EASTERN PLATINUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2017

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, 2017 and for the three months then ended in comparison to the same period in 2016.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the three months ended March 31, 2017. The unaudited condensed consolidated interim 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 dollar. All monetary amounts in this MD&A are in thousands of U.S. dollars ("$" or "U.S. dollars"), Canadian dollars ("Cdn$" or "Canadian dollars") and South African Rand ("ZAR" or "Rand") except for per share amounts or as otherwise indicated. The effective date of this MD&A is June 13, 2017. Additional information relating to the Company, including its Annual Information Form, December 31, 2016, is available under the Company's profile on SEDAR at www.sedar.com.

1. Overview

Presently, Eastplats owns directly and indirectly a number of platinum group metals ("PGM") assets in the Republic of South Africa ("South Africa"). All of the PGM properties are situated on the western and eastern limbs of the Bushveld Complex ("BCX"), the geological environment that supports over 75% of the world's PGM production.

As at December 31, 2016, 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 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.

In 2012, due to the uncertain outlook in the global economic environment, particularly in Europe, stagnant PGM pricing and the operating environment in South Africa, the development of Kennedy's Vale, Spitzkop and Mareesburg projects (collectively the "Eastern Limb Projects") were suspended and then in August 2013 the CRM was placed on care and maintenance. As a result, the Company does not currently have any active, revenue producing mining operations. The Company is actively monitoring market and other developments to assess the possible resumption of active mining.

The Company's interest in the above properties may be impacted by certain agreements purportedly entered into and other legal proceedings as discussed in detail in the December 31, 2016 Financial Statements and Management Discussion and Analysis.

2. First Quarter of Fiscal Year 2017 Highlights

2.1 Significant events

On February 3, 2017, the shareholders of Barplats Investments Limited ("BIL"), a subsidiary of the Company, held a shareholders meeting where Gubevu, the black empowerment partner in South Africa and the Company unanimously rejected a special resolution submitted to the meeting seeking approval of the sale of the shares of BIL's subsidiary, Barplats Mines Limited (which holds the Crocodile River Mine), to Hebei Zhongheng Tianda Platinum Co. Limited ("HZT") under a June 28, 2016 purported share purchase agreement (the "CRM Purchase Agreement").

During February 2017, The Company enacted the 2017 capital plan including, refurbishing a portion of the CRM plant, the resource and reserve determination of the CRM tailings storage area and the exploration portion of the Mareesburg project.

During Q1, 2017, after initial review and summary due diligence, the Company submitted a non-binding proposal to purchase an interest in a chrome treatment project in South Africa. The Company was awaiting the timing of further detailed due diligence on the technical, site visit, environmental, legal and financial information when the process was suspended by the vendors in May 2017.

On March 14, 2017, the Company was served with a claim by Alpha Global Capital Inc. ("Alpha Global") an entity registered in British Virgin Islands. The Company takes the position that Alpha Global has no basis to make the claim and will vigorous defend its position.

On March 20, 2017, the Company amended its response to the HZT civil claim filed on December 6, 2016, asserting that in light of the failure to obtain approval of the Shareholders of BIL, the conditions precedent to completion under the CRM Purchase Agreement cannot be met and as a result the purported agreement is at an end and the Company has no continuing obligations thereunder and the claim be dismissed with costs against HZT. The Company views the $5,000 break-fee deposited into escrow as refundable as the conditions precedents of the CRM Purchase Agreement cannot be met, but the Company is unable to have the funds released without the consent of HZT or court direction.

The CRM Purchase Agreement has not been completed and it is uncertain whether the transactions contemplated by the CRM Purchase Agreement will be held to be enforceable, completed, terminated or otherwise resolved including a determination in regards to the $5,000 break-fee deposited into escrow.

As at March 31, 2017, the share purchase agreements dated June 30, 2016 (the "BEE Buyout Agreements") between the Company and Ingwenya Incorporated ("Ingwenya") and Serina Service AG ("Serina") had not been completed. Management has been actively investigating the Company's rights and obligations under the BEE Buyout Agreements and the related transactions between parties since July 5, 2016. The Company is working on determining the enforceability of the BEE Buyout Transactions and the actions and steps necessary to complete, terminate or otherwise resolve the BEE Buyout Transactions. The Company's ability to assess the BEE Buyout Transactions has been impeded by the difficulty to access the underlying documents and agreements, the cooperation of various parties and the review of the implications of the BEE Buyout Agreements under the Company's mining rights and certain provisions under the *Mineral & Petroleum Resources Development Act* (South Africa) (the "MPRDA"). In light of these uncertainties, as at December 31, 2016, consideration in the amount of $13,367 released to the Vendors has been recorded as a prepayment in the Company's consolidated statement of financial position, but an allowance equal to the entire value has been recorded.

The Company was initially unable to file its audited annual consolidated financial statements by the prescribed deadline because the Company's Auditor had advised that they would not be able to deliver the audit report until the above previously disclosed investigation into certain transactions entered into by the former management of the Company was further advanced. The Company has recently concluded a further phase of its extensive investigation into certain actions taken by Former Management and others, in order to satisfy itself that the 2016 Audited Consolidated Financial Statements and associated filings ("2016 Annual Filings") accurately reflect the financial position of the Company. The investigation provided the Company with sufficient information regarding the recording and disclosure of these actions. New Management obtained advice and has considered the results of the investigation and considered it appropriate to file its 2016 Annual Filings. The Company will seek further advice from its legal counsel and evaluate its options and any action that the Company may consider appropriate. The investigation results provided the auditors sufficient information that allowed them to complete the 2016 audit.

On April 4, 2017, the British Columbia Securities Commission ("BCSC") issued a Management Cease Trade Order ("MCTO") as requested by the Company, as it was unable to file its required annual filings including its December 31, 2016 audited consolidated financial statements by the deadline of March 31, 2017. During the MCTO, the general investing public continues to be able to trade in the Company's listed common shares. However, the Company's Chief Executive Officer, Chief Financial Officer and such other directors, officers and persons as determined by the applicable regulatory authorities, are not able to trade the Company's shares.

The annual filings were made on June 14, 2017 and once the required q1-2017 interim condensed consolidated financial statements and management discussion and analysis are filed the Company expects the BCSC to review the filings then remove the MCTO.

In April 2017, the Company signed a community agreement governing rules of engagements. The agreement relates to the 2017 LED and SLP commitments for the western limb projects.

2.2 Financial Highlights

- As at March 31, 2017, the Company had cash, cash equivalents and short term investments ("Cash Position") of $23,909, a decrease of $2,329 from $26,238 as at December 31, 2016. The decrease in Cash Position was the result of the Company's general operations including administrative, mine development and care and maintenance expenditures.

- The Company recorded a loss attributable to equity shareholders of the Company of $2,029 ($0.02 loss per share) in Q1 2017 compared to a loss of $4,611 ($0.05 loss per share) in Q1 2016.

- General and administrative ("G&A") costs decreased $771 from $1,907 to $1,136 in Q1 2017 compared to Q1 2016. The decrease relates to termination payment in the amount of $1,442 (Cdn$1,980) made to Ian Rozier in Q1 2016, offset with the increased professional fees and other investigation costs incurred by the Company associated with the various agreements purportedly entered into by the former management in 2016.

- Care and maintenance costs in connection with the CRM and Eastern Limb Projects, decreased $125 from $1,851 to $1,726 in Q1 2017 compared to Q1 2016, representing a 7% decrease in 2017 compared to Q1 2016.

3. Selected Quarterly Financial Data

The table below sets forth selected results of operations for the Company's eight most recently completed quarters in accordance with International Financial Reporting Standards ("IFRS").

Table 1

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

	2017	2016				2015		
	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
	$	$	$	$	$	$	$	$
Expenses:								
General and administrative	(1,136)	(639)	(3,327)	(1,010)	(1,907)	(1,281)	(478)	(492)
Care and maintenance	(1,726)	(1,893)	(1,865)	(1,455)	(1,851)	(3,872)	(2,562)	(2,622)
Care and maintenance depreciation	(31)	(3)	(73)	(122)	(74)	(104)	(130)	(411)
Impairment expense	—	(802)	—	(23,357)	—	(14,514)	—	—
Impairment of prepayments	—	(13,367)	—	—	—	—	—	—
	(2,893)	(16,704)	(5,265)	(25,944)	(3,832)	(19,771)	(3,170)	(3,525)
Other income (expenses), net	394	1,359	1,278	490	(1,346)	1,644	2,631	267
Loss before income taxes	(2,499)	(15,345)	(3,987)	(25,454)	(5,178)	(18,127)	(539)	(3,258)
Net loss for the period	(2,522)	(15,648)	(3,997)	(25,509)	(4,970)	(17,375)	(547)	(3,219)
Net loss attributable to equity shareholders of the Company	(2,029)	(16,033)	(3,570)	(22,207)	(4,611)	(15,204)	(16)	(2,666)
Loss per share - basic and diluted	(0.02)	(0.17)	(0.04)	(0.24)	(0.05)	(0.16)	(0.00)	(0.03)
Average foreign exchange rates								
South African Rand per US dollar	13.22	13.90	14.05	14.98	15.82	14.18	12.99	12.08
US dollar per Canadian dollar	0.7559	0.7495	0.7664	0.7763	0.7284	0.7493	0.7640	0.8136
Period end foreign exchange rates								
South African Rand per US dollar	13.40	13.70	13.73	14.68	14.73	15.46	13.77	12.16
US dollar per Canadian dollar	0.7519	0.7448	0.7624	0.7742	0.7700	0.7225	0.7493	0.8006

The Company's operations are not materially impacted by seasonality considerations. On January 31, 2016, the care and maintenance workforce was reduced at the CRM and the Eastern Limb Projects. The care and maintenance costs have decreased in Q1 2017 comparted to Q1 2016. Management has reduced the costs while ensuring effective and safe levels and expects there will be no further material changes in the routine care and maintenance costs prior to the resumption of production of the CRM or development of the Eastern Limb Projects.

4. Results of Operations for the Three Months Ended March 31, 2017

The Company's presentation currency is the U.S. dollar while the Company's operating expenses are predominately incurred in Canadian dollars and South African Rand. The average foreign exchange rate for Q1 2017 and Q1 2016 are listed below:

	Cdn to USD	ZAR to USD
Q1 2017	0.7559	0.0757
Q1 2016	0.7284	0.0632

South African yearly inflation rate is 6.13% from March 2016 to March 2017. 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 the foreign exchange and inflation fluctuations in South Africa. South African operational funding is provided from Canada by its parent company which held its cash and cash equivalents, and short-term investments in U.S dollars and Canadian dollars.

The following table sets forth selected consolidated financial information for the three months ended March 31, 2017 and 2016:

Table 2

Consolidated statements of loss

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

	Three months ended March 31	
	2017	2016
	$	$
Revenue	**—**	—
Mine operating (loss) earnings	**—**	—
Expenses		
General and administrative	**1,136**	1,907
Care and maintenance	**1,726**	1,851
Care and maintenance depreciation and amortization	**31**	74
Operating loss	**(2,893)**	(3,832)
Other income (expense)		
Gain on disposal of property, plant and equipment	**—**	191
Interest income	**284**	201
Other income	**450**	465
Finance costs	**(194)**	(155)
Foreign exchange gain (loss)	**(146)**	(2,048)
Loss before income taxes	**(2,499)**	(5,178)
Income tax (expense) recovery	**(23)**	208
Net loss for the period	**(2,522)**	(4,970)
Attributable to		
Non-controlling interest	**(493)**	(359)
Equity shareholders of the Company	**(2,029)**	(4,611)
Net loss for the period	**(2,522)**	(4,970)
Loss per share		
Basic and diluted	**(0.02)**	(0.05)
Weighted average number of common shares outstanding		
Basic and diluted	**92,599**	92,599

Consolidated statements of financial position

	March 31, 2017	December 31 2016
	$	$
Total assets	**145,397**	144,786
Total long-term liabilities	**11,646**	11,215

4.1 *Crocodile River Mine*

As discussed above, on March 20, 2017, the Company amended its response to the HZT civil claim filed on December 9, 2016, asserting that in light of the failure to obtain approval of the Shareholders of BIL, the conditions precedent to completion under the CRM Purchase Agreement cannot be met and as a result the purported agreement is at an end and the Company has no continuing obligations thereunder and the claim be dismissed with costs against HZT.

As at March 31, 2017 the CRM continued its core care and maintenance activities. However, during Q1 2017, the following operational activities occurred:

During February 2017, the Company enacted the 2017 capital plan for refurbishing a portion of the CRM plant and the resource and reserve determination of the CRM tailings storage area.

The Company is investigating options for re-mining the tailings storage area at the CRM, including metallurgical and mining test work and engineering design and refurbishing of the CRM processing facility.

During Q1 2017, the mineral resources and reserves estimation of CRM tailings storage area was started and is in progress under the direction of SRK Consulting. The minerals resource and reserve information is being compiled and along with the completion of the pilot plant trial and the remining and deposition planning will be reported when completed.

4.2 Mareesburg Project

Based on an ongoing review of its portfolio, the Company determined that further assessment work on Mareesburg was warranted. The Company intends to carry out a focused re-assessment on the Mareesburg open pit project including additional infill drilling for resource and reserve determination. Recommendation of location of infill drilling holes has been made based on a review of the historical drilling results by SRK Consulting. Maps showing the intended location of the drilling will be posted on the Company's website. The drilling work will be carried out by a local operator in South Africa. Community liaison is also underway to ensure local communities are accommodated and updated on the project status. The Company will provide periodic updates of the results.

4.3 Corporate and Other Expenses

The Company recorded a loss attributable to equity shareholders of the Company of $2,029 ($0.02 loss per share) in Q1 2017 compared to a loss of $4,611 ($0.05 loss per share) in the same period of 2016. Details explaining the loss are below.

General and Administrative

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

Table 3

	Three Months Ended March 31,	
	2017 Q1	2016 Q1
	$	$
Termination fees - Former Management	**—**	1,442
Management and directors - former	**—**	278
Management and directors - new	**230**	—
Other consulting fees	**33**	10
Professional fees	**733**	38
Insurance	**—**	—
Shareholder communications	**17**	59
Travel	**44**	37
Office expenses	**58**	43
Rent	**9**	—
Stock-based compensation	**12**	—
Total	**1,136**	1,907

G&A costs decreased $771 from $1,907 to $1,136 in Q1 2017 compared to Q1 2016. The decrease relates to termination payment in the amount of $1,442 (Cdn$1,980) made to Ian Rozier in Q1 2016, offset with the increased professional fees and other investigation costs incurred by the Company associated with the various agreements purportedly entered into by the former management in 2016.

Care and Maintenance, and Care and Maintenance Depreciation

Care and maintenance costs are incurred when production of the PGM projects is suspended and reduces its expenditures 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 Kennedy's Vale concentrator projects were suspended 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 decreased $125 from $1,851 to $1,726 in Q1 2017 compared to Q1 2016 in connection with the CRM and Eastern Limb Projects, representing a 7% decrease in Q1 2017 compared to Q1 2016.

Care and maintenance depreciation consists of the depreciation expense related to assets belonging to a project that is currently on care and maintenance. Care and maintenance depreciation decreased to $31 in Q1 2017 compared to $74 in Q1 2016 due to certain equipment has been fully amortized as at December 31, 2016.

Interest Income

Interest income increased $83 from $201 to $284 in 2017 Q1 compared to Q1 2016.

Other Income

Other income consists of rental income from residential properties on the Eastern Limb Projects and at the CRM as well as scrap metal sales not directly related to operations. The Company recorded other income of $450 in Q1 2017 compared to $465 in Q1 2016.

Finance Costs

The Company recorded finance costs of $194 in Q1 2017 compared to $155 in Q1 2016. Finance costs include interest accretion on the provision for environmental rehabilitation and miscellaneous interest charges.

Income Tax

The Company recorded a net income tax expense of $23 in Q1 2017 compared to a net income tax recovery of $208 in Q1 2016.

The income tax recoveries and expenses relate to 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.

Liquidity and Capital Resources

As at March 31, 2017, the Company had working capital of $25,188 (December 31, 2016 – $27,519) and a Cash Position of $23,909 (December 31, 2016 – $26,238).

The Company's Cash Position decreased by $2,329 in Q1 2017 compared to the balance as at December 31, 2016 as the Company incurred: (i) approximately $2,214 in operations, including G&A and care and maintenance of the CRM and the Eastern Limb Projects; (ii) interest received net of finance cost paid of $118; (iii) tax paid in the amount of $15; and (iv) an increase in other assets of $205 and acquisition of property plant and equipment of $128.

As at March 31, 2017, the Company did not have any producing operations. Its key asset, the CRM was in care and maintenance with all other properties and projects were at an earlier stage of development or on hold. The Company did not generate income 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 to meet its expected obligations in the next 12 months. However, additional funding will be required should production be commenced at CRM, and the Eastern Limb projects be 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 budgeted $2,260 in capital funding towards its 2017 key objectives discussed in Section 5.1. The Company used $169 of the budget during Q1, 2017. All funding is from existing working capital.

The Company had no long-term debt outstanding as at March 31, 2017, other than a provision for environmental rehabilitation relating to the CRM, Kennedy's Vale and Spitzkop and the deferred tax liabilities.

5.1 Outlook

The Company used its available time and resources during Q1, 2017 to further the work necessary to make strategic decisions during 2017. It furthered specific review of options for re-mining the tailings storage area at the CRM, including metallurgical and mining test work and engineering design and refurbishing of the CRM processing facility Secondly the Company performed specific study and assessment of Mareesburg open pit project including additional infill drilling work.

The Company will further this work during the year enabling it to make operation decisions.

As at the date of this MD&A, the Company notes that the BEE Buyout Transactions have not formally been completed. However, so long as ownership of the CRM is maintained, then completion of the BEE Buyout Transaction could give rise to non-compliance with the mining rights and certain provisions of the 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 has met with the DMR and continues to work proactively to address these issues.

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

Uncertainty remains in the global economy with some positive signs mixed with challenges impacting PGM pricing. Should there be a sustained strengthening of PGM prices and market improvement in the operating environment in South Africa, activity at the CRM may be increased however additional funding may be required to restart or alter operations at CRM.

Development of the Mareesburg open pit mine which was suspended in mid-2012, has begun with a drilling program discussed in detail above., Once the assessment is completed, subject to capital requirements and the availability of financing, further development work may occur.

Additional funding may also be required to bring the development 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 months ended March 31, 2017. In Q1 2017, the Company granted 200,000 stock options to officers of the Company to acquire common shares of the Company at an exercise price of Cdn$0.40 per share expiring in five years from the grant date. These options vest 90 days from the grant date. A total of $12 (Q1 2016 – nil) was recorded as share-based compensation expense relating to G&A in Q1 2017.

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
- 1,216,500 stock options outstanding as listed below:

Table 4

Options outstanding	Options exercisable	Exercise price Cdn$	Remaining Contractual Life (Years)	Expiry date
9,000	9,000	23.10	0.75	October 5, 2017
207,500	207,500	1.90	1.02	January 8, 2018
400,000	400,000	1.05	4.51	July 4, 2021
300,000	300,000	1.05	4.62	August 14, 2021
100,000	100,000	1.05	4.72	September 20, 2021
200,000	—	0.40	5.00	Febuary 24, 2022
1,216,500	1,016,500			

5.3 Contractual Obligations, Commitments and Contingencies

The Company's major contractual obligations and commitments as at March 31, 2017 were as follows:

Table 5

(in thousands of U.S. dollars)	Total $	Less than 1 year $	1 - 5 years $	More than 5 years $
Provision for environmental rehabilitation	8,654	—	—	8,654
Operating lease	49	19	30	—
Capital expenditure and purchase commitments contracted at March 31, 2017 but not recognized on the consolidated statement of financial position	193	193	—	—
	8,896	212	30	8,654

On December 9, 2016, the Company announced that HZT had filed a notice of civil claim in the British Columbia Supreme Court against the Company and several of its subsidiaries with respect to an alleged repudiation and breach of the CRM Purchase Agreement. That action seeks, among other relief, specific performance of the CRM Purchase Agreement or damages in lieu thereof and costs. On January 24, 2017, the Company filed its response to the notice of civil claim filed by HZT. In its response, the Company is seeking to have the HZT claim dismissed with costs against HZT. Further, on March 20, 2017 the Company amended its response to the HZT civil claim asserting that in light of the failure to obtain approval of the Shareholders of BIL, the conditions precedent to completion under the CRM Purchase Agreement cannot be met and as a result the purported agreement is at an end and the Company has no continuing obligations thereunder and the claim be dismissed with costs against HZT. The Company views the $5,000 break-fee deposited into escrow as refundable as the conditions precedents of the CRM Purchase Agreement cannot be met, but the Company is unable to have the funds released without the consent of HZT or court direction.

On March 14, 2017, the Company has been served with a claim by Alpha Global Capital Inc. ("Alpha Global") an entity registered in British Virgin Islands. 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 claim, Alpha Global is seeking relief under a unique 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 ($2,250) plus default interest (the "Promissory Note").

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 Island to decide, being the law under which the parties agreed the Promissory Note was to be governed and interpreted. The Company has asked in its legal papers for Alpha Global's claim to be dismissed with costs however the Company notes that a court could determine that it may have potential future obligations related to this matter.

The Promissory Note is 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 ($2,250) (the "Promissory Note") 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.

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.

5. Related Party Transactions

Summarized below is a list of related parties and nature of the services provided that the Company had transactions with during the three months ended March 31, 2017 and 2016:

	Relationships	**Nature of services**
Buccaneer Management Inc. ("Buccaneer")	Controlled by Ian Rozier, former director of the Company, resigned on July 5, 2016	Management consulting
Jazz Financial Ltd. ("Jazz")	Controlled by Horng Dih Lee, the former CFO of the Company, resigned on July 5, 2016	Management consulting
Maluti Services Limited ("Maluti")	Controlled by David Cohen, the former CEO and director of the Company, resigned on July 5, 2016	Management consulting
Remington Resources Inc. ("Remington")	Significantly influenced by the former directors and officers of the Company, resigned on July 5, 2016	General and administrative
Sterling West Management Ltd. ("Sterling")	Significantly influenced by the former directors and officers of the Company resigned on July 5, 2016	General and administrative
Zinpro Engineering (Pty) Ltd. ("Zinpro")	Controlled by Willie Byleveld, the former director of the South Africa subsidiaries and the former vice president of Western Limb Operations, resigned on July 5, 2016	Consulting and mine contractor
CGH Industries Ltd. ("CGH")	Controlled by Diana Hu, the CEO and director of the Company	Management consulting
Oriental Fortune Consulting Services Limited ("Oriental Fortune")	Controlled by Andrea Zhang, the COO of the Company	Management consulting

The Company incurred the following fees and expenses in the normal course of operations in connection with certain companies owned by 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 6

(Expressed in thousands of U.S. dollars)	**Three months ended March 31,**	
	2017	2016
	$	$
Trading transactions		
Consulting fees	**—**	33
General and administrative expenses	**—**	111
Director fees	**36**	35
Management fees, including termination fees	**109**	1,574
Share-based payments	**12**	—
Total	**157**	1,753
Compensation of key management personnel		
Remuneration	**194**	1,567
share-based payments	**12**	—
Total compensation of key management personnel	**206**	1,567

In Q1 2017 and 2016, the Company had transactions with the following related parties:

On January 31, 2016, Mr. Rozier resigned as President and Chief Executive Office ("CEO") of the Company and David Cohen, the then Chairman of the Company, assumed the role of President and CEO until July 5, 2016. Mr. Rozier was paid a monthly consulting fee of $41 (Cdn$55) in 2015 and until January 2016, and his services were provided pursuant to a management services contract with Buccaneer. In accordance with this services contract, Buccaneer was paid a termination fee in the amount of $1,442 (Cdn$1,980) on January 31, 2016. Mr. Rozier remained a director of the Company until July 5, 2016.

Mr. Cohen was paid a monthly consulting fee of $15 (Cdn$20) for the period from February 2016 to July 2016 and his services were provided through Maluti. Mr. Lee was paid a monthly consulting fee of $21 (Cdn$29) in 2015 and until July 2016, and his services were provided pursuant to a management services contract with Jazz. Mr. Byleveld was paid a monthly consulting fee of $4 in 2015 and until June 2016, and his services were provided through Zinpro.

At the 2016 AGM, the shareholders elected the Board. Concurrently with the election of the Board, Sterling, Maluti and Jazz (collectively, the "Former Management") terminated their services with the Company and were paid termination fees totaling $1,219 (Cdn$1,590), of which $368 (Cdn$480) was paid to Maluti, $529 (Cdn$690) was paid to Jazz, and $322 (Cdn$420) was paid to Sterling. Sterling is significantly influenced by the Company's Former Management.

The Company entered into a consulting agreement with CGH on July 27, 2016, pursuant to which the Company has agreed to pay $19 (Cdn$25) per month to CGH for the management consulting services rendered. The consulting agreement has an initial term of one year and is renewable annually.

The Company entered into a consulting agreement with Oriental Fortune on July 5, 2016, pursuant to which the Company has agreed to pay $17 (Cdn$23) per month to Oriental Fortune for the management consulting services rendered. The consulting agreement has an initial term of one year and is renewable annually.

At March 31, 2017, the Company held a loan receivable from Gubevu in the amount of $61,024 (ZAR818,013) (December 31, 2016 – $58,318 (ZAR798,875). This loan is secured by Gubevu's interest in Barplats Investments Limited, bears interest at the Johannesburg Interbank Agreed Rate ("JIBAR") + 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 Q1 2017.

Accounts receivable as at March 31, 2017 included $39 (December 31, 2016 - $39) due from Remington representing the reimbursement receivable for certain general and administrative expenses incurred by the Company on behalf of Remington. Amount due from the related party is unsecured and due on demand.

In Q1 2017, the Company's key management includes the CEO, Chief Financial Officer ("CFO"), Chief Operating Officer ("COO"), and vice president of South African Operations. During the three months ended March 31, 2016, the Company's key management included the then CEO, CFO and vice president of Western Limb Operations. As stated in table 6, the total remuneration to the key management for the three months ended March 31, 2017 was $206 (2016 Q1 - $1,567). During the three months ended March 31, 2017, the key management received share-based payments of $12 (Q1 2016 – nil).

Key management personnel were not paid post-employment benefits or other long-term benefits in Q1 2017 and Q1 2016.

6. 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 judgement and estimates made by management for the three months ended March 31, 2017 in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(v) and 4(w) of the Company's audited consolidated financial statements for the year ended December 31, 2016.

7. Financial Instruments and Other Instruments

(a) Management of capital risk

The capital structure of the Company consists of equity attributable to common shareholders, comprising 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.

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.

The Company is not subject to externally imposed capital requirements.

(b) Categories of financial instruments

Table 7

(expressed in thousands of U.S. dollars)	**March 31 2017 $**	December 31, 2016 $
Financial assets		
Loans and receivables		
Cash and cash equivalents	**4,227**	5,890
Restricted cash	**5,086**	5,086
Trade and other receivables (excluding taxes receivable)	**307**	265
Available for sale financial assets		
Short-term investments	**19,682**	20,348
Other assets	**10,202**	9,779
	39,504	41,368
Other Financial liabilities		
Trade and other payables	**1,733**	1,586
	1,733	1,586

(c) 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 and trade and other payables approximate their carrying values due to the short-term to maturities of these financial instruments.

(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.

The Company's financial instruments that are measured at fair value on a recurring basis are available for sale financial instruments consisting of short-term investments and other assets. Short-term investments are mainly GICs at financial institutions with market interest rates and other assets are mainly money market fund investments. These are Level 1 financial instruments at March 31, 2017 and 2016. As at March 31, 2017 and 2016, the Company did not have financial liabilities measured at fair value on a recurring basis. There were no transfers between levels during the three months ended March 31, 2017 and 2016.

8. *Accounting Standards Issued but not yet Effective*

A number of new standards, amendments to standards and interpretations, are not yet effective as at March 31, 2017, 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. The Company is currently assessing the impact that these standards will have on its consolidated financial statements.

(i) Amended standard IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7")

The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9 Financial Instruments. These amendments are effective date January 1, 2018.

(ii) New standard IFRS 9, *Financial Instruments* ("IFRS 9")

Replacement of IAS 39 Financial Instruments: Recognition and Measurement. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 with early adoption permitted.

(iii) New standard IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15")

IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more informative and relevant information. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

(iv) 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.

9. Off-Balance Sheet Arrangements

As at March 31, 2017, the Company had not entered into any off-balance sheet arrangements.

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

Internal Control over Financial Reporting

The CEO and the Chief Financial Officer ("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 I*nternal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

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

Disclosure Controls and Procedures

The CEO and the CFO have designed, or caused to be designed under their supervision, the Company's 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.

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.

Changes to DCP and ICFR

To remediate issues disclosed in the December 31, 2016 MD&A annual assessment of ICFR, the Company has implemented an additional formalized review of the consolidation workbook by a qualified individual to mathematically review and recalculate the workbook for each reporting period. The Company has also adjusted the financial closing process to include a formalized meeting and requiring additional evidence of review and instituting revised procedures concerning significant unusual transactions. The Company is confident these adjustments will ensure effective DCP and ICFR.

11. 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, 2016, which is available on SEDAR at www.sedar.com.

12. 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 following: the future funding of the Company's projects; the future development and funding of the Company's projects; the Company's plans for its properties; the review of the CRM Purchase Agreement; the enforceability of and end of the CRM Purchase Agreement; the resolution of current litigation; the BEE Buyout Agreements and all related transactions; the impact of changes on the social economy on PGM pricing the seasonality of the Company's operations; the continuing impact of adverse economic factors on the South African PGM industry; the assertion that ongoing cost pressure and decreasing productivity in South Africa will continue to reduce free cash flow for the 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 and Kennedy's Vale concentrator projects; the insufficiency of funding for development of the Company's projects; the requirement of additional funding to bring the project into production and how that funding will be attained; 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 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 CRM Purchase Agreement, the BEE Buyout Agreements, the liquidation application regarding Alpha Global, 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 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.