EASTERN PLATINUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2022

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 March 31, 2022 and for the three months then ended in comparison to the same period in 2021.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and the related notes for the three months ended March 31, 2022. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and in accordance with International Standard 34 Interim Financial Reporting.

The Company's presentation currency is U.S dollars. Monetary amounts in this MD&A are in thousands of U.S. dollars ("$" or "U.S. dollars"), except when indicated as thousands of Canadian dollars ("Cdn$" or "Canadian dollars"), thousands of South African Rand ("ZAR" or "Rand") and except for per share amounts, per tonnage amounts or as otherwise indicated. The effective date of this MD&A is May 12, 2022. Additional information relating to the Company, including its Annual Information Form ("AIF") for the year ended, December 31, 2021, is available under the Company's profile on SEDAR at www.sedar.com.

1. Overview

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

As at March 31, 2022, the Company's primary assets were:

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

(b) an 87% direct and indirect interest in the Mareesburg project, located on the eastern limb of the BCX; and

(c) a 93.4% direct and indirect interest in the Spitzkop project, also located on the eastern limb of the BCX.

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

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). 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, which is currently in care and maintenance. Eastplats has completed the underground long-term plan and mine design study for the CRM and is executing the restart business plan to restart underground operations in the latter half of 2022, subject to financing.

The Company entered an agreement for the sale of the Maroelabult resource property on October 24, 2019, and the deal was concluded in March 2022 (see page 11).

The Company has completed a legal analysis in relation to the environmental impact assessment ("**EIA**") for the Mareesburg project, which unfortunately has experienced delays as a result of COVID-19. The Company continues to work on an updated internal project assessment and then follow on with mine design study and technical review, environmental studies and amendments as required.

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, which is expected to be completed in July of this year. KV, Spitzkop and the Mareesburg projects (collectively the "**Eastern Limb Projects**") currently are monitored collectively as a group by management.

COVID-19

The Company continues PGM and chrome production at the CRM. There were no operation shutdowns or days lost due to COVID-19 or lockdowns in 2021 or up to the date of this MD&A. From October 1, 2021 to April 4, 2022, South Africa reduced its restrictions by moving down the alert level to stage 1, which indicates a low spread of the virus with high health system readiness. The Government of South Africa lifted the National State of Disaster in response to the COVID-19 pandemic on April 5, 2022. The Company continues to operate with precautions, following the health guidelines of the Government of South Africa and continues to work through the Minerals Council together with the government on the roll-out of vaccines.

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

Corporate Update

On March 22, 2022, Eastplats announced the completion of the sale of the Maroelabult resource property with Eland Platinum (Pty) Limited ("Eland"). Eastplats received total cash consideration of ZAR20,000 (approximately $1,378) after the transfer of legal title and various legal and regulatory obligations required in South Africa were completed (see news release dated March 22, 2022, for further detail).

On January 26, 2022, Eastplats announced that as at January 25, 2022, the project framework agreement between Barplats and Advanced Beneficiation Technologies Proprietary Limited of South Africa ("**ABT**") to complete a feasibility study for a modular PGM processing facility was terminated. (See the *Project Agreement – PGM Circuit H* note on page 3 and the news release dated January 26, 2022 for further detail).

As of the date of this MD&A, Eastplats is in the process of completing a National Instrument ("**NI**") 43-101 *Standards of Disclosure for Mineral Projects* compliant independent technical report on the Crocodile River Mine. The report is slated to be completed during the second quarter of 2022.

2. Fiscal Year 2022 First Quarter Highlights

2.1 Significant events

(a) Retreatment Project Update and Production

The Retreatment Project is a proprietary operation in South Africa producing chrome concentrates. It includes a combined hydro and mechanical 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 the only large-scale magnetic separation application in South Africa. Since 2017 Barplats has grown from 100 employees to over 350 contractors and employees engaged in supporting the Retreatment Project. The current Retreatment Project is expected to continue operating into 2024.

Operations consist of 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 March 31, 2022 ("**Q1 2022**"), the Company produced 121,122 (three months ended March 31, 2021 ("**Q1 2021**") – 203,901) tons of chrome concentrate from the Retreatment Project, with an average grade of Cr_2O_3 at 38.97%. Year over year production decreased between Q1 2022 and Q1 2021 due to reduced input grade, increased product concentrate grade and increased down time caused by the decreased quality of input materials and operational challenges in the remining area.

Optimization Program

Due to COVID-19, Eastplats was required to delay the construction and installation of the additional equipment to optimize the chrome plant's overall efficiency and processing, which is designed to provide increased chrome recovery and grade (the "**Optimization Program**"). The Optimization Program began in February 2020 but was paused due to the COVID-19 lockdown in March 2020. Some construction work restarted in June 2020 with the original scope of civil works completed in December 2020. The Company completed the updated scope of civil work during 2021and the installation is planned for completion by the third quarter of 2022.

(b) PGM Circuits

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

During Q1 2022, the Company produced 879 dry tons of PGM concentrate from PGM Circuit B and PGM Circuit D (collectively, the "**PGM Circuits**"). This was higher than the previous period due to increased production rates after pre-commissioning in September. The PGM concentrates were delivered under the existing offtake agreement (the "**PGM Offtake Agreement**") between Barplats and Impala Platinum Limited ("**Impala"**).

(c) Project Agreement – PGM Circuit H

In July 2020, Barplats entered a project framework agreement (the "**Agreement**") with ABT, an organization compliant as a Black Economic Empowerment (**"BEE"**) Entrepreneur and a member of the Omang Group of companies, to complete an independent feasibility study for the development and construction of a new modular plant with a capacity to process the PGMs of the tailings redeposited from the Retreatment Project at a designated area of the Zandfontein tailings dam situated at the CRM in South Africa at an expected rate of 50,000 tons per month (the "**Circuit H Project**").

On January 25, 2022, the Agreement between Barplats and ABT was terminated. There were several milestones required under the Agreement to complete and establish the Circuit H Project, including a joint venture agreement between Barplats and ABT, financing agreements and off-take agreements for the project. None of these agreements were concluded prior to the termination of the Agreement.

Eastplats continues to focus its efforts on restarting the Zandfontein underground operations at the CRM and will continue to assess the feasibility and economic benefits of recovering PGMs from the recent tailings redeposited onto the Zandfontein tailings dam.

(d) Export tax

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

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

(e) Mining Charter Judgment

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

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

2.2 Financial Results – Q1 2022 vs Q1 2021

- Revenue was $17,407 in Q1 2022 compared to $16,683 in Q1 2021. The increase in revenue for Q1 2022 was primarily due to an increase in PGM sales in the period.

- Mining operation income was $3,403 in Q1 2022 compared to $1,433 in Q1 2021, an increase of $1,970. This increase resulted from a higher gross margin on PGM sales offset by a decrease in Chrome concentrates sales.

- Gross margin increased from 8.6% in Q1 2022 to 19.5% in Q1 2022, as a result of the ongoing effort to optimize production and higher gross margins on PGM sales. PGM sales in Q1 2021 were lower as PGM production only started in December 2020.

- Operating income was $95 in Q1 2022 compared to an operating loss of $1,729 in Q1 2021, resulting from higher gross margin from PGM sales.

- Net income attributable to equity shareholders was $3,006 in Q1 2022 compared to net loss attributable to equity shareholders of $865 in Q1 2021. The Q1 2022 net income was largely attributable to the foreign exchange gain due to the appreciation of the South African Rand relative to the U.S. dollar in Q1 2022, while in Q1 2021, the U.S. dollar strengthened.

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)

	2022	2021				2020		
	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30
	$	$	$	$	$	$	$	$
Revenue	17,407	15,606	15,927	19,982	16,683	15,819	16,847	9,298
Production costs	(12,260)	(10,982)	(12,322)	(14,707)	(13,644)	(12,584)	(14,287)	(7,670)
Production costs - depreciation	(1,744)	(1,649)	(1,712)	(1,958)	(1,606)	(1,700)	(910)	(688)
Mine operating income	3,403	2,975	1,893	3,317	1,433	1,535	1,650	940
General and administrative	(1,619)	(671)	(602)	(524)	(1,049)	(775)	(943)	(431)
Care and maintenance & site services	(1,689)	(2,122)	(1,677)	(2,085)	(2,113)	(1,446)	(1,548)	(1,527)
	(3,308)	(2,793)	(2,279)	(2,609)	(3,162)	(2,221)	(2,491)	(1,958)
Operating income (loss)	95	182	(386)	708	(1,729)	(686)	(841)	(1,018)
Other (expenses) income, net	3,211	(2,573)	(2,718)	3,388	542	4,160	978	(2,150)
(Loss) income before income taxes	3,306	(2,391)	(3,104)	4,096	(1,187)	3,474	137	(3,168)
Income tax (expense) recovery	11	(65)	(13)	(49)	2	(55)	(20)	(72)
Net (loss) income for the period	3,317	(2,456)	(3,117)	4,047	(1,185)	3,419	117	(3,240)
Net (loss) income attributable to equity shareholders of the Company	3,006	(1,918)	(2,507)	4,140	(865)	3,047	172	(3,009)
(Loss) earnings per share - basic and diluted	0.02	(0.01)	(0.02)	0.03	(0.01)	0.03	0.00	(0.03)
Average foreign exchange rates								
US dollar per South African Rand	0.0657	0.0649	0.0683	0.0709	0.0668	0.0641	0.0592	0.0558
US dollar per Canadian dollar	0.7897	0.7938	0.7936	0.8145	0.7896	0.7676	0.7511	0.7218
Period end foreign exchange rates								
US dollar per South African Rand	0.0689	0.0626	0.0660	0.0700	0.0677	0.0682	0.0597	0.0576
US dollar per Canadian dollar	0.7981	0.7888	1.2740	0.8068	0.7952	0.7854	0.7497	0.7338

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

4. Results of Operations for the Three Months Ended March 31, 2022

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

Prior to the Retreatment Project, almost all South African funding was provided from Canada by its parent company, which holds its cash and cash equivalents, and short-term investments in U.S. dollars, Canadian dollars and South African Rand. The Company is now operating the Retreatment Project and the PGM circuits to generate mining operation income from 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 predominately incurred in Canadian dollars and South African Rand. The average foreign exchange rates for Q1 2022 and 2021 are summarized as follows:

	Cdn to USD	ZAR to USD
Q1 2022	0.7897	0.0657
Q1 2021	0.7896	0.0668

The annual inflation rate in South Africa was 4.60% in 2021, 3.23% in 2020 and 4.13% in 2019 and is forecast to be 5.3% in 2022.

The following table sets forth selected consolidated financial information for the three months ended March 31, 2022 and 2021, respectively:

Table 2

Consolidated statements of (loss) income (Expressed in thousands of U.S. dollars, except per share amounts)		
	Three months ended March 31	
	2022	2021
	$	$
Revenue	**17,407**	16,683
Mine operating income	**3,403**	1,433
Expenses		
General and administrative	**1,619**	1,049
Site services	**1,056**	1,376
Care and maintenance	**633**	737
Operating income (loss)	**95**	(1,729)
Other net (expenses) income and income tax expense	**3,222**	544
Net loss for the year	**3,317**	(1,185)
Attributable to		
Non-controlling interest	**311**	(320)
Equity shareholders of the Company	**3,006**	(865)
Net loss for the year	**3,317**	(1,185)
Earnings (loss) per share		
Basic and diluted	**0.02**	(0.01)
Weighted average number of common shares outstanding		
Basic	**137,821**	128,496
Diluted	**139,330**	128,496
Consolidated statements of financial position		
	March 31, 2022	December 31, 2021
	$	$
Total assets	**177,585**	162,783
Total non-current liabilities	**69,141**	65,993

The Company recorded net income attributable to equity shareholders of the Company of $3,006 (or $0.02 income per share) in Q1 2022 compared to a net loss of $865 (or $0.01 loss per share) in Q1 2021. Detailed explanations are presented in the following section.

4.1 Overall Performance

Revenue

The Company generated revenue from processing PGM and chrome concentrates during Q1 2022 and Q1 2021. The Company's majority of revenue (approximately 84% and 96% for Q1 2022 and Q1 2021, respectively) is from the Union Goal Offshore Solution Limited ("**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. The Retreatment Project produces 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 is recognized based on tons made available for processing from the discounting of the chrome equipment debt and the construction loan based on the effective interest rate. The Company also derives PGM revenue under a PGM offtake agreement with Impala dated September 10, 2020 from further processing of tailings materials following the production of chrome concentrates.

The Company generated revenue from the processing and delivery of chrome of $14,648 for Q1 2022 as compared to $15,947 in Q1 2021. The decrease in chrome concentrates revenue for Q1 2022 was primarily due to lower tonnages processed and dispatched to Union Goal. The local electricity provider also implemented load shedding during Q1 2022 due to high electricity demand which required the Company to decrease its power usage, mostly affecting the PGM plants, resulting in lower plant utilization than in the comparable quarter. These factors were offset by an increase in rates charged to Union Goal due to yearly contractual inflation adjustments.

The Company generated PGM concentrate revenue of $2,759 in Q1 2022 and $736 in Q1 2021.

Mine operating income

Mine operating income for Q1 2022 was $3,403 as compared to $1,433 for the comparative quarter in 2021. Gross margin increased to 19.5% in Q1 2022 from 8.6% in Q1 2021. As mentioned earlier in this MD&A, the increase in FY2022 mine operation income is consistent with the overall increase in revenue, ongoing effort to optimize production and higher gross margins on PGM sales.

Depletion and depreciation was $1,744 for Q1 2022, as compared to $1,606 for the respective period in 2021, due to the addition of equipment relating to the Retreatment Project in 2021 being depreciated in the current period.

Operating (loss) income

The Company generated operating income of $95 for Q1 2022 compared to an operating loss of $1,729 for the respective period in 2021. The increase in income in Q1 2022 resulted from increased PGM sales and the higher gross margin realized on those sales, offset by a reduction in chrome concentrate sales in the period.

General and administrative

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

The G&A costs were $1,619 for Q1 2022 compared to $1,049 for the respective period in 2021. The overall G&A cost increase for Q1 was primary due to the Expected Credit Loss ("ECL") recorded against the Union Goal receivable. Although the receivable is fully guaranteed against the amounts payable to Union Goal, the Company is required to estimate when the receivable will be paid. The ECL is the time value adjustment of the receivable based on an expected payment date in Q1 2023, when the receivable and payable could come due. The amounts payable are due 210 days after completion of the Optimization Program, however, the Company continues to work with Union Goal to reduce the outstanding receivable. Cost control initiatives previously initiated, reduced travel in the quarter, and lower remuneration costs as compared to the prior period partially offset this charge.

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 services have decreased by $320 to $1,056 in Q1 2022 from $1,376 for the same respective period in 2021 as a result of an overall cost control initiative in South Africa.

Care and maintenance

Care and maintenance costs are incurred when production of the underground mining or other PGM projects are suspended and expenditures are reduced to the level required to maintain the good condition of such assets. Such costs consist of maintenance, pumping to prevent flooding of the workings, underground inspections to ensure that the integrity of critical excavations is preserved, certain general costs and other costs necessary to safeguard such projects and their associated assets. The 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 $633 in Q1 2022 from $737 for the same respective period in 2021. Costs were in line with the prior period, with the majority of the difference ($92), related to changes in foreign exchange.

Foreign exchange (loss) gain

Foreign exchange gain was $3,703 for Q1 2022 as compared to a foreign exchange loss of $156 for the same period in 2021. The South African Rand strengthened during the quarter by 9% while in the previous quarter it weakened slightly. The stronger Rand in the quarter created a foreign exchange gain on the Company's U.S. dollar contract payable liability.

Other income

Other income for Q1 2022 was $512 representing a decrease of $1,208 as compared to $1,720 in the comparable period in 2021. The decrease was due mainly to higher scrap sales as well as a legal settlement recovery of $395 in the previous period. Other income included rental income from Company-owned residential properties on the Eastern Limb projects and at the CRM, sales of assets not going to be used in the future, and scrap metal sales not directly related to operations.

Crocodile River Mine

Retreatment Project – Chrome recovery

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

Restated and Revised Retreatment Project Agreements

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

The review of the original agreements and subsequent revisions highlighted the positive operating results achieved to date, reflect the knowledge gained based on two years of operations and demonstrates Eastplats' continued commitment to the long-term benefits of the Retreatment Project.

Summary of chrome production for the three months ended March 31, 2022 and 2021:

	Q1 2022	**Q1 2021**
Total Tailings Feed (Tons)	**574,252**	607,606
Average grade Cr concentrate	**38.97%**	38.47%
Tons of Cr concentrate	**121,122**	203,901

The financing of the costs of the Optimization Program were agreed in principle with Union Goal during 2020 and formalized as part of the updated agreements signed on March 10, 2021. During Q1 2022, the Company continued to work on the Optimization Program. The completion of the Optimization Program is expected in the third quarter of 2022.

The Company continues the tailings storage facility ("**TSF**") wall building program, utilizing waste rock and paddocking, to raise the wall to facilitate continued depositing of reprocessed tailings.

PGM Circuits

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

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

Summary of PGM production for the three months ended March 31, 2022 and 2021:

	Q1 2022	**Q1 2021**
Tons of PGM concentrate(dry)	**879**	44

Project agreement – PGM Circuit H

As mentioned earlier in this MD&A, on January 25, 2022, the Agreement between Barplats and ABT was terminated. There were several milestones required under the Agreement to complete and establish the Circuit H Project, including a joint venture agreement between Barplats and ABT, financing agreements and off-take agreements for the project. None of these agreements were concluded prior to the termination of the Agreement.

Sale of Maroelabult

On October 24, 2019, the Company and its subsidiary, Barplats, entered into a sales agreement (the "Sales Agreement") with Eland Platinum (Pty) Limited ("Eland"). The Sales Agreement provides for the sale of the mining rights, immovable property, infrastructure and equipment of the Maroelabult resource property located near Brits in South Africa from the Company to Eland. The consideration to be paid by Eland to the Company consists of ZAR20,000 (approximately $1,378), the assumption of the rehabilitation obligation and the assumption (in November 2019) of the care and maintenance costs (the "Purchase Price") payable on closing upon giving effect to the transfers of legal title.

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

In March 2022, the sale was completed and the Company received the agreed total cash consideration after the transfer of legal title and various legal and regulatory obligations required in South Africa were fulfilled.

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

4.2 Mareesburg Project

The Company has experienced delays in completing the legal analysis in relation to its EIA (due to COVID-19), and plans to continue work on an updated internal project assessment and then follow on with mine design study and technical review, environmental studies and amendments during 2022.

5. Liquidity and Capital Resources

On January 22, 2021 the Company completed a rights offering to its existing shareholders (the "**Rights Offering**"). Eastplats issued 36,841,741 common shares of the Company (each a "**Common Share**") at a price of Cdn$0.32 per Common Share for rights exercised on the TSX and R3.77 per Common Share for rights exercised on the JSE and raised total gross proceeds of approximately $9,307 (TSX – Cdn$11,364 and JSE – ZAR5,011). A total of 32,808,630 Common Shares were issued under the basic subscription privilege and an additional 4,033,111 Common Shares were issued under the additional subscription privilege. No Common Shares were issued under a stand-by commitment and no fees or commissions were paid in connection with the distribution.

As at March 31, 2022, the Company had working capital (current assets less current liabilities) of $17,312 (December 31, 2021 – $14,596) and short-term cash resources of $6,635 (consisting of cash, cash equivalents and short-term investments) (December 31, 2021 – $6,147).

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

The Company's cash and short-term investments increased by $488 in Q1 2022 compared to the balance as at December 31, 2021. The increase mainly results from $1,176 received from Union Goal for the chrome optimization project and $2,087 in cash received from the disposal of assets including the Maroelabult sale. These were offset by net working capital payments of $3,823 and purchases of property, plant and equipment of $865.

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

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

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

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

The Company has approved $501 (Cdn$635) in capital funding at December 31, 2021 to complete the chrome plant optimization and Phase 2 construction of the TSF dam lifts. The Company approved its 2022 budget in January 2022 to execute the corporate objectives discussed in Section 5.1 of this MD&A. The Company's 2022 objectives are expected to be funded through existing working capital and operations. Approval of the capital required to restart the Zandfontein underground operations will be submitted upon a successful fundraise. The uncertainty around COVID-19 and other challenges may impact fundraising in the future.

Under the Union Goal Agreements, the Company has purchased the equipment for the Chrome Circuit, subject to a put option if the operating performance of the equipment and chrome plant are not as agreed. This contract payable, the provision for environmental rehabilitation relating to the CRM and Eastern Limb projects and certain deferred income tax liabilities are considered non-current liabilities. The due date of the contract payable was extended by written agreement on December 31, 2020 to January 14, 2022, and further extended as per the Revised and Restated Union Goal Agreements signed on March 10, 2021 to 210 days after the date of issuing the plant commissioning certificate on the optimization equipment. The Company estimates it will receive the plant commissioning certificate by the third quarter of 2022 at the earliest, with the due date of the contract payable set for the second quarter of 2023 or later.

5.1 Outlook

The Company's CRM Retreatment Project in South Africa was operating without restrictions at December 31, 2021 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 continued to deliver PGM and chrome concentrates under the respective offtake agreements. The Company remains vigilant in continuing its high standards in regards to maintaining safe operations.

Although the current outlook is positive due to the reduced restrictions, all operations could be affected by new COVID-19 issues or new lockdown directives in South Africa. The Company will update its forecasts following the completion of the Optimization Program, which is currently slated for completion during the third quarter of 2022. The effects of COVID-19 are changing rapidly and could have material effects on the Company's outlook and its ability to attain targets.

The Company's targets for 2022 are as follows:

- Operate and optimize the Retreatment Project and maximize returns (ongoing)
    - Completion of the Optimization Program for the Retreatment Project (ongoing)
    - Assess the value for continued use of the chrome recovery plant after optimization (ongoing)
- Operate and optimize the PGM Circuits (ongoing);
- Complete an updated independent technical report on the CRM (completed);
- Raise capital to restart Zandfontein underground operations at the CRM (initiated);
- Completion of the second phase of the TSF capital works program (ongoing);
- Advance the Mareesburg project environmental work to complete the legal analysis on the EIA and other environmental studies and amendments (ongoing);
- Continue prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies (ongoing);
- EIA and assessment work regarding a vertical furnace and pelletizer of chrome concentrate (ongoing); and
- Update other capital assessments upon completion of capital fundraising.

Care and maintenance with respect to the underground portion of the CRM will continue while the Company assesses the Zandfontein underground operations for restart. As mentioned earlier in this MD&A, Eastplats completed a LOM study and underground mine design for Zandfontein and the Board of Directors supported carrying out the Zandfontein underground restart business plan, subject to final evaluation and funding arrangements. Care and maintenance will also continue for the Company's Eastern Limb Projects for the remainder of 2022. 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. Any restart of projects currently under care and maintenance would require additional funding that may or may not be available to the Company or require changes to the current operations at the CRM.

With respect to the Mareesburg project, subject to the completion of the legal analysis in relation to its EIA, the Company plans to work on an updated internal project assessment during 2022 and then 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.

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

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

5.2 Share Capital

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

In February 2021, 40,000 warrants were exercised at Cdn$0.24 per common share.

In July 2021, 300,000 stock options were exercised at a price of Cdn$0.21 per share for total proceeds of $50.

During Q1 2022, a total of $Nil (Q1 2021 - $42) was recorded as share-based compensation expense relating to employee stock options.

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

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

Table 3

Options outstanding	Options exercisable	Exercise price Cdn$	Remaining Contractual Life (Years)	Expiry date
500,000	500,000	0.32	0.50	November 9, 2022
450,000	450,000	0.33	0.57	December 7, 2022
100,000	100,000	0.39	0.96	April 26, 2023
1,350,000	1,350,000	0.21	2.09	June 13, 2024
50,000	50,000	0.24	2.97	April 29, 2025
1,470,000	1,470,000	0.37	3.43	October 16, 2025
1,420,000	1,420,000	0.34	4.12	June 23, 2026
5,340,000	5,340,000		2.71	

5.3 Contractual Obligations, Commitments and Contingencies

The Company's major contractual obligations and commitments as at March 31, 2022 were as follows:

Table 4

(in thousands of U.S. dollars)	Total	Less than 1 year	1 - 5 years	More than 5 years
	$	$	$	$
Provision for environmental rehabilitation (i)	3,494	—	—	3,494
Lease obligations (ii)	3,653	1,928	1,725	—
Contracts payable (iii)	52,786	—	52,786	—
Other obligations (iv)	9,824	9,824	—	—
Capital expenditure and purchase commitments (v)	576	576	—	—
	70,333	12,328	54,511	3,494

(i) Environmental rehabilitation provision over the life of mining operations are estimated expenditures at fair value, assuming weighted average credit adjusted risk-free discount rate of 10.78% and an inflation factor of 4.50%.

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

(iii) Union Goal equipment and construction financing relating to the Retreatment Project. The amount shown represents the undiscounted payment based on the agreed nil interest rate until the due date according to the 2021 Updated Retreatment Project Agreement. The due date is 210 days after the date of issuing the plant commissioning certificate when the Optimization Program is completed and commissioned, which is estimated to be the first quarter of 2023 or later. The terms in details are more fully described in Note 15 Contracts payable of the audited financial statements for the year ended December 31, 2021 and Note 4 of the Company's condensed interim consolidated financial statements for the three months ended March 31, 2022.

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

(v) Capital expenditure and purchase commitments contracted at March 31, 2022 but not recognized on the consolidated statement of financial position.

Petition by 2538520 Ontario Limited to File a Derivative Action against the Company

On November 6, 2018, the Company received a petition filed with the Supreme Court of British Columbia, by 2538520 Ontario Limited ("**253**"), a shareholder of the Company, seeking leave from the court to commence a derivative action on behalf of the Company against certain of its current and former directors in relation to the approval of the transactions between the Company and Union Goal. The Board of Directors of the Company formed a Special Committee to review the petition and make a recommendation on the appropriate action. Following its detailed review of this matter, the Special Committee of the Board of Directors recommended opposing this petition, and this recommendation was accepted by the Board of Directors. As such, the Company filed its opposition to the petition and was provided security for costs. In June 2019 the petition was heard by the court and was dismissed on August 27, 2019. On September 27, 2019, the petitioner filed an appeal of the judgment which was heard on June 1, 2020 and dismissed on November 16, 2020. In January 2021, 253 sought leave to appeal to the Supreme Court of Canada, which declined to hear the appeal. The Company sought recovery from 253 of the costs incurred in responding to 253's unsuccessful petition and appeal. The Company settled on an amount of costs to be paid by 253, which 253 paid in April 2022.

Further litigation by 2538520 Ontario Limited against the Company

On February 7, 2020, 253 and its CEO, Rong Kai Hong, (the "**Plaintiffs**") filed a further claim regarding various allegations, including that the Company was acting to oppress the Plaintiffs' rights among other claims. 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**.** An application with respect to service on other parties is currently on reserve.

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

Litigation by Xiaoling Ren against the Company

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

The Company filed a response seeking a dismissal of the petition as an abuse of process. The petition has not been scheduled for hearing. No provision is made in the consolidated financial statements as the Company assessed the allegations have no merit.

2016 BEE Buyout Transactions

On June 30, 2016, 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 Afriminerals Holdings (Pty) Ltd. ("**Afriminerals**") 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 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 Afriminerals 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 Afriminerals) 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 or cancelled. 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 ("**DMR**"). 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 DMR to ensure ongoing compliance.

Claim against Serina and Ingwenya

On June 7, 2018, the Company filed a claim in the Supreme Court of British Columbia against Serina and Ingwenya in relation to the payment of $13,367. The Company filed an application for default judgment against Serina in the British Columbia 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 financial statements for this claim as it would be a contingent amount if successful.

Claims against former Directors and Officers

On October 7, 2020 the Company filed an amended notice of civil claim (original notice filed on June 7, 2018) in the Supreme Court of British Columbia against certain former officers and directors of the Company, which updated the specifics of the claim and added two defendants, which are companies related to former officers. The amended notice of civil claim alleges that the former officer and directors purported to enter into agreements with Serina and Ingwenya on behalf of the Company pursuant to which $13,367 was transferred without consideration and without any apparent benefit to the Company and in doing so breached their duties as directors and officers of the Company. Eastplats sought damages from the former directors and officers on a number of legal grounds.

As a response to this claim, the former directors and officers filed a counterclaim denying liability and seeking indemnity. The Company filed its defence to oppose this counterclaim.

On June 21, 2021, the Company announced it had agreed with the defendants to settle and dismiss the outstanding lawsuits and to settle certain related disputes including the counterclaim. The settlements provided for an amount of $3,258 (Cdn$4,000) in cash to be paid to the Company. The terms of the settlements are confidential and no party to them has admitted any wrongdoing or liability. No further amounts can be claimed under the settlement.

Claim dispute regarding Spitzkop

The Company has received a notice from the DMR on October 25, 2018 of an appeal launched with the DMR with respect to the Company's mineral license issued in 2012 relating to the Spitzkop property. In addition, the claimant has launched an appeal against a water use license and a related review application in respect thereof in the High Court in South Africa. The Company, with the assistance of counsel, is addressing this matter and intends to defend this issue related to the issued mineral rights and water use license of Spitzkop. Further to this, 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.

General

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

6. Related Party Transactions

Summarized as follows is a list of related parties with whom the Company had transactions with for the three months and year ended March 31, 2022 and 2021, as well as a description of the nature of the services provided therein.

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

Table 5

(Expressed in thousands of U.S. dollars)	**Three months ended March 31**	
	2022	2021
	$	$
Trading transactions		
Director fees	**40**	36
Management fees	**63**	151
Share-based payments	**—**	21
Total	**103**	208
Compensation of key management personnel		
Remuneration	**253**	581
Share-based payments	**—**	28
Total compensation of key management personnel	**253**	609

The Company has agreed to pay $21 (Cdn$27) per month to Oriental Fortune Consulting Services Limited ("**Oriental Fortune**"), an entity controlled by the Company's Chief Operating Officer ("**COO**"), for management consulting services rendered. Oriental Fortune received a bonus payment of $Nil in Q1 2022 (Q1 2021 - $88 (Cdn$112)).

The Company's key management includes the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**"), the COO and the General Manager of South Africa ("**GM**"). Key management personnel were not paid post-employment benefits or other long-term benefits in Q1 2022 and Q1 2021.

7. Critical Accounting Estimates and Judgments

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

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

The Company has three reportable segments – the CRM, the Eastern Limb Projects and corporate. The Eastern Limb Projects consist of the KV, Spitzkop and Mareesburg projects. Corporate operations in Barbados, BVI and Canada collectively are the corporate segment. All of the reportable segments have consistently applied the same accounting policies as disclosed in Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2021.

Areas of significant judgment and estimates made by management for the three months ended March 31, 2022 in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(u) and 4(v) of the Company's audited consolidated financial statements for the year ended December 31, 2021.

8. Financial Instruments and Other Instruments

(a) Management of capital risk

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

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

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

(b) Fair value of financial instruments

(i) Fair value estimation of financial instruments

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

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

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

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

There were no transfers between levels during the three months ended March 31, 2022 and 2021.

(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

	March 31 2022 $	December 31 2021 $
Financial assets		
Denominated in USD at South African subsidiaries	**4,457**	2,155
Denominated in Rand at Canadian head office	**1,177**	1
Total	**5,634**	2,156
Financial liabilities		
Contracts payable denominated in Rand at Canadian head office	**8,213**	6,340
Contracts payable denominated in USD at South African subsidiaries	**44,573**	43,574
Total	**52,786**	49,914

As at March 31, 2022, with other variables unchanged, a 10% strengthening (weakening) of the Canadian dollars against the South African Rand would have increased (decreased) net income by approximately $640; with other variables unchanged, a 10% strengthening (weakening) of the South African Rand against the U.S dollars would have increased (decreased) net income by approximately $3,647.

(ii) Interest rate risk

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

(iii) *Commodity price risk*

The Company's PGM concentrate sales are exposed to commodity price risk with respect to fluctuations in the prices of platinum group metals going forward. Prior to January 1, 2021, the Company did not have material revenues from PGM concentrate sales. Chrome concentrate sales are structured based on the tonnage processed referenced to the long-term chrome concentrate commodity price according to the Union Goal contract.

(iv) Credit risk and concentration risk

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

Substantially all of the Company's revenues are from two customers, of which the chrome concentrate production revenue is solely from Union Goal and PGM revenue is from Impala. There is both a credit risk and concentration risk associated with the collection of revenue from Union Goal. This risk is mitigated due to the contract structure and the significant outstanding contracts payable due to Union Goal.

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. Provision for doubtful debts is calculated based on the payment history. 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 remains in care and maintenance and all other properties and projects are on hold. The Company also generated some income from interest on investments and other income from the sale of non-core properties; although not expected to be significant, some of this income will be recurring in 2022 and in future years. The projected cash flows for the next 12 months are sufficient to cover the Company's operating expenses, capital expenditures and all other care and maintenance expenses. Additional funding will be required in the future to commence underground production at CRM, and to develop and bring the Eastern Limb Projects into commercial production. Settlement of the contract liability payable to UG, with a calculated due date in early 2023, may also require additional funding, refinancing or renegotiation with UG.

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

Accounting standards issued but not yet effective

As at March 31, 2022 there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company. The following new standards, amendments to standards and interpretations are not yet effective for the three months ended March 31, 2022 and have not been applied in preparing these consolidated financial statements.

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 7, Financial Instruments: Disclosures, IFRS 9, Financial Instruments, IFRS 16, Leases, and IAS 39, Financial Instruments: Recognition and Measurement)

The Interest Rate Benchmark Reform Phase 2 amendments to IFRS 7, IFRS 9, IFRS 16, and IAS 39 address specific hedge accounting requirements and permit a practical expedient for modifications of financial assets, financial liabilities and lease liabilities required by the IBOR (interbank offered rate) reform. The amendments also require additional disclosures for users to understand the nature and extent of risks arising from the IBOR reform and how the entity manages those risks.

IAS 16 Property, plant and equipment - Proceeds before Intended Use

On May 14, 2020, the International Accounting Standards Board published an amendment to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use. The amendments prohibit deducting from the cost of property, plant and equipment any proceeds received from selling items produced while bringing that asset to its intended use. Instead, proceeds received will be recognized as sales proceeds and related cost in profit or loss. The effective date is for annual periods beginning on or after January 1, 2022, with early adoption permissible. The amendment has no effect on the Company's consolidated financial statements at this time.

10. Off-Balance Sheet Arrangements

As at March 31, 2022, the Company had not entered into any off-balance sheet arrangements.

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

Disclosure Controls and Procedures

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

Internal Control over Financial Reporting

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

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

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

Limitation of Controls and Procedures

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

12. Risk Factors

The exploration of mineral deposits involves significant risks and uncertainties. A comprehensive list of risk factors relating to the Company's business is provided under the heading "Risk Factors" in the Company's AIF for the year ended December 31, 2021, which is available under the Company's profile on SEDAR at www.sedar.com.

COVID-19

The effects of COVID-19 are changing rapidly and the consequences of future shutdowns cannot be reasonably estimated at this time but could have material adverse effects on the Company's business, liquidity and cash flows. The Company has provided specific information in the December 31, 2021 AIF in relation to the risks and possible effects to its operations and business in relation to COVID-19.

13. Non-GAAP Measures

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

14. Cautionary Statement on Forward-Looking Information

This MD&A contains certain "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. This MD&A contains forward-looking statements, pertaining to, among other things: profitability; the Company's targets for 2022; forecast of operational activity and optimization of the Retreatment Project; estimated operations and production of the PGM Circuits; estimated ramp-up or upgrades to the PGM Circuits; establishment of the second phase of the TSF capital works program; potential additional revenue growth and gross margin improvement from the PGM Circuits; execution of the Zandfontein Underground restart business plan and related funding; Mareesburg project environmental work to complete the legal analysis on the EIA and other environmental studies and amendments; prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies; EIA and assessment work regarding a vertical furnace and pelletizer of chrome concentrate; CRM underground assessment including all chrome recovery activities in relation to the Retreatment Project; the Company's plans for its properties; the resolution of current litigation; the 2016 BEE Buyout Transactions and all related transactions; the pandemic and COVID-19 issues currently occurring; the seasonality of the Company's operations; the continuing impact of adverse economic factors on the South African PGM industry; the potential restarts of the CRM if there is a sustained strengthening of PGM prices and a marked improvement in the South African operating environment; the possibility of restarting the development of the Mareesburg open cast mine; the possibility of developing the Kennedy's Vale and Spitzkop project in the future; the requirement of additional funding to bring projects into production and how that funding will be attained; estimated resources and reserves; economic assessments; extension of the life of the Retreatment Project; estimated costs and timelines of construction; estimated operations; capital costs and payment terms related to the Chrome Circuit and PGM Circuits; estimated timelines for revenue, production and anticipated capital costs; test work results; the possibility of any impairment or reversal of impairment if there are any changes to future market conditions and commodity prices; the composition of G&A costs; potential non-compliance with the MPRDA and the corresponding impact; the possible impact of Mining Charter 2018; the share capital of the Company; the renewal of consulting agreements; the ongoing assessment of mine life; critical accounting judgments made by the Company; the impact of the new IFRS on consolidated financial statements; adoption of new IFRS standards; impairment estimates and the applicable risk factors.

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

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

Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The Company's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the

Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.