced by the whistleblowers to be unsubstantiated. The Committee did not find evidence to establish that the Company entered into any related party transaction pertaining to the sale of chrome concentrate and further concluded that the prices of the contracts in respect of the sale of chrome concentrate described in the Allegations were within a reasonable range of market price, particularly in the challenging circumstances the Company faced in the latter half of 2022 and taking into account delivery terms and the grade of chrome concentrate.

2. Fiscal Year 2023 Fourth Quarter Highlights

2.1 Significant events

(a) Retreatment Project Update and Production

The Retreatment Project is a proprietary operation producing chrome concentrates. It includes a combined hydro and mechanical re-mining method, with magnetic separation applied to produce chrome concentrates, thus obtaining superior yield results compared to traditional gravity technology. The Retreatment Project is one of the few large-scale magnetic separation applications in South Africa. Since 2017, Barplats has grown from 100 employees to over 800 employees and contractors engaged in supporting the Retreatment Project and the soft restart of the Zandfontein underground operations. The current Retreatment Project is expected to continue operating into late 2024 when the original CRM tailings from the tailings storage facility ("TSF") are expected to be fully processed.

Operations consist of remining 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 December 31, 2023 ("Q4 2023"), the Company produced 109,056 tons of chrome concentrate from the Retreatment Project, with an average grade of Cr_2O_3 at 38.72% (three months ended December 31, 2022 ("Q4 2022") – 156,738). Year over year production decreased between Q4 2022 and Q4 2023 due to operational challenges incurred in the current period, similar to Q3 2023, as lower grade sections of the TSF, containing ultra-fine materials, were being processed.

(b) Optimization Program

Eastplats continues to plan for the completion of the installation of the additional equipment to optimize the chrome plant's overall efficiency and processing, the "Optimization Program," which is designed to provide increased chrome recovery and grade. 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 during 2021 and much of the installation work in 2022. Completion was contingent on receipt of payments from Union Goal required to fund the remainder of commissioning and testing. However, with no funds having been advanced by Union Goal since 2022, the Company has placed the Optimization Program on hold until further discussion with Union Goal are held.

(c) PGM Circuits

During Q4 2023, the Company produced 900 dry tons of PGM concentrate from PGM Circuit B and PGM Circuit D (collectively, the "PGM Circuits"). This was lower than the same period from the previous year (1,337 dry tons produced) due to the operational challenges in the current period as discussed above, as the ultra-fine materials provided lower yields of both chrome and PGM concentrates. The PGM concentrates were delivered under the existing PGM Offtake Agreement between Barplats and Impala.

2.2 Financial Results – Q4 2023 vs Q4 2022

- Revenue was $30,463 in Q4 2023 compared to $12,396 in Q4 2022. The increase in revenue for Q4 2023 was primarily due to an increase in chrome sales volume at higher market rates in the period. Since late 2022, the Company has transitioned to third-party sales. The higher chrome revenue was offset by a reduction in PGM revenue in the period as PGM concentrate production decreased 39% from the prior period, while spot PGM prices, most notably palladium and rhodium prices, were significantly lower in the current period. The lower spot prices not only reduced revenue on Q4 2023 production, but also led to significant settlement losses on previous sales which are settled five months after production of the PGM concentrate based on current market prices.

- Mine operating income was $7,770 in Q4 2023 compared to a mine operating loss of ($1,802) in Q4 2022. The increase was driven by the increased tonnage of chrome concentrate sold in the quarter at higher market prices.

- Gross margin increased to 25.5% in Q4 2023 compared to (14.5%) in Q4 2022. The increase was driven by the increased tonnage of chrome concentrate sold in the quarter at higher market prices to third-parties. The negative gross margin in Q4 2022 was due to lower chrome concentrate sales and higher logistics costs, as the Company just transitioned to third-party sales, while chrome logistics costs were not offset by logistics revenues as they had been previously under the Union Goal Framework Agreement.

- Operating income was $2,763 in Q4 2023 compared to an operating loss of ($4,838) in Q4 2022, due to the higher chrome concentrate sales in Q4 2023, offset somewhat by decreased PGM sales in the period.

- Net income attributable to equity shareholders was $3,322 in Q4 2023 compared to $1,446 in Q4 2022. The increase in net income was largely attributable to the significant increase in third-party chrome concentrate sales in the period.

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.

Table 1

Selected quarterly data
(Expressed in thousands of U.S. dollars, except for per share amounts and foreign exchange rates)

	2023				2022			
	Dec. 31	Sept. 30	Jun. 30	Mar. 31*	Dec. 31*	Sept. 30	Jun. 30	Mar. 31
	$	$	$	$	$	$	$	$
Revenue	30,463	21,808	36,636	18,037	12,396	3,592	20,488	17,407
Production costs	(21,352)	(13,377)	(21,460)	(13,036)	(13,690)	(1,707)	(14,421)	(12,260)
Production costs – depreciation	(1,341)	(1,433)	(1,916)	(1,465)	(508)	-	(1,913)	(1,744)
Mine operating income (loss)	7,770	6,998	13,260	3,536	(1,802)	1,885	4,154	3,403
General and administrative & adjustments for expected credit loss on trade receivables	(1,041)	(933)	(695)	(474)	(1,270)	(915)	(938)	(1,619)
Care and maintenance & site services	(1,879)	(2,488)	(2,164)	(1,262)	(1,766)	(1,911)	(2,275)	(1,689)
Pre-production costs	(2,087)	-	-	-	-	-	-	-
	(5,007)	(3,421)	(2,859)	(1,736)	(3,036)	(2,826)	(3,213)	(3,308)
Operating income (loss)	2,763	3,577	10,401	1,800	(4,838)	(941)	941	95
Other income (expenses), net	551	(449)	(2,694)	(2,157)	6,312	(5,665)	(2,131)	3,212
Income (loss) before income taxes	3,314	3,128	7,707	(357)	1,474	(6,606)	(1,190)	3,307
Income tax recovery (expense)	8	(3)	(51)	3	(29)	3	2,237	11
Net income (loss) for the period	3,322	3,125	7,656	(354)	1,445	(6,603)	1,047	3,318
Net income (loss) attributable to equity shareholders of the Company	3,322	3,127	7,663	(353)	1,446	(6,602)	1,212	3,007
Earnings (loss) per share – basic and diluted	0.02	0.02	0.04	0.00	0.01	(0.05)	0.01	0.02
Average foreign exchange rates								
US dollar per South African Rand	0.0534	0.0537	0.0537	0.0564	0.0568	0.0587	0.0642	0.0657
US dollar per Canadian dollar	0.7343	0.7457	0.7446	0.7398	0.7364	0.7658	0.7835	0.7897
Period end foreign exchange rates								
US dollar per South African Rand	0.0546	0.0528	0.0527	0.0562	0.0587	0.0556	0.0615	0.0689
US dollar per Canadian dollar	0.7547	0.7364	0.7545	0.7383	0.7370	0.7302	0.7744	0.7981

**Quarterly data is restated to correct for the error described earlier in this MD&A and described in note 24 of the consolidated financial statements for the period ending December 31, 2023.*

The Company's operations are normally 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). During 2022, as a result of operational adjustments in chrome concentrate delivery methods and a transition to a more traditional revenue model selling to new customers, the third and fourth quarter results were impacted accordingly. In Q1 2023, the Company completed its first full quarter under this new revenue model. While it continues to negotiate with Union Goal, as discussed further in section 4.1, the Company expects to continue selling chrome concentrate produced at the CRM to third-parties.

4. Results of Operations for the Three Months and Year Ended December 31, 2023

All of the Company's mineral properties are located in South Africa and all of the site services costs, care and maintenance costs, pre-production 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 PGM and chrome 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 predominantly incurred in Canadian dollars and South African Rand. The annual average foreign exchange rates for 2023, 2022, and 2021 are summarized as follows:

	ZAR to USD	Cdn to USD
2023	0.0543	0.7411
2022	0.0613	0.7688
2021	0.0677	0.7979

The annual average inflation rate in South Africa in 2023 was 6.0%, 6.9% in 2022, and 4.5% in 2021 (Consumer Price Index, December 2023).

The following table sets forth selected consolidated financial information for the years ended December 31, 2023, 2022, and 2021:

Table 2

Consolidated statements of income (loss)			
(Expressed in thousands of U.S. dollars, except per share amounts)			
		Year ended December 31,	
	2023	2022 (restated)	2021
	$	$	$
Revenue	**106,944**	53,883	68,198
Cost of operations			
Production costs	**(69,225)**	(42,078)	(51,655)
Depletion and depreciation	**(6,155)**	(4,165)	(6,925)
Mine operating income	**31,564**	7,640	9,618
Expenses			
General and administrative	**2,911**	2,855	2, 953
Adjustments for expected credit loss on trade receivables	**232**	1,887	(107)
Site services	**4,091**	4,737	4,757
Care and maintenance	**3,702**	2,904	3,240
Pre-production costs	**2,087**	—	—
Operating income (loss)	**18,541**	(4,743)	(1,225)
Other (expense) income and income tax (expense) recovery	**(4,792)**	3,949	(1,486)
Net income (loss) for the year	**13,749**	(794)	(2,711)
Net income (loss) attributable to:			
Non-controlling interest	**(10)**	144	(1,561)
Equity shareholders of the Company	**13,759**	(938)	(1,150)
Net income (loss) for the year	**13,749**	(794)	(2,711)
Earnings (loss) per share			
Basic and diluted	**0.08**	(0.01)	(0.01)
Weighted average number of common shares outstanding (‘000s)			
Basic	**178,903**	137,821	135,422
Diluted	**179,026**	137,821	135,422
Consolidated statements of financial position			
	December 31, 2023	December 31, 2022	December 31, 2021
	$	$	$
Total assets	**160,770**	153,185	162,783
Total non-current liabilities	**4,065**	8,242	65,993

The Company recorded net income attributable to equity shareholders of the Company of $13,759 (or $0.08 per share) in 2023 compared to a net loss attributable to equity shareholders of the Company of ($938) (or ($0.01) per share) in 2022 and a net loss attributable to equity shareholders of the Company of ($1,150) (or ($0.01) per share) in 2021. Detailed explanations are presented in the following section.

4.1 Overall Performance

Revenue

The Company generated revenue from processing chrome and PGM concentrates during Q4 2023 and the year ended December 31, 2023 ("FY2023"). The Company's majority of revenue (approximately 96% and 95% for Q4 2023 and for FY2023, respectively) was from chrome concentrate sales. Until July 2022, this revenue was based on the Union Goal offtake agreement (the "Union Goal Offtake Agreement") entered into between the Company's subsidiary Barplats and Union Goal in relation to chrome concentrate production from the Retreatment Project. Previously, and until the end of the second quarter of 2022, the Retreatment Project produced revenue based on tons of material made available for processing by remining and processing 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 was recognized based on tons made available for processing from the discounting of the chrome equipment debt and the construction loan based on an effective discount rate. Although the Union Goal Offtake Agreement remains in place, Union Goal stopped taking shipments of chrome concentrate in June 2022. Since July 1, 2022, chrome revenue has been recognized only through third-party sales of chrome concentrate. The Company also earns PGM revenue under the PGM Offtake Agreement with Impala from further processing of tailings materials following the production of chrome concentrates.

The Company generated revenue from the processing and delivery of chrome of $29,380 and $101,752 for Q4 2023 and FY2023, respectively, as compared to $9,687 and $41,646 for Q4 2022 and the year ended December 31, 2022 ("FY2022"), respectively. The increase was primarily due to higher tonnages sold to third-parties at market prices which are significantly higher than the prices the Company received on chrome concentrate sales in 2022. Chrome and PGM concentrate transactions are contracted based on prevailing market prices, adjusted for actual grades. PGM concentrate transactions are governed by the PGM Offtake Agreement with Impala; chrome concentrate sales transactions may include certain discounts in exchange for favourable payment or shipping terms.

The Company generated PGM concentrate revenue of $1,083 and $5,192 in Q4 2023 and FY2023, respectively, as compared to $2,709 and $12,237 in the same periods in 2022. The decrease in PGM revenue was due to a decrease in PGM production from 2,232 ounces produced in Q4 2022 to 1,366[1] ounces produced in Q4 2023. Market prices for PGM concentrate have also decreased significantly from the prior year. PGM invoices are settled five months after the production month; the decrease led to additional settlement losses on contracts completed in the quarter as well as mark to market losses on contracts pending completion. These losses were offset by gains of $443 in FY2023 on the advanced payments received from the Investec finance facility, which were recorded in Other income.

Mine operating income (loss)

Mine operating income for Q4 2023 and FY2023 was $7,770 and $31,564, respectively, as compared to a mine operating (loss) income of ($1,802) and $7,640 for the comparative periods in 2022. Gross margin increased to 25.5% in Q4 2023 compared to (14.5%) in Q4 2022. Gross margin increased to 29.5% in FY2023 from 14.2% in FY2022. As mentioned earlier in this MD&A, the increase in mine operating income is consistent with the overall increase in revenue from chrome concentrate sales, higher gross margins on these third-party sales due to higher market prices for chrome, and ongoing efforts to optimize production.

Depletion and depreciation was $1,341 and $6,155 for Q4 2023 and FY2023, respectively, as compared to $508 and $4,165 for Q4 2022 and FY2022. The increase was due to higher amounts capitalized to inventory

[1] Estimated production, subject to change based on final assays.

in the comparable periods as third-party chrome concentrate sales ramped up in the second half of 2022. There were no significant changes to capital equipment in service in the current quarter.

General and administrative

General and administrative ("G&A") costs are associated with the Company's Vancouver corporate head office and associated professional and corporate costs. G&A costs were $809 and $2,911 for Q4 2023 and FY2023, respectively, compared to $459 and $2,855 for the respective periods in 2022. The G&A costs increase for Q4 2023 was due to higher professional fees relating to the Committee's investigation in the current period and increased remuneration costs due to higher staffing levels than in the comparable period.

Adjustments for expected credit loss on trade receivables

Expected credit loss ("ECL") adjustment recorded in Q4 2023 and FY2023 was $232 and $232, respectively, as compared to $811 and $1,887 for Q4 2022 and FY2022. The additional ECL adjustment made in FY2023 relates to the trade receivables balance from a third-party customer in relation to a chrome concentrate sales contract completed in the prior year. The majority of the Company's ECL provision continues to relate to the Union Goal outstanding balance. Although the credit risk exposure on the Company's trade receivable balance with Union Goal is significantly reduced by way of the 2021 Updated Retreatment Project Agreements with any outstanding receivable balance applied against the contract payable amount owed to Union Goal, the Company is required to estimate when the receivable will be paid. The ECL related to Union Goal is the time value adjustment of the receivable based on an estimated payment date in 2024.

Site services

Site services costs relate to work performed indirectly to support operations. As such, costs such as security, management and support operations are included in site services. These costs increased to $1,553 in Q4 2023 from $992 in Q4 2022 and decreased to $4,091 for FY2023 from $4,737 in FY2022. The higher site services costs in Q4 2023 were driven by an increase in sundry costs incurred at the mine site including repair and maintenance expenses, bad debt expense on other receivables and IT related expenses. The decrease for FY2023 was due to negotiated credits received from vendors for previously billed services in prior years.

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 Mareesburg 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 decreased to $326 in Q4 2023 from $774 in Q4 2022 and increased to $3,702 for FY2023 from $2,904 in FY2022. Costs decreased significantly in the quarter as pre-production costs were incurred in Q4 2023. The increase for FY2023 was due to underground restart preparation costs incurred before Q4 2023 and included with care and maintenance costs. As well, higher electricity costs based on increased tariff rates were incurred at the CRM while labour costs increased due to inflation related salary adjustments and additional staff in preparation for the underground restart.

Pre-production costs

Pre-production costs relate to the initial work performed to bring the underground CRM operations back into production. The Company initiated the soft restart of the Zandfontein underground operations at the CRM in October 2023. As such, certain costs incurred were no longer of the same nature as care and maintenance costs, and are now reported separately. Pre-production costs were $2,087 for Q4 2023 and $2,087 for FY2023, respectively, compared to $nil and $nil for the respective periods in 2022.

Operating income (loss)

The Company generated operating income of $2,763 and $18,541 for Q4 2023 and FY2023 compared to an operating loss of ($4,838) and ($4,743) for the respective periods in 2022. The increase in operating income in Q4 2023 resulted mainly from increased third-party chrome concentrate sales.

Other income (expense)

Other income (expense) excluding foreign exchange gains and losses for Q4 2023 and FY2023 was a loss of ($106) and ($2,134), respectively as compared to income of $5,231 and $3,557 in the comparable periods in 2022. The change from the prior period was primarily due to other income related to the change in value of the Company's loans payable which was recorded in Q4 2022. As well, FY2022 included a gain on disposal of the Maroelabult assets recognized in the period. Other income also includes gains and losses on commodity hedges on PGM sales, rental income from Company-owned residential properties on the Eastern Limb Projects and scrap metal sales not directly related to operations.

Foreign exchange gain (loss)

The Company recorded a foreign exchange gain of $657 for Q4 2023 and a foreign exchange loss of ($2,615) for FY2023 as compared to a foreign exchange gain of $1,081 for Q4 2022 and a foreign exchange loss of ($1,830) for FY2022. Although the South African Rand closed at a higher rate at December 31, 2023 than the last quarter-end at September 30, 2023, on average the South African Rand weakened in the quarter and for the year. A weaker Rand in a period creates a foreign exchange loss on the Company's U.S. dollar contract payable liability which is the main driver of the Company's foreign exchange gains and losses.

4.2 Crocodile River Mine

<u>Retreatment Project – Chrome recovery</u>

The Retreatment Project generated 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. As of July 1, 2022, the Company has stopped recognizing revenue from the processing of tailings for Union Goal and since the start of the third quarter of 2022, the Company engaged in free market sales where revenue is recognized in a more typical manner, when payment is probable and control is transferred to the buyer.

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 included:

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.

Summary of chrome production for the three months and year ended December 31, 2023 and 2022:

	Q4 2023	Q4 2022	**FY2023**	FY2022
Total Tailings Feed (Tons)	**480,777**	655,011	**2,247,705**	2,548,785
Average grade Cr concentrate	**38.7%**	38.6%	**38.7%**	38.7%
Tons of Cr concentrate	**109,056**	156,738	**486,166**	602,111

The Company continues the TSF wall building program, utilizing waste rock and paddocking, to raise the wall to facilitate continued depositing of reprocessed tailings. The reprocessing of the original CRM tailings is expected to be completed by the end of 2024.

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. 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 confirmed the restart of PGM revenue.

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

Summary of PGM production for the three months and year ended December 31, 2023 and 2022:

	Q4 2023	Q4 2022	**FY2023**	FY2022
Tons of PGM concentrate	**900**	1,337	**3,869**	5,616
PGM ounces produced (6E)*	**1,366**	2,232	**6,660**	8,742

*PGM 6E ounces are estimates until final exchanges and umpire results have been concluded, which can take up to three months.

4.3 Mareesburg Project

The Company has experienced delays in completing its EIA, and plans to continue work on an updated internal project assessment and then expects to follow this with a mine design study and technical review, and further environmental studies, as warranted, during 2024.

5. Liquidity and Capital Resources

As mentioned earlier in this MD&A, on May 8, 2023, the Company announced the completion of the 2023 Rights Offering to its shareholders. On Friday, May 12, 2023, Eastplats issued an aggregate of 64,080,653 common shares of the Company at a price of Cdn$0.11 per common share issued in respect of the exercise of rights trading on the TSX and ZAR1.4564 per common share issued in respect of the exercise of rights trading on the JSE for total gross proceeds of approximately Cdn$7,043.

As at December 31, 2023, the Company had a working capital deficit (current assets less current liabilities) of $15,504 (December 31, 2022 – working capital deficit of $37,779) and short-term cash resources of $21,349 (consisting of cash, cash equivalents and short-term investments) (December 31, 2022 – $2,448). The working capital deficit is mainly due to the Union Goal contract payable of $52,921 being recorded as a current liability in the year. 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. Although the optimization program has not been completed, management estimates that negotiations with respect to payment of the Union Goal contract payable will be completed before the end of 2024. 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. The Company can exercise its option to return the equipment and extinguish the debt in full if an agreement on the final purchase price cannot be reached. On February 16, 2024, the Company received a notice of civil claim filed by Union Goal with respect to the portion of the contract payable held by Eastern Platinum Ltd. ($6,673). See section 5.3 Contractual Obligations, Commitments and Contingencies for a further discussion of this claim.

The Company's cash and short-term investments increased by $18,901 as at December 31, 2023 compared to the balance as at December 31, 2022. The increase was driven mainly from the 2023 Rights Offering discussed above, as well as the increase in chrome concentrate sales which led to operational activities net cash inflows of $18,888. This was offset by an increase in investing activities, including the purchase of capital equipment and other assets at the CRM of ($5,203).

The Retreatment Project, in relation to the recovery of chrome concentrate at CRM, is in steady operation and has been operating for five years. The Company was also able to begin operations via PGM Circuit D in late 2020 and commissioned PGM Circuit B the following year to deliver PGM concentrates under the PGM Offtake Agreement with Impala. The Company initiated a soft restart of the Zandfontein underground operations in October 2023 with the intention of processing underground run-of-mine ore beginning in Q2 2024. All other properties and projects are under care and maintenance or are at an earlier stage of development. As the Company continues to operate the Retreatment Project and the soft restart, there remains material uncertainty as to whether the Company will be able to achieve sufficient cash inflows to meet its expected obligations in the next 12 months. Although management expects to fully meet its payment obligations as they become due, a further re-financing of the contract payable debt may need to be negotiated with Union Goal. Other sources of financing may also be required and are actively being pursued.

Significant judgments and estimates are involved in projecting the future cash flows including the level of production of the Retreatment Project or other operations. The Company closed a finance facility with Investec during the last half of 2022, previously raised funds through a rights offering and in May 2023, closed a second rights offering, but additional funding may be required to advance the larger PGM development opportunity for underground production at the CRM, continued development of the Mareesburg Project or other Eastern Limb Projects to bring them into production.

The Company's cash forecasts include certain assumptions; there exists liquidity risk (see section 8 (c)(v)) if certain of these 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 Company approved its 2024 budget in January 2024 to execute the corporate objectives discussed in Section 5.1 of this MD&A. The Company's 2024 objectives are expected to be funded through a combination of existing working capital, funds from current operations, and through additional financing.

5.1 Outlook

The Company's CRM Retreatment Project in South Africa was operating without restrictions at December 31, 2023 and as of the date of this MD&A. The Company restarted PGM Circuit D during Q4 2020 and

PGM Circuit B was commissioned in October 2021. Eastplats continues to deliver PGM concentrates under the PGM Offtake Agreement with Impala.

In July 2022, with the consent of Union Goal, the Company began stockpiling chrome concentrate inventory and negotiating third-party sales. The Company completed its first third-party sales of chrome concentrate in Q4 2022, and expects to continue conducting third-party chrome concentrate sales in 2024 with production from the TSF to continue until Q4 2024. The Company expects to replace the TSF production with that from the underground restart, ramping up to steady state production in 2025.

The Company plans to restart work on the Optimization Program, however, this is predicated on Union Goal's ability to provide funding to reduce the Company's outstanding trade receivable balance. The Company has not received any further payments to reduce the outstanding trade receivable balance nor to fund the Optimization Program from Union Goal since March 2022. A default on the receivable or lack of payment from Union Goal could have a significant impact not only on the instrument credit risk adjustments recorded to date but on the Company's liquidity as a whole. Despite providing its consent to the Company to initiate third-party sales of the chrome concentrate produced at the CRM, continued delays in payment by Union Goal of the outstanding trade receivable balance may require the Company to re-evaluate the fair value of the contract payable, re-evaluate the exclusivity of the contract, and could lead to a renegotiation/change of the Union Goal contracts, including payment by the Company of the related loans owing to Union Goal. The Company still expects to receive all monies owed to it and will pursue all commercial options available to it to collect these amounts, which may include offsetting Eastplats' accounts receivable with the Union Goal accounts payable to realize on our outstanding receivable, an option available to Eastplats as part of the Framework Agreement with Union Goal.

The Company's targets for 2024 are as follows:

- Ramp-up the Zandfontein underground operations, targeting to process up to 235,000 tons of underground Run-of-Mine ("ROM") ore in total for the year 2024 (ongoing);
- Confirm capital plans to support the full re-opening of Zandfontein underground operations at the CRM from external or internal sources (ongoing);
- Complete the second phase of the TSF capital works program and confirm the TSF dam space for new ROM tailings (ongoing);
- Optimize Main Plant Circuit B for underground operations (initiated);
- Renovate Circuit D to high energy flotation cells for better ROM processing recovery rate to 82% or higher (initiated);
- Advance the Mareesburg and Spitzkop project environmental work to complete the EIA and other environmental studies and amendments (ongoing);
- Resolve the outstanding receivables and related matters with Union Goal (ongoing); and
- Continue prospecting and assessment work in relation to Zandfontein, Crocette and Kareespruit sections of the CRM and Kennedy's Vale and Spitzkop mines at the eastern limb of the Bushveld Complex (ongoing).

Eastplats completed a life-of-mine study and underground mine design for Zandfontein in 2022 and the Board of Directors supported carrying out the Zandfontein underground restart business plan, subject to final evaluation and funding arrangements. Although PGM metal prices generally fell during 2023, prices are expected to improve in 2024. During 2024, the Company is focusing on ramping up operations at the Zandfontein underground, subject to capital availability and profitability of its chrome operations. If successful, PGM production is expected to increase in 2024. There are no other expected changes to the business in 2024.

Care and maintenance will continue for the Company's Eastern Limb Projects for 2024. 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. All decisions will be made based on long-term economic determinations. The Company may require additional funding to develop capital projects in 2024 including a full restart of the Zandfontein underground, that may or may not be available to the Company or may require changes to the current operations at the CRM.

With respect to the Mareesburg project, subject to the completion of the EIA, the Company plans to work on an updated internal project assessment during 2024 and then based on this outcome, may follow on with mine design study and technical review, environmental studies and amendments. This may lead to the possible development of the Mareesburg open cast mine, subject to capital requirements and the availability of financing.

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

During FY2023, the Company issued 3,800,000 stock options to directors, officers, and employees of the Company, and an additional 240,000 stock options were issued to a consultant. A total of 200,000 stock options expired in the period.

During FY2022, the Company issued 1,950,000 stock options to directors, officers, and employees of the Company. A total of 4,090,000 stock options expired in the period.

As mentioned earlier in this MD&A, on May 8, 2023, the Company announced the completion of the 2023 Rights Offering. On Friday, May 12, 2023, Eastplats issued an aggregate of 64,080,653 common shares of the Company at a price of Cdn$0.11 per common share issued in respect of the exercise of rights trading on the TSX and ZAR1.4564 per common share issued in respect of the exercise of rights trading on the JSE for total gross proceeds of approximately Cdn$7,043.

On June 8, 2023, the Company extended the expiry date of 5,960,000 of its outstanding warrants by one year to June 26, 2024.

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

- 201,901,426 common shares issued and outstanding;
- 5,960,000 warrants outstanding; and
- 7,040,000 stock options outstanding as listed as follows:

Table 3

Options outstanding	Options exercisable	Exercise price Cdn$	Remaining Contractual Life (Years)	Expiry date
450,000	450,000	0.21	0.1	June 13, 2024
450,000	450,000	0.37	1.5	October 16, 2025
650,000	650,000	0.34	2.1	June 23, 2026
1,450,000	1,450,000	0.23	3.2	July 6, 2027
4,040,000	4,040,000	0.10	4.1	June 21, 2028
7,040,000	**7,040,000**		**3.3**	

5.3 Contractual Obligations, Commitments and Contingencies

The Company's major contractual obligations and commitments as at December 31, 2023 were as follows:

Table 4

(in thousands of U.S. dollars)	**Total** $	Less than 1 year $	1 - 5 years $	More than 5 years $
Contracts payable (iii)	**52,921**	52,921	—	—
Other obligations (iv)	**6,670**	6,670	—	—
Provision for environmental rehabilitation (i)	**3,130**	—	—	3,130
Capital expenditure and purchase commitments (v)	**2,620**	2,620	—	—
Lease obligations (ii)	**569**	498	71	—
	65,910	62,709	71	3,130

(i) Environmental rehabilitation provision over the life of mining operations and amounts shown are estimated expenditures at fair value, assuming weighted average credit adjusted risk-free discount rates of 11 - 12% and an inflation factor of 4.98%.

(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, subject to reduction or elimination, according to the 2021 Updated Retreatment Project Agreements. Subject to neither party exercising its option right granted, the due date is contractually set at 210 days after the date of issuing the plant commissioning certificate when the optimization program is completed and commissioned. Since the optimization program has not been commissioned and the option period remains in effect, the Company expects to enter into negotiations in good faith in respect of the value of the payment and to exercise its put option to extinguish the payable by relinquishing ownership of the plant if consensus cannot be reached. The Company expects this negotiation to occur within the next 12 months. The terms are more fully described in Note 14 – Union Goal Contracts in the audited consolidated financial statements for the year ended December 31, 2023.

(iv) Other obligations consist of trade and other payables and the draw on the Investec finance facility.

(v) Capital expenditure and purchase commitments contracted at December 31, 2023 but not recognized on the consolidated statement of financial position.

Litigation by Union Goal against the Company

On February 16, 2024, the Company received a notice of civil claim from Union Goal filed in the Supreme Court of British Columbia (the "BC Supreme Court") (BCSC Court File no. S-240936). In the notice, Union Goal claimed a breach of contract and unjust enrichment with respect to the credit facility provided to

Eastern Platinum Ltd. from Union Goal, asserting that the outstanding balance of the facility had become payable. The Company does not believe it is in breach, as the updated framework agreement stated that the credit facility would become payable 210 days after receipt of the plant commissioning certificate related to the Optimization program, which, as mentioned earlier in this MD&A, has not been received.

Litigation by 2538520 Ontario Limited against the Company

On February 7, 2020, 2538520 Ontario Limited ("253") and its CEO, Rong Kai Hong ("Hong"), (together, the "Plaintiffs") filed an additional claim to its previously (and since settled) petition, regarding various allegations, including that the Company was acting to oppress the Plaintiffs' rights among other claims. 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 filed a response to the civil claim on July 15, 2021. An application with respect to service on other parties was heard in February 2022 and the BC Supreme Court determined on June 30, 2022 that those other parties have been properly served. Counsel for 253 and Hong demanded that certain parties deliver responses to the civil claim by no later than July 31, 2022, failing which 253 and Hong would seek default judgment. No responses have been filed as of the date of this MD&A, however, the Plaintiffs have not sought default judgment, instead applying for an order requiring that responses be filed. That application was adjourned and responses to civil claim by those certain parties remain outstanding. On March 13, 2024, the Plaintiffs filed a further amended notice of civil claim, contrary to the Court Rules. The Company intends to apply to strike the further amended notice of civil claim and to dismiss the lawsuit. No provision is made in the Company's consolidated financial statements as the Company assessed the allegations have no merit.

Litigation by Xiaoling Ren against the Company

In December 2020, the Company received a petition filed with the BC Supreme Court, 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. The petition is substantially similar to that filed in November 2018 for 253, which was dismissed in 2019, and which decision was upheld on appeal. The Company filed a response to and sought dismissal of Ms. Ren's petition.

In April 2023, the court released reasons for judgment denying leave to commence a derivative action against certain current and former directors, but granting leave as against the former CEO of the Company. In early May 2023, pursuant to the court's earlier decision granting leave, Ms. Ren filed a derivative notice of civil claim with the BC Supreme Court in the Company's name against the former CEO. The Company is reviewing the May 2023 notice of civil claim with its advisors. In December 2023, the Company commenced an appeal of the April 2023 order granting leave to commence a derivative action. On March 21, 2024, the court denied the appeal. It is not possible to provide a further evaluation of the claim as of the date of this MD&A.

2016 BEE Buyout Transactions

On June 30, 2016, two days after concluding agreements for the sale of Crocodile River Mine (which agreements were subsequently terminated), the former management of the Company purportedly entered into a number of agreements (the "2016 BEE Buyout Transactions") with Ingwenya and Serina (collectively the “Vendors”) to acquire or cancel all of the interests previously held by the Company’s black economic empowerment partners (the “BEE Partners”) in the Company’s South African projects except for the 17.65% equity interest in Afrimineral Holdings (Pty) Ltd. (“Afrimineral”) for a total of $13,367. The Vendors represented to the Company and to its relevant subsidiaries that the Vendors are or will be the registered and beneficial owners of the respective equity interests in the Company’s South African projects as at the closing date defined under the 2016 BEE Buyout Transactions. The 2016 BEE Buyout Transactions consist of the acquisition of (i) 44.12% equity interest in Gubevu Consortium Investment Holdings (Pty) Ltd (“Gubevu”) for a total of $8,955 and an 18% equity interest in Lion’s Head Platinum (Pty) Ltd. (“Lion’s Head”) for $1,099 from Ingwenya; and (ii) 8% interest in Lion’s Head for $502, a 5.89% equity interest in Gubevu for $1,194 and a 33.35% equity interest in Afrimineral for $1,617 from Serina.

In 2017, the Company was advised on behalf of the BEE Partners that they no longer considered themselves as the Company’s BEE Partners. However, the Company was not provided with all of the background details and documents concerning those arrangements and was unable to otherwise confirm or document that result. In 2020, the Company was provided with certain documents and records confirming that Serina, Ingwenya and the BEE Partners had purportedly agreed to nullify and reverse the transactions among them with the result that the BEE Partners’ interests (save for the 17.65% equity interest in Afrimineral) had reverted to Serina and Ingwenya, effective as of June 2017.

The Company notes that as a result of the foregoing, it had sufficient documentation and other representations to allow it to confirm and record that it no longer had BEE Partners as of June 2017 and any interest purportedly held by Serina and Ingwenya could be considered transferred. South African mining regulations require certain levels of black economic empowerment (“BEE”) shareholdings from a party granted mining rights. The Company believes that it was and is in compliance with the applicable BEE requirements throughout the relevant time 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. This judgment decided that this principle applied to the renewal of existing mining rights. Given the time that has passed since the judgement and due to statements made by certain officials, it is unlikely that this judgment will be appealed. However, there is a risk that the effect of this Court decision could be changed by legislative means in the future, and further direction in this regard is awaited from the Department of Mineral Resources and Energy (“DMRE”). Failure to address any such alleged non-compliance may negatively impact the Company’s operations and the value of its assets. No provision is made in the consolidated financial statements and the Company remains committed to working with the DMRE to ensure ongoing compliance.

Claim against Serina and Ingwenya

On June 7, 2018, the Company filed a claim in the BC Supreme Court against Serina and Ingwenya in relation to the payment of $13,367. The Company filed an application for default judgment against Serina in the BC Supreme Court in December 2018, and default judgment was granted in 2019. The Company has been unable to successfully contact either Serina or Ingwenya to date. The Company has been advised that recovery of the funds or judgement appears remote. No amount has been accrued on the Company’s consolidated financial statements for this claim as it would be a contingent amount if successful.

Claim dispute regarding Spitzkop

On October 25, 2018, the Company received a notice from the DMRE of an appeal launched with the DMRE with respect to the Company’s mineral license issued in 2012 relating to the Spitzkop property. In addition, the claimant has launched an appeal against a water use license issued to the Company in 2017 and a related review application in respect thereof in the High Court in South Africa. The Company and the claimant are currently engaging to amicably resolve this matter and it does not expect that it will result in a cash outflow by the Company in the foreseeable future.

Project Agreement – PGM Circuit H

In July 2020, Barplats entered into a project framework agreement with Advanced Beneficiation Technologies Proprietary Limited ("ABT") (the "Agreement") in respect of the possible construction of a modular plant to process PGMs from certain tailings at the CRM (the "Circuit H Project"). The Agreement is the subject of a dispute between the parties and ABT has referred the dispute to arbitration under the Agreement. In addition, on June 27, 2023, Barplats received a summons out of the High Court of South Africa (North West Division, Mahikeng) from ABT Toda Proprietary Limited ("ABT Toda") as plaintiff. In both matters, pleadings were exchanged and are now closed, the process of the discovery of documents is underway. No provision has been made in the consolidated financial statements for 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

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 December 31,**		**Year ended December 31,**	
	2023	2022	**2023**	2022
	$	$	**$**	$
Trading transactions				
Director fees	**72**	48	**268**	189
Management fees (consultants only)	**–**	–	**–**	329
Share-based payments	**–**	–	**45**	75
Total	**72**	48	**313**	593
Compensation of key management personnel				
Remuneration	**141**	89	**621**	806
Payments to former management	**–**	170	**–**	595
Share-based payments	**–**	–	**40**	68
Total	**141**	259	**661**	1,469

In 2022, the Company had a consulting agreement with Oriental Fortune Consulting Services Limited ("Oriental Fortune") which is controlled by the Company's former Vice President ("VP"). The Company agreed to pay $21 per month to Oriental Fortune for management consulting services rendered. The consulting agreement was terminated on August 16, 2022. In addition to the monthly fee, for the year ended December 31, 2022, Oriental Fortune received a bonus payment of $41 and a contract termination payment of $132.

The Company's key management includes the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the VP. The Company previously employed a Chief Operating Officer ("COO") up until October 2022. Key management personnel were not paid post-employment benefits or other long-term benefits in Q4 2023, nor in the comparative period in 2022.

As discussed earlier in this MD&A, On April 24, 2023, the Company announced that it had received unproven whistleblower allegations, including allegations of undisclosed related party transactions pertaining to the sale of chrome concentrate at discounted prices. On December 11, 2023, the Company announced that its independent investigation had been completed and the allegations advanced by the whistleblowers were found to be unsubstantiated.

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. It is possible that circumstances may arise which cause actual results to differ from the estimates and judgments applied in these consolidated financial statements, and such differences affecting the Company's 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, British Virgin Islands 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, 2023.

Areas of significant judgment and estimates made by management for the year ended December 31, 2023 are as summarized as follows**:**

(a) Critical Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

(i) Impairment

Impairment of property, plant and equipment is based on the Company's estimate of the recoverable amount of the underlying cash generating unit. The estimate of recoverable amounts of a cash generating unit involving a mineral property is a complex estimate involving significant judgement and assumptions including analyzing the observable market transactions with the comparable assets, analyzing appropriate offtake contracts, estimating the quantity and grade of the recoverable reserves and resources, future production timing, rates and operating costs, future capital requirements, future metal prices, discount rates, and appropriate foreign exchange rates. The estimate of the quantity and grade of the recoverable reserves and resources involves assumptions about mining costs and metal prices, and is based on information compiled by appropriately qualified persons relating to data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. If any of these estimates or assumptions prove to be inaccurate, or if the Company's operating plans are revised in the future, there could be a material impact on the estimated fair value of a mineral property.

Since 2016, management reassessed how the Eastern Limb projects would be brought to further development and into production, and concluded to advance the three Eastern Limb properties (consisting of KV, Spitzkop and Mareesburg) separately rather than concurrently. Therefore, it was determined that the Eastern Limb Projects comprised three independent CGUs. As such, for the purposes of the Company's impairment testing from 2017 onwards, management identified CRM, KV, Spitzkop and Mareesburg each as separate CGUs. There are no changes to the Company's CGUs in 2023 and 2022. Determination of the CGUs requires significant estimates and judgements.

During the year ended December 31, 2023, management determined that the continued weakness in the Company's share price during 2023, resulting in the Company's market capitalization being below the carrying amount of the net assets of the Company, constituted an impairment indicator. As well, spot palladium and rhodium prices saw a continued decline during the year. As such, impairment tests were performed at December 31, 2023. Although the decrease in PGM market prices significantly reduced the NPV of the CRM project, strong chrome prices mitigated much of these losses. Based on this analysis, the Company concluded its mineral properties and related assets were not impaired. The significant assumptions utilized in the Company's impairment analysis are discussed in further detail in Note 6(f) of the Company's consolidated financial statements for the year ended December 31, 2023.

(ii) Environmental rehabilitation provision

Environmental rehabilitation obligations have been estimated by appropriately qualified external persons based on the Company's interpretation of current regulatory and best practice requirements and have been measured at the net present value of expected future cash expenditures that would be required upon mine closure. These estimates require significant judgement about the nature, cost and timing of work to be completed, and may change with future changes to costs, environmental laws, regulations and remediation practices and the expected timing of remediation work. The details of assumptions used in calculating the Company's environmental rehabilitation provision are disclosed in Note 15 of the Company's audited consolidated financial statements for the year ended December 31, 2023.

(iii) Union Goal Contracts

The Company purchased the Chrome Circuit equipment based on the Union Goal Contracts in connection with the Retreatment Project. The Chrome Circuit equipment is subject to put and call options in the event that either party is not satisfied with the agreed pricing or performance of the Chrome Circuit equipment during the initial contract period. There are significant estimates and uncertainties involved in assessing the future performance of the Chrome Circuit equipment and the total economic assessment of the project. The Retreatment Project has an estimated remaining life of less than one year based on estimated production. Management believes the Chrome Circuit equipment can be utilized after the completion of the Retreatment Project. Therefore, the Chrome Circuit equipment is amortized based on the unit of production with the total production estimated inclusive of the projected underground ore tonnage.

(b) Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

(i) Provision and contingencies

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 consolidated 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. Management assesses the probability of liability being payable as either remote, more than remote or probable. If liability is considered to be less than probable, then the liability is not recorded and it is only disclosed as a contingent liability.

(ii) Going concern

The Company has been successful in obtaining significant equity and other financings since inception and intends to continue financing its future requirements through re-mining and processing of the tailings resource and through a combination of equity, debt and/or other arrangements. The Company's consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from December 31, 2023. Significant judgements and estimates are involved in projecting future cash flows which are the basis for the Company's expectation that it will continue as a going concern. These include PGM production and PGM market prices and the level of production of the Retreatment Project. The Retreatment Project is also dependent on its operating cash inflows from third-party buyers. Forecasting sales of chrome to third-parties requires estimates of future chrome market prices. The Union Goal contract payable is estimated to become due within the next 12 months. Although management expects to fully meet its payment obligations, a further re-financing of the debt may be negotiated with Union Goal (see Note 14 and Note 25 of the Company's consolidated financial statements for the year ended December 31, 2023).

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 its finance facility, 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 years ended December 31, 2023 and 2022.

(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

	December 31, 2023 $	December 31, 2022 $
Financial assets		
Denominated in USD at South African subsidiaries	**10,928**	5,050
Denominated in Rand at Canadian head office	**113**	21
Total	**11,041**	5,071
Financial liabilities		
Contracts payable denominated in Rand at Canadian head office	**6,673**	6,549
Contracts payable denominated in USD at South African subsidiaries	**46,207**	42,245
Total	**52,880**	48,794

As at December 31, 2023, with other variables unchanged, a 10% strengthening (weakening) of Canadian dollars against the South African Rand would have increased (decreased) net income by approximately $597; 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 $3,208.

(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. On November 10, 2022, the Company announced it had signed a finance facility agreement with Investec providing a secured credit facility of up to $6.1 million (ZAR 110 million) with an interest rate set at the Johannesburg Interbank Average Rate ("JIBAR") + margin agreed between the Company and Investec. The Company has drawn $924 (ZAR17,294) as of the date of this MD&A. The Company is also 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 significant.

(iii) Commodity price risk

The Company's PGM concentrate sales are exposed to commodity price risk with respect to fluctuations in the prices of PGMs going forward. Prior to January 1, 2021, the Company did not have material revenues from PGM concentrate sales. Chrome concentrate sales had been structured based on the tonnage processed referenced to the long-term chrome concentrate commodity price according to the Union Goal contract. Since late 2022, the Company began making third-party sales at market prices, the Company is now exposed to commodity price risk with respect to fluctuations in the prices of chrome.

(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.

Substantially all of the Company's revenues in FY2022 were from two customers, of which the chrome concentrate production revenue was solely from Union Goal up until Q3 2022, and PGM revenue was solely from Impala. Since late 2022, the Company added new third-party chrome customers and temporarily ended sales to Union Goal. 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 addition of third-party sales as well as the contract structure and the significant outstanding contracts payable due to Union Goal.

The trade and other receivable balances are monitored on an ongoing basis. The Company seeks to maintain strict control over its outstanding receivables to minimize credit risk. Expected credit loss provisions are calculated based on payment history and probability of default. The Company's trade receivable balance with Union Goal is a significant portion of the Company's current assets; The Company has been in communication with Union Goal regarding this balance but did not receive any payments in 2023. A provision was recorded in Q1 2022; it is reviewed quarterly based on revised timing of expected settlement and adjusted accordingly. There was no adjustment in Q4 2023. Management is in the process of considering and evaluating its rights under the various agreements with Union Goal (see section 5.3(iii) for additional information).

With respect to credit risk arising from cash and cash equivalents and other assets, the Company limits its counterparty credit risk on these assets by dealing only with financial institutions with strong credit ratings.

(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 has not resumed production 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 2023 and in future years. The Company also holds a secured credit facility which can provide financing up to $6.1 million (ZAR 110 million). At December 31, 2023, the credit facility had a balance owing of $930 (ZAR17,028). There remains material uncertainty that the Company will be able to achieve sufficient cash flows to cover the Company's expected obligations for the next 12 months. 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. Settlement of the contract liability payable to Union Goal, with an expected due date in late 2024, may also require additional funding, refinancing or renegotiation with Union Goal.

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.

9. Application of New and Revised IFRS

Amendment to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

The International Accounting Standards Board ("IASB") amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is material accounting policy information and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments are effective for annual periods beginning on or after January 1, 2023. The Company has modified certain disclosures to reflect this new IFRS pronouncement.

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 Income Taxes require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilized) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in the opening balance of retained earnings, or another component of equity, as appropriate. This amendment is effective for annual periods beginning on or after January 1, 2023. There was no impact by the adoption of this new standard.

The standards and amendments to standards and interpretations which have been issued but are not yet effective are not expected to have a significant effect on the Company's consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

10. Off-Balance Sheet Arrangements

As at December 31, 2023, the Company had not entered into any off-balance sheet arrangements.

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

(a) 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.

The CEO and CFO have evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that based on this evaluation, our disclosure controls and procedures are effective at a reasonable assurance level as at December 31, 2023.

(b) 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").

A material weakness is a control deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement in the annual or interim financial statements will not be prevented or detected on a timely basis.

The CEO and CFO have evaluated the effectiveness of the Company's ICFR as at December 31, 2023 based on *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") for the Company as a whole. The assessment incorporated the review of the South African operations and all of the other subsidiaries of the Company in regards to ICFR. Based on this assessment, and as a continuance of the material weaknesses described below, our management concluded that, as of December 31, 2023, the Company's internal control over financial reporting was not effective based on those criteria because a material weakness in internal control over financial reporting existed as of that date.

As at December 31, 2022, management previously reported a material weakness in the Company's internal controls over financial reporting. In 2022, management did not, at the time, identify the changes in circumstances with respect to the shipping of chrome concentrate produced at the CRM to be a key factor in the analysis when applying the revenue recognition criteria under IFRS 15. As a result, the Company restated its Q3 2022 results and filed amended interim financial statements and an amended Management's Discussion & Analysis.

Related to this, during the preparation of the Company's consolidated financial statements for the year ended December 31, 2023, an error was identified in the analysis of a sales contract executed in Q4 2022 whereby the Company's performance obligations should have been deemed met and the revenue related to that contract recognized in the period. The revenue was recognized in Q1 2023 impacting the Company's previously filed audited consolidated financial statements for the year ended December 31, 2022 and its unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023. As a result, the Company is presenting restated comparative information relating to the quarter and year ended December 31, 2022 and will present restated comparative information relating to the quarter ended March 31, 2023 when it files its interim financial statements for Q1 2024.

The material weakness for 2022 and 2023 relates to revenue recognition. Management plans to remediate these control deficiencies in fiscal 2024 with the implementation of additional review and oversight procedures with respect to the preparation and review of all new or amended sales arrangements and the corresponding revenue amounts included in the financial statements. The material weaknesses cannot be considered fully remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

(c) 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 framework are met. Further, the design of a control framework 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 of a control. The design of any framework also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any control framework 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.

(d) Changes in Internal Control over Financial Reporting

There have been no changes to our internal control over financial reporting, other than pertaining to the remediation of the material weakness discussed above and the matter described in the paragraph below, for the year ended December 31, 2023, that could have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

During 2023, the Company completed a special investigation into certain whistleblower allegations (refer to matter under *Corporate Update* earlier in this MD&A). Although the special committee concluded the allegations advanced by the whistleblowers to be unsubstantiated, a number of required enhancements to existing controls were identified as part of the investigation process. These related mainly to ineffective oversight by the board of directors and management over entity level processes such as declaring and documenting a potential conflict of interest, and the design of appropriate background checks and due diligence when entering into new significant sales contracts. To address these matters, management and the board of directors have subsequently designed and implemented relevant oversight procedures, policies and processes to remediate these control deficiencies going forward.

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, 2023, which is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

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 consolidated 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 2024 and later; execution of the Zandfontein Underground restart business plan and related funding; completion of the second phase of the TSF capital works program; forecast of operational activity of the Retreatment Project; estimated operations and production of the PGM and Chrome Circuits; optimization and renovation to the PGM Circuits for underground operations; potential additional revenue growth and gross margin improvement from the PGM and Chrome Circuits; advancement of the Mareesburg and Spitzkop project environmental work to complete the EIA and other environmental studies and amendments; resolution of the outstanding receivables from Union Goal; continuation of prospecting and assessment work in relation to Zandfontein, Crocette and Kareespruit sections of the CRM and Kennedy's Vale and Spitzkop mines at the eastern limb of the Bushveld Complex; CRM underground assessment including all chrome recovery activities; the Company's plans for its properties; the resolution of current litigations; the seasonality of the Company's operations; the continuing impact of adverse economic factors on the South African PGM industry; the full restart of the CRM if there is a sustained strengthening of PGM and chrome 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; 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 price of PGMs and chrome concentrate, 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; other geopolitical risks and events such as the ongoing war in Ukraine, that may introduce or maintained uncertainty and volatility in global markets and economies; 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.sedarplus.ca.

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.