EASTERN PLATINUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("Eastplats" or the "Company") as at September 30, 2018 and for the three and nine months then ended in comparison to the same periods in 2017.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and the related notes for the three and nine months ended September 30, 2018. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and in accordance with International Standard 34 Interim Financial Reporting.

The Company's presentation currency is U.S dollars. Monetary amounts in this MD&A are in thousands of U.S. dollars ("$" or "U.S. dollars"), except when indicated as thousands of Canadian dollars ("Cdn$" or "Canadian dollars"), thousands of South African Rand ("ZAR" or "Rand") and except for per share amounts, per tonnage amounts or as otherwise indicated. The effective date of this MD&A is November 13, 2018. Additional information relating to the Company, including its Annual Information Form for the year ended, December 31, 2017, is available under the Company's profile on SEDAR at www.sedar.com.

1. Overview

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

As at September 30, 2018, the Company's primary assets were:

(a) an 87.5% direct and indirect interest in Barplats Investments Limited, whose main assets are an indirect interest in 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.

On March 1, 2018, Eastplats and its subsidiary Barplats Mines (Pty) Limited ("Barplats") entered into an agreement (the "UG Agreement") with Union Goal Offshore Solution Limited ("Union Goal"). The UG Agreement provides for construction, remining and processing of the tailings resource, and the subsequent offtake of chrome concentrate from the Barplats Zandfontein UG2 tailings facility ("Retreatment Project") located at the CRM in South Africa (also see section 2.2 Significant Events and section 4.1CRM).

In addition to the above activity, the Company continues to actively monitor the PGM markets and other developments in the mining and minerals sector to assess the possible resumption of active underground mining at CRM and the assessment of extracting PGM's from the tailings. The Company is also actively assessing the Maressburg project. No current development is occurring at the KV or Spitzkop projects. The

KV, Spitzkop and Mareesburg projects (collectively the "Eastern Limb Projects") currently report as a group to management.

The Company's ownership percentages or compliance with the South African Mining Charters (See New Mining Charter in South Africa - Issued) may be impacted by certain agreements purportedly entered into in June 2016 and other legal proceedings as discussed in detail in the December 31, 2017 audited consolidated financial statements and, in this MD&A (also see section 5.3 Contractual Obligations, Commitments and Contingencies).

2. Third Quarter of Fiscal Year 2018 Highlights

2.1 New Mining Charter in South Africa - Issued

On September 27, 2018, the South African Minister of Mineral Resources Gwede Mantashe gazetted and released the Mining Charter 2018 after seven months of engagement with various industry stakeholders. In that notice the Minister indicates that the Mining Charter 2018 must be read with "Implementation Guidelines" to be gazetted by the end of November 2018.

It appears from the Mining Charter 2018 that the Minister has changed some of the controversial provisions of the draft mining charter.

Set out below is a summary of the salient points of the Mining Charter 2018.

Ownership

A) In respect of ownership, the Mining Charter 2018 differentiates between existing mining rights, new mining rights and pending applications for mining rights.

B) An existing mining right holder who achieved a minimum of 26% BEE (black economic empowerment) shareholding including a right holder whose BEE partner has since exited is recognised as compliant for the duration of the right. Such recognition is not transferrable and will lapse upon transfer of such mining right or part thereof and will not apply to an application for a new mining right or renewal of the mining right.

   The Mining Charter 2018 recognises this 'once empowered, always empowered' principle for the duration of the mining right, not for the life of the mine.

C) The target for BEE ownership in terms of new mining rights in the Mining Charter 2018 is a minimum of 30% BEE shareholding for the duration of the mining right.

   The 30% BEE shareholding must be made up of 5% to qualifying employees, 5% to host communities; and 20% to a BEE Entrepreneur, of which 5% should preferably be women (but excluding host communities and qualifying employees). A host community is a community within a local municipality adjacent to the mining area. Mining companies can choose to offset this 5% by investing in community development instead, but this will not replace the social and labour plan commitments as contemplated in section 23 of the Mineral and Petroleum Resources Development Act ("MPRDA").

D) Pending applications lodged and accepted prior to the commencement of the Mining Charter 2018 will be processed in terms of the requirements of the Mining Charter 2010 with a minimum of 26% BEE shareholding. However, such mining companies must, within a period of 5 years from the effective date of such mining right, increase their BEE shareholding to 30%.

Disposal of BEE Shareholding

A) If the BEE shareholding or part thereof is disposed of below the prescribed minimum shareholding, a mining right holder's empowerment credentials will still be recognised for the duration of the mining right, provided that certain requirements are met such as - compliance with the Mining Charter 2018 at the time of disposal, the shares were held for a minimum period of time and certain other stated requirements. The requirement in a previous charter that the BEE shareholder had to reinvest 40% of the proceeds from the share sale into mining, was removed.

B) The recognition of consequences of previous deals cannot be claimed against future mining rights or mining right renewal applications.

Beneficiation

A mining right holder may claim the equity equivalent against a maximum of 5% points of a BEE Entrepreneur shareholding, if the mining right holder engages in certain stated activities regarding beneficiation.

Human Resources Development

A mining right holder is expected to invest a minimum 5% of a leviable amount (excluding the statutory skills development levy) on essential skills development of employees (excluding directors and executives) — including science, technology, engineering and mathematical skills, graduate training programmes and research and development initiatives.

Employment Equity

A) The Mining Charter 2018 has increased employment equity requirements compared to the 2010 Mining Charter.

Employment equity is aimed at achieving equity in the workplace by eliminating unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups in the past.

B) The Mining Charter 2018 provides that 50% of appointments to Boards must be historically disadvantaged persons, of which 20% representation must be women. This standard is also applicable to appointments at an executive management level, proportionally represented in terms of provincial or national demographics.

C) Minimum requirements are set for senior, middle and junior management and for employees with disabilities.

D) The mining right holder must ensure that 60% of its core and critical skills are rendered by historically disadvantaged persons. Core and critical skills should include science, technology, engineering and mathematical skills.

Mine Community Development

A) A mining right holder must meaningfully contribute towards mine community development, and the identified development priorities must be contained in the prescribed and approved Social and Labour Plan.

B) The term "Mine Community" refers to communities where mining takes place, major labour sending areas and adjacent communities within a municipality.

Housing and Living Conditions

Mining companies must improve the standard of housing and living conditions of mine employees, as stipulated in the Housing and Living Conditions Standards for the Mining and Minerals Industry developed in terms of the MPRDA.

Procurement, Supplier and Enterprise Development

A) A mining right holder is required to promote economic growth through the development or nurturing of small, medium and micro South African enterprises and suppliers of mining goods and services.

B) Minimum standards are set for the procurement of South African manufactured goods and for the supply of services from South African based companies. These standards are then split into sub-minima regarding companies owned and controlled by historically disadvantaged, women or youth and produced by BEE compliant companies.

C) In instances where a mining right holder procures goods and services of a contractor to undertake extraction or processing (crushing and concentration) of minerals on their behalf, such goods and services will be deemed to have been procured by the mining right holder.

D) Mining companies have a period of 5 years to comply progressively with the procurement targets.

E) A mining right holder may invest in enterprise and supplier development against which it may offset its procurement element obligations.

F) With regards to research and development capabilities, a mining right holder must spend a minimum of 70% of its total research and development budget on South African based research and development entities, either public or private.

G) A mining right holder is required to use South African based facilities or companies for analysis of 100% of all mineral samples across the mining value chain. Prior written consent of the Minister is required for a mining company to use foreign-based facilities to conduct sample analysis.

Non-Compliance with the Mining Charter 2018

A) Transitional arrangements are prescribed regarding procurement targets, employment equity and housing standards.

B) According to the Mining Charter 2018, the Minister may, by notice in the Gazette, review the Mining Charter 2018.

C) Furthermore, the Mining Charter 2018 requires that mining right holders should submit annual compliance reports to the Department of Mineral Resources.

D) The Charter expressly states that a mining right holder who has not complied with the certain elements shall be in breach of the MPRDA and subject to the provisions of section 93, read in conjunction with section 47 (Ministers power to cancel rights), 98 (offences) and 99 (penalties) of the MPRDA. Section 93 deals with orders, suspensions and instructions by officials for failures and contraventions of the MPRDA.

E) Although, the Minister has stated that the Mining Charter 2018 is a consensus document after intensive engagements with mining companies, financial institutions, the legal fraternity, investors, mining communities and the cabinet, its status remains in question due to pending litigation

F) The court in the case of *Chamber of Mines of South Africa v Minister of Mineral Resources and Others* called into question the validity of the 2010 Mining Charter and by implication subsequent charters. On the basis of the judgment, the validity of Mining Charter 2018 may be in question. The Mineral Resources Minister Gwede Mantashe has appealed this High Court ruling.

The Company has begun reviewing the Mining Charter 2018 and its implication but requires the publication of the Implementation Guidelines before a complete assessment can occur.

*2.2 **Significant events***

(a) Retreatment project update

On August 31, 2018, the Company and Union Goal satisfied all the conditions precedent regarding the UG Agreement. The conditions precedent included amongst other agreed requirements, the securing of the now non-refundable upfront payment of ZAR 42.2 million paid to Barplats and the signing of the:

- Offtake Agreement;
- Equipment and Chrome Plant Agreement;
- Escrow Agreement; and
- Loan Agreement.

(b) Management reorganization

Mr. Anton Lubbe, Vice President of South African operations resigned effective August 31, 2018.

The Company reorganized Mr. Lubbe's duties between Diana Hu, CEO, Andrea Zhang, COO and through the promotion of Hannelie Hanson to General Manager of South African Operations. Ms. Hanson has been with the Company's South African Operations since 2012 and has extensive operational experience with Anglovaal Mining Limited and Lonmin, PLC over the past 20 years. Ms. Hanson holds a bachelor of Science with honours, a Master of Engineering and a Masters of Business Administration degree and has been integrally involved in the technical details of all current projects and has worked closely with management since 2016 as the Company began its plan to transition from care and maintenance. This has been an effective transition.

2.3 Financial Highlights

- Cash inflow of $485 (ZAR6,475) Retreatment Project construction loan from UG in accordance to the UG Agreement.

- The Company capitalized and expended an additional $15,668 on the Chrome Circuit and construction activities to further the Retreatment Project during Q3 2018.

- As at September 30, 2018, the Company had cash, cash equivalents and short-term investments ("Cash Position") of $7,488, a decrease of $10,910 from $18,398 as at June 30, 2018. The decrease in Cash Position was related to the Company's general operations including the investment into the construction of the Retreatment Project, administrative and, mine care and maintenance expenditures offset with the retreatment project construction loan of $485 received from UG in accordance with the UG Agreement.

- The Company recorded a loss attributable to equity shareholders of the Company of $2,357 ($0.03 loss per share) in Q3 2018 compared to a loss of $1,681 ($0.02 loss per share) for the same period in 2017.

3. Selected Quarterly Financial Data

The table below sets forth selected results of operations for the Company's eight most recently completed quarters; prepared in accordance with IFRS.

Table 1

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

	2018			2017				2016
	Sept.30	Jun. 30	Mar. 31	Dec. 31	Sept. 30	Jun. 30	Mar. 31	Dec. 31
	$	$	$	$	$	$	$	$
Expenses:								
General and administrative	(562)	(474)	(755)	(1,068)	(776)	(687)	(1,136)	(639)
Care and maintenance	(1,759)	(1,865)	(1,770)	(1,763)	(1,344)	(1,828)	(1,726)	(1,893)
Care and maintenance depreciation	(29)	(37)	(29)	(31)	(31)	(30)	(31)	(3)
Impairment expense	—	—	—	—	—	—	—	(5,802)
Impairment of prepayments	—	—	—	—	—	—	—	(13,367)
	(2,350)	(2,376)	(2,554)	(2,862)	(2,151)	(2,545)	(2,893)	(21,704)
Other income (expenses), net	(611)	(1,452)	1,155	694	61	402	394	1,359
Loss before income taxes	(2,961)	(3,828)	(1,399)	(2,168)	(2,090)	(2,143)	(2,499)	(20,345)
Net loss for the period	(2,975)	(4,238)	(1,172)	(2,368)	(2,105)	(2,213)	(2,522)	(20,648)
Net loss attributable to equity shareholders of the Company	(2,357)	(3,441)	(694)	(1,907)	(1,681)	(1,750)	(2,029)	(20,408)
Loss per share - basic and diluted	(0.03)	(0.04)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.22)
Average foreign exchange rates								
South African Rand per US dollar	14.05	12.63	11.95	13.61	13.18	13.20	13.22	13.90
US dollar per Canadian dollar	0.7652	0.7747	0.7909	0.7866	0.7986	0.7437	0.7559	0.7495
Period end foreign exchange rates								
South African Rand per US dollar	14.16	13.75	11.85	12.36	13.52	13.09	13.40	13.70
US dollar per Canadian dollar	0.7725	0.7594	0.7756	0.7971	0.8013	0.7706	0.7519	0.7448

The Company's operations are not materially impacted by seasonality considerations, with the exception of electricity which has seasonal tariffs (winter rates in South Africa are 1.5 times the summer rates). Since Q1 2018 the Company began the construction of the Retreatment Project and reallocated current staff as appropriate towards this active project. New construction contractors were engaged and some operators have begun being added during Q3 but no significant costs have yet occurred in the operations but this will change and be reflected by increased staff during Q4.

4. Results of Operations for the three and nine months September 30, 2018

The Company's presentation currency is the U.S. dollar while the Company's operating expenses are predominately incurred in Canadian dollars and Rand. The average foreign exchange rate for Q3 2018 and Q3 2017 is listed below

	Cdn to USD	ZAR to USD
Q3 2018	0.7652	0.0712
Q3 2017	0.7986	0.0759

The estimated South African annual inflation rate is 2018 - 4.39% and 2017 – 5.19%. 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, majority of interest income, other income and finance costs are incurred in South Africa. Therefore, the Company is subject to the risks of the foreign exchange and inflation fluctuations in South Africa. South African operational funding is 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 Africa Rand.

The following table sets forth selected consolidated financial information for the three and nine months ended September 30, 2018 and 2017:

Table 2

Consolidated statements of loss
(Expressed in thousands of U.S. dollars, except per share amounts)

	Three months ended September 30		Nine months ended September 30	
	2018	2017	**2018**	2017
	$	$	**$**	$
Revenue	**—**	—	**—**	—
Mine operating loss	**—**	—	**—**	—
Expenses				
General and administrative	**562**	776	**1,791**	2,599
Care and maintenance	**1,759**	1,344	**5,394**	4,898
Care and maintenance depreciation and amortization	**29**	31	**95**	92
Operating loss	**(2,350)**	(2,151)	**(7,280)**	(7,589)
Other income (expense) and income tax expense	**(625)**	46	**(1,105)**	749
Net loss for the period	**(2,975)**	(2,105)	**(8,385)**	(6,840)
Attributable to				
Non-controlling interest	**(618)**	(424)	**(1,893)**	(1,380)
Equity shareholders of the Company	**(2,357)**	(1,681)	**(6,492)**	(5,460)
Net loss for the period	**(2,975)**	(2,105)	**(8,385)**	(6,840)
Loss per share				
Basic and diluted	**(0.03)**	(0.02)	**(0.07)**	(0.06)
Weighted average number of common shares outstanding				
Basic and diluted	**92,599**	92,599	**92,599**	92,599

Consolidated statements of financial position

	September 30	December 31
	2018	2017
	$	$
Total assets	**165,556**	146,949
Total non-current liabilities	**50,965**	9,713

The Company recorded a loss attributable to equity shareholders of the Company of $2,357 (or $0.03 loss per share) in Q3 2018 compared to a loss of $1,681 (or $0.02 loss per share) in Q3 2017. Detailed explanations are presented below.

4.1 *Crocodile River Mine*

During the quarter the Company continued to focus its resources and efforts to complete the construction phase of the Retreatment Project. The Company is now preparing for commissioning, production and active operations. Commissioning is estimated to begin shortly on the Retreatment Project. The Chrome plant water commissioning is scheduled to begin during November 2018 followed by the introduction of slurry into the Chrome plant. Ore production will ramp up during the start-up period in December 2018. The tailings infrastructure has been completed and is ready to deliver slurry to the Chrome plant and separately to accept tailings disposition as needed from the operations. As with all commissioning and start-ups, many uncertain and unknown issues can arise and the timing is uncertain.

Eastplats continues to estimate the Retreatment Project will result in revenue producing operations through offtake of the chrome concentrates to Union Goal at the end of Q4 2018.

Management entered into the UG Agreement with the expectation of increased returns on the Retreatment Project due to the Chrome Circuit installation compared to the traditional technology referenced in the Sound Mining Feasibility Study published in September 2017.

The Retreatment Project costs related to the tailings facility Phase 1 were budgeted at ZAR130,551 ($9,221) plus the upfront ore relocation costs budgeted at ZAR22,822 ($1,612). At September 30, 2018 the entire tailings facility project is estimated at ZAR167,393 ($11,823). The estimated cost overrun of approximately ZAR14,000 or 4% relates to additional unexpected engineering, adjustments to the hydro mining equipment and a crusher not originally in scope. Tailings dam raises in phase 2 and 3 are estimated at ZAR62,000 ($4,379) but will not begin until mid to late 2019 for Phase 2 and 2020 for phase 3. The Chrome plant construction costs (funded or loaned from Union Goal) have been estimated at ZAR 29,999 to complete with total costs estimated at ZAR87,900 plus the current equipment costs of $37,306. Total amounts of the Retreatment Project capitalized at September 30, 2018 was $53,624.

The Retreatment project is also discussed above in section 2.2 Significant events.

The Company will continue to protect the CRM underground reserves through diligent care and maintenance activities.

Sound Mining Solution (Pty) Ltd. ("Sound Mining") and the Company require additional time to complete the feasibility study and to further investigate the PGM opportunity in relation to the Zandfontein UG2 tailings facility. Samples and testing from the operating chrome plant are required which will delay the completion of the feasibility study. An updated timeline can be developed during Q1 2019 after operations have stabilized.

4.2 Mareesburg Project

The Mareesburg feasibility study remains on hold as the Company obtains certainty over its ability to dispose of the ore to third parties. The Company is working on solutions with a final decision expected by the end of Q4 2018. SRK Consulting (South Africa) Pty Ltd ("SRK") will need about four months to finalize the feasibility study once certainty is obtained. The Company is also continuing with the Environment Impact Assessment ("EIA") for the potential haul road for the proposed project due to the significant time required to complete.

The Company continues to ensure consultation with interested and affected parties with the support of the DMR are continuing, with a special focus on the neighbouring communities.

4.3 Corporate and Other Expenses

General and Administrative

G&A costs are associated with the Company's Vancouver corporate head office and are summarized below:

The G&A costs decreased $214 to $562 in Q3 2018 compared to $776 for the same period in 2017. The decrease in 2018 is primarily due to lower professional fees incurred in Q3 2018. The Company incurred higher professional fees in Q3 2017 because of the various investigation costs relating to various agreements purportedly entered into by the Company's former management in 2016.

The G&A costs decreased $808 to $1,791 for the nine months ended September 30, 2018 compared to $2,599 for the same period in 2017. The decrease of G&A cost in 2018 compared to the same period in 2017 is primarily due to lower professional fees (discussed above) incurred during the nine months ended September 30, 2018.

Care and Maintenance, and Care and Maintenance Depreciation

Care and maintenance costs are incurred when production of the PGM projects is 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, G&A 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 was placed on care and maintenance in the third quarter of 2013.

Care and maintenance costs increased $498 (excluding foreign currency translation impact of $83) to $1,759 in Q3 2018 compared to $1,344 for the same period in 2017 in connection with the CRM and Eastern Limb Projects. This increase was the result of increased labour cost including severance payment made to the Vice President of South African operations who resigned effective August 31, 2018 and increased environmental work and analysis usually completed in Q4 plus less staff time was allocated to work on the feasibility studies during Q3 2018 and annual wage adjustment in South Africa related to the cost of living.

Care and maintenance costs increased $481 (excluding foreign currency translation impact of $15) to $5,394 for the nine months ended September 30, 2018 compared to $4,898 for the same period in 2017 in connection with the CRM and Eastern Limb Projects. Reason for increase discussed above including a bonus paid in Q2 2018 to the Vice President of South African Operations.

Care and maintenance depreciation consist of the depreciation expense related to the residential properties only as the project is currently on care and maintenance. Care and maintenance depreciation decreased to $29 for the three months and increased to $95 for the nine months ended September 30, 2018, respectively compared to $31 and $92 for the same periods in 2017,

Impairment

Mineral properties are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or previous impairment on assets are recoverable. The Company considers impairment, or if previous impairment charges should be reversed, at the cash generating unit ("CGU") level. The CGU carrying amount for the purposes of this test includes the carrying value of the mineral properties less deferred tax liabilities related to each CGU. The Company assesses the carrying values of its mineral properties for indication of impairment at each quarter end.

In Q3 2018, management determined that the significant fluctuation of the metal prices, strengthened South Africa Rand against U.S. dollar when considered together with the continued decrease of the Company's market capitalization present impairment indicators. For the purpose of the impairment assessment, the Company has considered that CRM, KV, Spitzkop and Mareesburg each as separate CGUs which is consistent with the 2017 year-end impairment assessment.

From an accounting perspective, the recoverable amount calculated for CRM and Mareesburg is based on the "fair value less cost to sell" accounting principle ("FVLCTS"). The FVLCTS of CRM (level 3 in the fair value hierarchy) as at September 30, 2018 was calculated using a weighted average cost of capital of 10.60% and forecasted average exchange rates and key forecasted metal prices based on the average of analysts' consensus estimates issued in September 2018. All other assumptions remained consistent with those used during the 2017 year-end impairment assessment. As a result of this analysis, the recoverable amount of CRM approximated the carrying amount and the recoverable amount of Mareesburg exceeded the carrying amount. No impairment was required for the CRM and Mareesburg projects.

KV and Spitzkop projects were both suspended in 2012. As at December 31, 2017, the recoverable amounts of the KV and Spitzkop projects were determined on a FVLCTS basis (level 3 in the fair value hierarchy) with reference to market transactions as well as a purchase offer received at the time. In Q3 2018, there were no significant changes of the observable market transactions for the properties that are similar to KV and Spitzkop. Therefore, no impairment charge was recorded for the three and nine months ended September 30, 2018 for the KV and Spitzkop projects.

Interest Income

Interest income mainly represents the interest and investment return earned through various money market funds invested in Canada and South Africa.

Interest income decreased $13 (excluding of foreign currency translation impact of $18) to $262 in Q3 2018 compared to $293 for the same period in 2017 due to slightly lower market returns. Interest income decreased $9 (excluding of foreign currency translation impact of $2) to $866 for the nine month ended September 30, 2018 compared to $877 for the same period in 2017 due to slightly year-to-date lower market returns.

Other Income

Other income consists of rental income from company-owned residential properties on the Eastern Limb Projects and at the CRM as well as scrap metal sales not directly related to operations.

Other income increased $34 (excluding of foreign currency translation impact of $28) to $461 in Q3 2018 compared to $455 for the same period in 2017 mostly due to increased rental income and scrap metals sales. Other income increased $54 (excluding of foreign currency translation impact of $1) to $1,588 for the nine months ended September 30, 2018 compared to $1,533 for the same period in 2017 mostly due to slightly increased rental income and scrap metals sales.

Finance Costs

Finance costs include interest accretion on the provision for environmental rehabilitation and miscellaneous interest charges.

Finance cost decreased $47 (excluding of foreign currency translation impact of $12) to $133 in Q3 2018 compared to $192 for the same period in 2017 as a result of decreased accretion. Finance cost decreased $140 (excluding of foreign currency translation impact of $1) to $437 for the nine months ended September 30, 2018 compared to $578 for the same period in 2017 as a result of decreased accretion.

Income Tax

The Company recorded a net income tax expense of $14 in Q3 2018 compared to $15 for the same period in 2017. The Company recorded a net income tax expense of $197 for the nine months ended September 30, 2018 compared to $108 for the same period in 2017.

The income tax expense /recovery consist of the income tax payable relating to the non-mining income (i.e. rental and scrap metal sales) earned in South African subsidiaries and the origination and reversal of temporary differences which arose due to changes in the Company's net assets and the foreign exchange impact on deferred tax liabilities.

5. Liquidity and Capital Resources

As at September 30, 2018, the Company had working capital of $8,866 (December 31, 2017 – $26,153) and a Cash Position of $7,488 (December 31, 2017 – $25,544).

The Company's Cash Position decreased by $10,910 in Q3 2018 compared to the balance as at June 30, 2018. If excluding the foreign currency translation loss impact of $22, the actual decrease of Cash Position is $10,888. The decrease results from: (i) cash incurred of approximately $3,121 in operations, including G&A and care and maintenance of the CRM and the Eastern Limb Projects; (ii) net payment of VAT on imported Chrome Circuit equipment of $950; and (iii) a net acquisition of property, plant and equipment of $7,441 (majority being the investment in the construction of the Retreatment Project), offset with the cash received of (i) $485 received from Union Goal in accordance with the UG Agreement; and (ii) interest received of $291.

The Company's Cash Position decreased by $18,056 during the nine months ended September 30, 2018 compared to the balance as at December 31, 2017. If excluding the foreign currency translation loss impact of $886, the actual decrease of Cash Position is $17,170. The decrease results from: (i) cash incurred approximately $5,360 in operations, including G&A and care and maintenance of the CRM and the Eastern Limb Projects; (ii) payment of VAT on imported Chrome Circuit equipment, net of the refund received of $2,066; (iii) an investment in other assets to secure contracts for the Retreatment Project plus interest resulting in an increase in the amount of $1,669; (iv) a net acquisition of property, plant and equipment of $14,201 (majority related to construction of the Retreatment Project); and (v) income tax paid of $67, offset with the cash received of (i) $5,236 received from Union Goal in accordance with the UG Agreement; and (ii) interest received of $957.

In March 2018 the UG Agreement was signed and the construction phase began with operations expected in Q4 2018. The remaining CRM underground and all other properties and projects are at an earlier stage of development or on hold. The Company did not generate income in Q3 2018 other than interest and other income which is insufficient to cover the Company's general and administrative, and care and maintenance expenses. The Company has sufficient cash, cashflows and anticipated revenue sources to meet its expected obligations in the next 12 months including completion of the Retreatment Project. However, additional funding will be required for any other capital projects if they are considered, developed and brought into commercial production. 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.

The Company has allocated $1,700 in capital funding to complete and commission the Retreatment Project during Q4 2018. As we are about to commission our Retreatment Project we have not finalized or approved the 2019 budget. The corporate objectives discussed in Section 5.1 are funded in the 2018 capital budget. Funding is from existing working capital.

With the UG Agreement the Company has committed to purchasing the Chrome Circuit, subject to a Put Option if the agreed operating performance and outputs are not as agreed. This liability, along with the provision for environmental rehabilitation relating to the CRM and Eastern Limb Projects and the deferred income tax liabilities are the non-current liabilities.

5.1 Outlook

During 2018 the Company has focused on the construction of the Retreatment Project and is now about to commission the project. The Company and UG are focused to ensure the Retreatment Project is brought into full operations as quickly as is reasonable. The Company's other projects have been placed on hold and all appropriate resources have been authorized and allocated to achieve revenue-producing operations as targeted in Q4 2018.

As at the date of this MD&A, the Company notes that the 2016 BEE Buyout Transactions have not been completed. However, completion of the BEE Buyout Transaction could give rise to non-compliance with the mining rights and certain provisions of the *Mineral & Petroleum Resources Development Act (South Africa)* ("MPRDA") in respect of black economic empowerment requirements, unless other steps are taken to rectify the potential non-compliance. In particular, under the MPRDA, the Department of Mineral Resources of the Republic of South Africa ("DMR") may order the Company to rectify any such non-compliance, and failure to do so could lead to the Minister cancelling or modifying the mining rights under the MPRDA. The Company is also reviewing the Mining Charter 2018 in relation to these issues. The Company has met with the DMR and the Company is working proactively to address these issues.

The Company intends to continue care and maintenance with respect to the underground portion of the CRM and the Eastern Limb Projects but is actively looking at opportunities for other areas and all of its other assets including continuing to assess other options to utilize these assets.

The Company, following ramp-up of the Retreatment Project, will review its other assets and will be able to reassess the PGM market developments beyond the near term, the Chrome Circuit operations and the economics overall which could provide an opportunity regarding the development of CRM underground. However, all decisions will be made based on long term economic determinations and any restart would require additional funding that may or may not be available or require an alteration of the operations at the CRM.

Subject to the restart and completion of an economic feasibility study, development of the Mareesburg open cast mine may also begin again once market and operating conditions support such recommencement, subject to capital requirements and the availability of financing.

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

The Company did not issue any common shares during the three and nine months ended September 30, 2018. In Q1 2018, the Company granted 100,000 stock options to a director of the Company to acquire common shares of the Company at an exercise price of Cdn$0.37 per share expiring in five years from the grant date. In Q2 2018, the Company granted additional 200,000 stock options to a director and an officer of the Company to acquire common shares of the Company at an average exercise price of Cdn$0.37 per share expiring in five years from the grant date. All of these options vest 90 days from the grant date. No stock options were granted in Q3 2018. During the three and nine months ended September 30, 2018, a total of $9 and $131 and (three and nine months ended September 30, 2017 – $Nil and $31), respectively was recorded as share-based compensation expense relating to G&A.

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

- 92,639,032 common shares issued;
- 92,599,310 common shares outstanding;
- 39,722 treasury shares outstanding and held; and
- 2,075,000 stock options outstanding as listed below:

Table 3

Options outstanding	Options exercisable	Exercise price Cdn$	Remaining Contractual Life (Years)	Expiry date
200,000	200,000	1.05	2.76	July 4, 2021
300,000	300,000	1.05	2.87	August 14, 2021
100,000	100,000	1.05	2.98	September 20, 2021
100,000	100,000	0.40	3.41	Febuary 24, 2022
600,000	600,000	0.32	4.11	November 9, 2022
575,000	575,000	0.33	4.19	December 7, 2022
100,000	100,000	0.37	4.49	March 27, 2023
100,000	100,000	0.39	4.57	April 26, 2023
2,075,000	2,075,000		3.78	

5.3 Contractual Obligations, Commitments and Contingencies

The Company's major contractual obligations and commitments as at September 30, 2018 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	5,931	—	—	5,931
Operating lease	21	21	—	—
Capital expenditure and purchase commitments contracted at September 30, 2018 but not recognized on the consolidated statement of financial position	3,855	3,855	—	—
	9,807	3,876	—	5,931

Alpha Global South Africa Claim against the Company

On March 14, 2017, the Company was served with a claim by Alpha Global Capital Inc. ("Alpha Global"), an entity registered in the British Virgin Islands. In its claim, Alpha Global is seeking relief under a provision of South African company legislation contemplating that a South African court may make an order to wind up an "external company" registered in South Africa on the basis that it is just and equitable to do so or that it is unable to pay its debts. Alpha Global has asserted that it is entitled to bring its action on the basis that an alleged default occurred under a promissory note originally issued in 2007 and that it is now entitled to approximately ZAR30,797 ($2,174) plus default interest (the "Promissory Note").

The Promissory Note was provided pursuant to an agreement dated April 25, 2007 (the "Alpha Global Agreement") between Eastplats International Inc. ("EII"), a wholly-owned subsidiary of the Company and Alpha Global. The Alpha Global Agreement states Alpha Global is to receive ZAR30,797 ($2,174) upon the closing of a fundamental transaction defined in the Alpha Global Agreement as the sale of 40% or more of the assets (as determined on a fair market value basis) of the combined or separate assets of the Company, EII, their subsidiaries and/or additional 5% of BIL which indirectly holds the CRM.

On May 12, 2017, the Company served its response to the claim filed by Alpha Global in the High Court of South Africa. In its response, the Company has denied Alpha Global's allegations, in particular as to the Company's solvency or the state of its business. The Company also refuted that Alpha Global has legal standing to bring its action under the above provision since, even based on the facts as asserted by Alpha Global, the claim under the Promissory Note has prescribed (or not been made within the limitation period) and no amount is currently owing to it. The Company has also asserted that if there is any dispute as to Alpha Global's status as a creditor of the Company to whom money is owed, that this is a matter for the Courts of the British Virgin Islands to decide, being the law under which the parties agreed the Promissory Note was to be governed and interpreted.

Due to inaction and delay by Alpha Global the matter was removed from the court roll for hearing in South Africa. The Company has scheduled a new hearing on February 4, 2019 seeking to dismiss the claim with costs; however, the Company notes that a court has discretion to determine that the Company may have potential future obligations related to this matter.

Alpha Global British Virgin Islands Claim against the Company

On July 19, 2018, the Company was served with a further claim by Alpha Global initiated in the British Virgin Islands for recovery of amounts allegedly owed under the Promissory Note. Alpha Global is seeking payment of an amount of ZAR30,797 ($2,174) plus an amount it alleges is owing for default interest, for a total claim of ZAR142,887 ($10,088).

The Company is of the view that no amount is currently owing to Alpha Global and as a result it is not entitled to any remedy in connection with its alleged claim. The Company has filed its defence to oppose the claim.

Petition 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, 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 has formed a Special Committee of three non-management Directors to review the petition and make a recommendation on the appropriate action.

2016 BEE Buyout Transactions

The Company has been advised by the non-controlling partners ("BEE Shareholders") of Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") and Lion's Head Platinum (Pty) Ltd. ("Lion's Head") that they have purportedly relinquished their interests in those companies in varying amounts to either Serina Services AG ("Serina") or Ingwenya Incorporated ("Ingwenya"). Gubevu is the Company's Black Economic Empowerment ("BEE") partner in Barplats Investment Limited and Lion's Head is a BEE compliant corporation in the Company's Mareesburg Joint Venture. The Company has been advised that the BEE shareholders originally acquired these shares from Serina and Ingwenya, and these shares have purportedly now reverted to them. Neither the Company nor its subsidiaries were parties to these purported transactions and the Company has not been provided with further direct information regarding these transactions.

On June 30, 2016, two days following the announcement of agreements having been entered into for the sale of CRM (which agreements have since been terminated), former management purportedly caused the Company to enter into certain buyout agreements with Serina and Ingwenya (the "BEE Buyout Agreements"). Those BEE Buyout Agreements contemplated payment by Eastplats of $13,367 upon any change of control of the Company in exchange for the acquisition/cancellation of the BEE Shareholders. Following a change of control at the 2016 AGM, former management caused those funds to be paid (see News Release of July 4, 2016).

The Company has met and discussed the above issues with the Department of Mineral Resources in South Africa ("DMR"). As previously disclosed, South African mining regulations require certain levels of BEE in respect of mining rights. The Company is working to understand the nature and possible implications of the above transactions and, if necessary, to reorganize or remedy its BEE arrangements.

The Company notes that the BEE Buyout Transactions have not been completed. If the BEE Buyout Agreements are complete, the Company may no longer have its BEE Partners, and the Company may be in breach of the provisions of its mining rights and certain provisions of applicable legislation, unless steps are taken to rectify those requirements. The Company is working proactively to resolve these issues contemplated in the BEE Buyout Agreements. If required to do so, there is no guarantee that the Company will be able to successfully rectify those requirements within the required timeframe. Failure to rectify any non-compliance with the obligations under applicable legislation may negatively impact the Company's operations and value of its assets and could lead to the Minister cancelling or modifying the mining rights under the MPRDA. The Company remains committed to working with the DMR to ensure ongoing compliance (also see Section 2.1 – New Mining Charter in South African – Issued).

Claims against Serina and Ingwenya

On June 7, 2018, the Company along with its subsidiaries Eastplats Acquisition Co. Ltd, and Eastern Platinum Holdings Limited (collectively, along with Eastplats, the "Eastplats Companies") filed a notice of civil claim in the British Columbia Supreme Court against Serina and Ingwenya in relation to the payment of the $13,367 to them from the Eastplats Companies during 2016 purportedly in connections with the BEE Buyout Agreements. The claim alleges that the BEE Buyout Agreements between those corporations and the Eastplats Companies are not binding, that the funds were not properly received by them, are an unjust enrichment to them and should be returned. No amount has been accrued on the Company's financial statement for this claim as it would be a contingent amount if successful.

Claims against former Directors and Officers

On June 7, 2018, the Eastplats Companies filed a notice of civil claim in the British Columbia Supreme Court against certain former officers and directors of Eastplats. It alleges that the former officers and directors purported to enter into agreements with Serina and Ingwenya on behalf of the Eastplats Companies pursuant to which $13,367 was transferred without consideration and without any apparent benefit to the Eastplats Companies and in doing so breached their duties as directors and officers of the Company. The Eastplats Companies are seeking damages from the former directors and officers on a number of legal grounds. No amount is accrued for this claim on the Company's financial statements as it would be a contingent gain if successful.

As a response to the claim against the former Directors and Officers have filed a counterclaim claiming indemnity for costs and claims. The Company has filed its defence to oppose this claim.

<u>Claim against the former Chief Financial Officer and Administrative Service Provider</u>

On October 16, 2017, the Company filed a claim in the Supreme Court of British Columbia against its former Chief Financial Officer ("CFO") and Corporate Secretary, Mr. Lee for breach of fiduciary duty and conflict of interest and its former general and administrative service provider Sterling West Management Ltd. in regards to recovery of termination fees, withholding of deposits, recovery of property and records, breach of contract, conspiracy and negligence. The Company is demanding recovery of the payments, value of property withheld, general and punitive damages. No amount is accrued for this claim on the Company's financial statements as it would be a contingent gain if successful.

<u>Claim dispute regarding Spitzkop</u>

The Company has recently received a notice from the DMR of an appeal launched with the DMR of its mineral license issued in 2012 relating to the Spitzkop property. The Company with the assistance of counsel are addressing and intend to defend this issue related to the validly issued mineral rights of Spitzkop.

<u>General</u>

The Company is also 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 below is a list of related parties and nature of the services provided that the Company had transactions with in Q3 2018 and 2017:

The Company incurred the following fees and expenses in the normal course of operations in connection with certain companies owned by current management, directors, the former management and former 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 September 30		Nine months ended September 30	
	2018	2017	**2018**	2017
	$	$	**$**	$
Trading transactions				
Consulting fees	**—**	65	**—**	65
Director fees	**37**	35	**108**	126
Management fees	**53**	115	**161**	331
Share-based payments	**9**	—	**115**	31
Total	**99**	215	**384**	553
Compensation of key management personnel				
Remuneration	**266**	223	**744**	615
Share-based payments	**5**	—	**62**	31
Total compensation of key management personnel	**271**	223	**806**	646

The Company had transactions with the following related parties in Q3 2018 and 2017:

The Company has agreed to pay $18 (Cdn$23) per month to Oriental Fortune Consulting Services Limited ("Oriental Fortune), an entity controlled by the Company's chief operating officer ("COO"), for the management consulting services rendered.

At September 30, 2018, the Company held a loan receivable from Gubevu in the amount of $66,319 (ZAR939,356) (December 31, 2017 – $70,987 (ZAR877,468)). This loan is secured by Gubevu's interest in Barplats Investments Limited, bears interest at the Johannesburg Interbank Agreed Rate + 3% and has been provided for in full. The Company did not record any interest income with regards to this loan or receive cash from, or lend any further cash to, Gubevu in Q3 2018.

Accounts receivable as at September 30, 2018 included $40 (December 31, 2017 - $40) due from Remington representing the reimbursement receivable for certain general and administrative expenses incurred by the Company on behalf of Remington. The Company's former management are the principal shareholders of Remington. Amount due from the related party is unsecured and due on demand.

During the three and nine months ended September 30, 2018 and 2017, the Company's key management includes the Chief Executive Officer (the "CEO"), Chief Financial Officer ("CFO"), COO, and vice president of South African Operations (resigned effective August 31, 2018). As stated in table 5, for the three and nine months ended September 30, 2018, the total remuneration to the key management, excluding share-based payments was $266 and $744 (three and nine months ended September 30, 2017 - $223 and $615), respectively. For the three and nine months ended September 30, 2018, the key management received share-based payments of $5 and $62 (three and nine months ended September 30, 2017 – $Nil and $31), respectively.

Key management personnel were not paid post-employment benefits or other long-term for the three and nine months ended September 30, 2018 and 2017.

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.

Areas of significant judgment and estimates made by management for the three and nine months ended September 30, 2018 in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material judgement in the current and following years are discussed in Notes 4(u) and (v) of the Company's audited consolidated financial statements for the year ended December 31, 2017.

8. Financial Instruments and Other Instruments

(a) Management of capital risk

The capital structure of the Company historically consists of equity attributable to common shareholders, comprised of issued capital, treasury shares, 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. During the period the Company expanded its sources of capital to include Contracts payable in the amount of $38,797.

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 externally imposed capital requirements.

(b) Fair value of financial instruments

(i) Fair value estimation of financial instruments

The fair values of cash and cash equivalents, short-term investments, restricted cash, trade and other receivables, other assets, trade, other payables and contracts payables approximate their carrying.

(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.

As at September 30, 2018 and December 31, 2017, the Company did not have financial liabilities measured at fair value on a recurring basis. There were no transfers between levels during the three and nine months ended September 30, 2018.

(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 except the new financial instrument Contracts payable.

At September 30, 2018, the Chrome equipment and construction portion of the Contracts payable is $38,797 based on deferred payment term for the Chrome Circuit for up to 33 months subject to a Barplats put option and Union Goal call option for the re-purchase of the Chrome Circuit by Union Goal in the event either party is not satisfied with the agreed pricing for the Chrome Circuit once its operational capacity is established.

(i) Currency risk

The Contracts Payable is based in a combination of US dollars and South African Rands for the Chrome Circuit, which is not the Company's functional currency and therefore it is exposed to foreign exchange risk.

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 below:

Table 6

	September 30 2018 $	December 31 2017 $
Financial assets		
Denominated in USD at Canadian head office	**6,185**	12,285
Denominated in Rand at Canadian head office	**6**	—
Total	**6,191**	12,285
Financial liabilities		
Contracts payable denominated in Rand at Canadian head office	**1,505**	—
Contracts payable denominated in USD at South African subsidiaries	**37,292**	—
Total	**38,797**	—

As at September 30, 2018, with other variables unchanged, a 10% strengthening (weakening) of Canadian dollars against U.S dollars would have decreased (increased) net income by approximately $562; with other variables unchanged, a 10% strengthening (weakening) of Canadian dollars against the South African Rand would have increased (decreased) net income by approximately $136; 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 $3,390.

9. Application of New and Revised IFRS

9.1 Newly adopted Accounting Standards

Effective January 1, 2018, the Company adopted IFRS 9 – Financial Instrument ("IFRS 9") using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard did not have an impact on the carrying amounts of the Company's financial instruments at the transition date.

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9.

9.2 Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations, are not yet effective as at September 30, 2018, and have not been applied in preparing these consolidated financial statements. The following pronouncements are those that the Company considers most significant and are not intended to be a complete list of new pronouncements that effect the financial statements.

(i) New standard IFRS 16, *Leases* ("IFRS 16")

Effective for annual periods commencing on or after January 1, 2019, this replaces existing lease accounting guidance. All leases will be required to be reported on the statement of financial position unless certain requirements for exclusion are met. The Company did not have significant operating leases obligation as at September 30, 2018. The Company is currently assessing the impact that this standard will have on its consolidated financial statements.

10. Off-Balance Sheet Arrangements

As at September 30, 2018, 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 our financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS").

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

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

Limitation of Controls and Procedures

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

12. Risk Factors

The exploration of mineral deposits involves significant risks and uncertainties. A comprehensive list of risk factors relating to our business is provided under the heading "Risk Factors", in the Company's AIF for the year ended December 31, 2017, which is available on SEDAR at www.sedar.com.

13. 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, the future development and funding of the Company's projects; the Company's plans for its properties; the resolution of current litigation; the BEE Buyout Agreements and all related transactions; 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 pit 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; estimated timelines for revenue, production and anticipated capital costs; timelines for feasibility studies; 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 III; 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 BEE Buyout Agreements, the resolution of the black economic empowerment 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.