EASTERN PLATINUM LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 June 30, 2017 and for the three and six months then ended in comparison to the same period in 2016.

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements and the related notes for the three and six months ended June 30, 2017. 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 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 August 11, 2017. Additional information relating to the Company, including its Annual Information Form for the year ended, 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 June 30, 2017, 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.

In 2012, due to an uncertain global economic outlook, 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. Second Quarter of Fiscal Year 2017 Highlights

2.1 New Mining Charter

The reviewed Broad-Based Black Economic Empowerment Charter for the South African Mining Industry, commonly styled Mining Charter III, was published and came into effect on June 15, 2017. Within hours of its publication, the Chamber of Mines rejected Mining Charter III as being unilaterally imposed upon the mining industry and that the process of developing the charter was seriously flawed. The Chamber of Mines has applied for an urgent interdict to suspend the implementation and application of Mining Charter III, pending a review thereof by the courts. On August 7, 2017, the Minister of Mineral Resources filed opposing papers. The North Gauteng High Court has formalized the agreement between the Chamber of Mines and the DMR that the Minister and the DMR, will not implement or apply the provisions of the 2017 Reviewed Mining Charter in any way, pending judgment in the urgent interdict application brought by the Chamber of Mines (expected to be heard in September 2017). The key changes in Mining Charter III, relate to the ownership requirements. From an ownership perspective, the proposed requirement is to have 30% black economic empowerment ("BEE") shareholding for all new mining rights and, to have 50% plus 1 BEE shareholding for all new prospecting rights. Holders of rights who are at less than 30% currently, have 12 months from implementation of Mining Charter III in which to increase their BEE shareholding and that the funding of such additional shareholding must come from dividends which accrue to BEE shareholders. If the dividends are insufficient, whatever balance remains due and owing in respect of the BEE shareholding must be written off. In addition, on new mining rights, a distribution of 1% of turnover must be paid to BEE shareholders before dividends are declared and paid. This is subject only to the solvency and liquidity test of the South African Companies Act, 2008. In addition, for new rights or for companies who are not yet at 26% BEE, the BEE shareholding has to be allocated as to 14% to black entrepreneurs and 8% to each of the employee and local community stakeholders. Very high targets are set for the procurement of local, and particularly BEE, goods and services. On the employment equity front, 50% of the board of a right holder and its executive management must be black persons, 25% of which must be female. At senior management level, 60% must be black persons, of which 30% must be female. These percentages increase until, at junior management level, 88% must be black persons of which 44% must be female. The Company is unable to assess the impact that Mining Charter III will have on its business, and many see the only way forward being the DMR and the Chamber to get around the table to negotiate a way forward in regard to this charter. There has been much debate and speculation as to whether this Mining Charter III will ever be recognized and there appears to be a call within the African National Congress ("ANC") to start the process afresh. Furthermore, it is argued that Mining Charter III is unconstitutional on so many levels that it may not withstand the legal challenges.

2.2 Significant events

The Company was delayed until June 14, 2017 before it could complete and file its audited annual consolidated financial statements for the financial year ended December 31, 2016 and associated filings (the "2016 Annual Filings") and its unaudited financial statements for the first quarter ended March 31, 2017 (the "Q1 2017 Filings"), which were due to be filed by the prescribed deadlines in March and May 2017, respectively. This delay arose as a result of the Company's Auditor advising that they would not be able to deliver the audit report on the 2016 annual financial statements until the investigation into certain transactions entered into by the former management of the Company was further advanced. Because of this delay and at the request of the Company, on April 4, 2017 the British Columbia Securities Commission issued a Management Cease Trade Order ("MCTO") precluding the trading in the Company's securities by its senior officers until the 2016 Annual Filings were made.

In June 2017, the Company concluded a further phase of its investigation into certain actions taken by former management and others following which the Auditor released its audit report, the Company completed and filed its 2016 Annual Filings and Q1 2017 Filings and as a result the MCTO was revoked.

With the filings completed, the Company continues to work with its counsel to further develop its options and any action that may be appropriate as a result of these investigations.

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

The Company appointed SRK Consulting (South Africa) Pty Ltd ("SRK") to complete a feasibility study on the Mareesburg project. During the quarter 14 infill exploration holes were drilled to compliment the resource model and further increase the confidence and attempt to increase the measured resources. The assay results are still outstanding.

The next phase of the project is to determine the optimal depth of the pit, and to the effect, geotechnical holes are being drilled to determine the pit slope angles and metallurgical holes are being drilled to determine the recovery factors.

During the quarter, the Company continued its 2017 capital plan for a portion of the CRM processing plant as well as work on the resource and reserve determination of the CRM tailings storage facility. The Company is investigating various options for re-mining the tailings storage facility at the CRM which includes both metallurgical and mining test work and engineering design for refurbishing of the CRM processing facility.

The mineral resource estimate by SRK on the Barplats Zandfontein UG2 tailings storage facility ("**TSF**") located at **CRM** has been completed and is effective as of August 1, 2017. A total measured and indicated mineral resource of approximately 13,680,000 tons containing 535,520 ounces of combined platinum group elements (platinum, palladium and rhodium) ("**PGE**") at an average grade of 1.218 g/t, 3,404 ounces of gold at an average grade of 0.008 g/t and 2,834,000 tons of chromium oxide at an average grade of 20.72%.

Resource table 1[1]

Category	Tonnage (Mt)	3E PGE (g/t)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	Cr_2O_3 (%)	3E PGE (Oz)	Au (Oz)	Cr_2O_3 (Mt)
Measured	12.489	1.225	0.747	0.309	0.170	0.008	20.85	494,003	3,179	2.604
Indicated	1.191	1.136	0.688	0.285	0.165	0.006	19.31	43,517	225	0.230
Total	13.680	1.218	0.742	0.307	0.169	0.008	20.72	535,520	3,404	2.834

Note 1: No cut-off grade has been applied to the PGEs.

The resource estimate for the TSF has a high level of confidence, with 91.3% of the estimate falling into the measured category and 8.7 % falling in the indicated category.

In the opinion of SRK, the resource evaluation reported herein is a reasonable representation of the in-situ 3E PGEs, gold and chromium oxide mineral resources found in the TSF at the current level of sampling and validation. The model validations included visual validations of the estimates and global statistical comparisons of the data in the tailings volume occurring in TSF. Within the tailings volume, the general trend of the 1.5 metre samples in each vertical layer (interval) is honoured by the estimates. SRK finds that overall the estimates are consistent with the source data and adequately model the grade distributions.

The confidence in the Zandfontein TSF mineral resource estimate by SRK indicates that it can be used for a pre-feasibility study or feasibility study. SRK has recommended that a pre-feasibility or feasibility study be undertaken to determine whether the mineral resource can be mined economically in the current market environment.

The mineral resource estimate in Table 1 conforms to the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and was prepared and verified by Mr. A. S. Page (Pr. Sci. Nat South Africa Reg. No 400022/07), BSc (Hons), who is a qualified person as defined in NI 43-101. Full details of the methodology used in the estimation of resources will be provided in the technical report entitled "Mineral Resource Estimate for Barplats Zandfontein UG2 Tailings Storage Facility" to be filed on Eastplats' SEDAR profile at www.sedar.com.

The Company is currently investigating various areas of the tailings project at CRM and has advanced significant work in preparing a feasibility study. Once completed, the Company will announce its assessment in a NI 43-101 compliant technical report.

The qualified person for the purposes of NI 43-101 who approved the contents of this information is Dr. Bielin Shi, PhD, MSc, FAusIMM MAIG.

2.3 Financial Highlights

- As at June 30, 2017, the Company had cash, cash equivalents and short term investments ("Cash Position") of $25,044, an increase of $1,135 from $23,909 as at March 31, 2017. The increase in Cash Position was the result of the release of the cash security required under the environmental rehabilitation offset with 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 $1,750 ($0.02 loss per share) in Q2 2017 compared to a loss of $22,207 ($0.24 loss per share) in Q2 2016.

- General and administrative ("G&A") costs decreased $323 from $1,010 to $687 in Q2 2017 compared to Q2 2016. The decrease relates to shareholder relations costs incurred by the former management of the Company in connection with the Company's annual general meeting held on July 5, 2016 (the "2016 AGM"), 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, increased $373 from $1,455 to $1,828 in Q2 2017 compared to Q2 2016. Excluding foreign exchange translation impact of $197, the increase was $176 and was attributed to the increased activities on the CRM tailing and Mareesburg open pit assessment projects.

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 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	
	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30
	$	$	$	$	$	$	$	$
Expenses:								
General and administrative	(687)	(1,136)	(639)	(3,327)	(1,010)	(1,907)	(1,281)	(478)
Care and maintenance	(1,828)	(1,726)	(1,893)	(1,865)	(1,455)	(1,851)	(3,872)	(2,562)
Care and maintenance depreciation	(30)	(31)	(3)	(73)	(122)	(74)	(104)	(130)
Impairment expense	—	—	(5,802)	—	(23,357)	—	(14,514)	—
Impairment of prepayments	—	—	(13,367)	—	—	—	—	—
	(2,545)	(2,893)	(21,704)	(5,265)	(25,944)	(3,832)	(19,771)	(3,170)
Other income (expenses), net	402	394	1,359	1,278	490	(1,346)	1,644	2,631
Loss before income taxes	(2,143)	(2,499)	(20,345)	(3,987)	(25,454)	(5,178)	(18,127)	(539)
Net loss for the period	(2,213)	(2,522)	(20,648)	(3,997)	(25,509)	(4,970)	(17,375)	(547)
Net loss attributable to equity shareholders of the Company	(1,750)	(2,029)	(20,408)	(3,570)	(22,207)	(4,611)	(15,204)	(16)
Loss per share - basic and diluted	(0.02)	(0.02)	(0.22)	(0.04)	(0.24)	(0.05)	(0.16)	(0.00)
Average foreign exchange rates								
South African Rand per US dollar	13.20	13.22	13.90	14.05	14.98	15.82	14.18	12.99
US dollar per Canadian dollar	0.7437	0.7559	0.7495	0.7664	0.7763	0.7284	0.7493	0.7640
Period end foreign exchange rates								
South African Rand per US dollar	13.09	13.40	13.70	13.73	14.68	14.73	15.46	13.77
US dollar per Canadian dollar	0.7706	0.7519	0.7448	0.7624	0.7742	0.7700	0.7225	0.7493

The Company's operations are not materially impacted by seasonality considerations. The care and maintenance costs have increased in Q2 2017 comparted to Q2 2016. $197 of the increase resulted from the foreign exchange translation impact, and the remaining balance of the increase of $176 in Q2 2017 was because of the increased activities on the CRM tailing and Mareesburg open pit assessment projects.

4. Results of Operations for the Three and Six Months Ended June 30, 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 Q2 2017 and Q2 2016 are listed below:

	Cdn to USD	ZAR to USD
Q2 2017	0.7437	0.0758
Q2 2016	0.7763	0.0668

South African average inflation in 2017 is 5.83%. 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 and six months ended June 30, 2017 and 2016:

Table 2

Consolidated statements of loss

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

	Three months ended June 30		Six months ended June 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Revenue	**—**	—	**—**	—
Mine operating (loss) earnings	**—**	—	**—**	—
Expenses				
General and administrative	**687**	1,010	**1,823**	2,917
Care and maintenance	**1,828**	1,455	**3,554**	3,306
Care and maintenance depreciation and amortization	**30**	122	**61**	196
Impairment	**—**	23,357	**—**	23,357
Operating loss	**(2,545)**	(25,944)	**(5,438)**	(29,776)
Other income (expense)				
Gain on disposal of property, plant and equipment	**—**	227	**—**	418
Interest income	**300**	214	**584**	415
Other income	**628**	391	**1,078**	856
Finance costs	**(192)**	(161)	**(386)**	(316)
Foreign exchange (loss) gain	**(334)**	(181)	**(480)**	(2,229)
Loss before income taxes	**(2,143)**	(25,454)	**(4,642)**	(30,632)
Income tax (expense) recovery	**(70)**	(55)	**(93)**	153
Net loss for the period	**(2,213)**	(25,509)	**(4,735)**	(30,479)
Attributable to				
Non-controlling interest	**(463)**	(3,302)	**(956)**	(3,661)
Equity shareholders of the Company	**(1,750)**	(22,207)	**(3,779)**	(26,818)
Net loss for the period	**(2,213)**	(25,509)	**(4,735)**	(30,479)
Loss per share				
Basic and diluted	**(0.02)**	(0.24)	**(0.04)**	**(0.29)**
Weighted average number of common shares outstanding				
Basic and diluted	**92,599**	92,599	**92,599**	92,599

Consolidated statements of financial position

	June 30, 2017	December 31 2016
	$	$
Total assets	**146,982**	144,786
Total long-term liabilities	**12,137**	11,215

4.1 *Crocodile River Mine*

As at June 30, 2017 the CRM continued its core care and maintenance activities. However, during Q2 2017, the following operational activities occurred:

A Mechanical structural audit was done on all the assets at Zandfontein. Other than an old material store, all other structures necessary for the operation of the mine, were found to be structurally sound.

The mineral resources and reserves estimation of CRM tailings storage facility was started and the resources were published effective August 1, 2017 by SRK (see section 2.2). The Company is currently advancing various areas of the tailing project at CRM and has completed significant work in preparing a feasibility study.

Once the Company and SRK have completed their work, they will be able to announce in a NI 43-101 technical report, the assessment. The Company is actively considering various options following the release of the resource report to develop the tailings project including direct investment, joint ventures and sale.

4.2 Mareesburg Project

The exploration plan, whereby infill drilling to bring the payback period of the project to the measured category is nearing completion under the supervision of SRK and the Company's competent person and Director, Dr Shi. The assay results will be available during the third quarter. Structurally, the results appear in line with the previous structural model.

The next phase of drilling is the geotechnical holes, to determine the optimal pit angles, where after the metallurgical test holes were to be drilled. In addition, trenches will be dug on the outcrop for near surface samples. These samples will be laboratory tested at Mintek and be used for the recovery assumptions for the pit optimisation models. The intention is to treat Mareesburg material at a neighbouring facility that has spare capacity. Final drilling will be the water monitoring boreholes.

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

The Company recorded a loss attributable to equity shareholders of the Company of $1,750 ($0.02 loss per share) in Q2 2017 compared to a loss of $22,207 ($0.24 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 June 30		Six Months Ended June 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Termination fees - Former Management	**—**	—	**—**	1,442
Management and directors - former	**—**	303	**—**	581
Management and directors - new	**192**	—	**367**	—
Other consulting fees	**19**	46	**112**	55
Professional fees	**396**	12	**1,128**	50
Shareholder communications	**16**	609	**33**	668
Travel	**16**	41	**60**	78
Office expenses	**20**	—	**74**	43
Rent	**9**	—	**18**	—
Stock-based compensation	**19**	—	**31**	—
Total	**687**	1,010	**1,823**	2,917

G&A costs decreased $323 from $1,010 to $687 in Q2 2017 compared to Q2 2016. The decrease primarily relates to shareholder relations costs incurred by the former management of the Company in Q2 2016 in connection with the 2016 AGM, 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.

G&A costs decreased $1,094 from $2,917 to $1,823 for the six months ended June 30, 2017 compared to the same period in 2016. The decrease relates to termination payment in the amount of $1,442 (Cdn$1,980) made to Ian Rozier in Q1 2016 and shareholder relations costs incurred by the former management of the Company in Q2 2016 in connection with the 2016 AGM, 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 increased $373 from $1,455 to $1,828 in Q2 2017 compared to Q2 2016 in connection with the CRM and Eastern Limb Projects, $197 of the increase resulted from the foreign exchange translation impact, and the remaining balance of the increase of $176 in Q2 2017 was because of the increased activities on the CRM tailing and Mareesburg open pit assessment projects.

Care and maintenance costs increased $248 from $3,306 to $3,554 for the six months ended June 30, 2017 compared to the same period in 2016 in connection with the CRM and Eastern Limb Projects. If excluding the foreign exchange translation impact of $561, care and maintenance costs for the six months ended June 30, 2017 decreased $313 compared to the same period in 2016. The overall decrease in care and maintenance costs for the six months ended June 30, 2017 is consistent with the budget plan. Management has reduced the routine care and maintenance costs while ensuring effective and safe levels. Management does not expect there will be further material changes in the routine care and maintenance costs prior to the resumption of production of the CRM or development of Mareesburg projects.

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 $30 in Q2 2017 compared to $122 in Q2 2016 due to certain equipment has been fully amortized as at December 31, 2016. For the same reason, the care and maintenance depreciation decreased to $61 for the six months ended June 30, 2017 compared to $196 for the same period in 2016.

Impairment

In Q2 2016, the agreement entered into by former management of the Company for the sale of the CRM, even though it was not and has not been completed, represented an impairment indicator under IFRS. Therefore, the Company assessed and recorded an impairment charge in the amount of $23,357 in Q2 2016 (reducing the carrying value of the CRM to $41,090) based on the notional purchase price under that agreement, less estimated costs to sell. However, during the quarter ended December 31, 2016, new information and an updated assessment made by management, resulted in an impairment reversal charge and an increase in the carrying value of CRM to $72,788.

In June 2017, the South African government released a new mining charter which introduced new rules around increased levels of Black Economic Empowerment ownership of mining assets, employment and redistribution of revenues. As a result of the significant uncertainties arising under this new mining regime and the decrease in the Company's market capitalization, a deterioration in commodity price and the South African Rand represent a further impairment indicator requiring management to again consider the carrying value from an accounting point of view of its South African assets. For the purpose of the impairment assessment, the Company has considered that CRM, KV, Spitzkop and Mareesburg each as separate CGUs which are consistent with the CGU classification during the 2016-year end assessments.

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 June 30, 2017 was calculated using forecasted average exchange rates and key forecasted metal prices based on the average of analysts' consensus estimates issued in June 2017. Based on these forecasted amounts, the estimated cost to sell was $3,144. Based on this re-assessment, management has concluded that the recalculated recoverable amount of CRM approximates its carrying value as at June 30, 2017 and the recalculated recoverable amount of Mareesburg exceeded its carrying amount by a like amount with the result that no net impairment charge was considered necessary for the CRM and Mareesburg projects for the three and six months ended June 30, 2017.
KV and Spitzkop projects were both suspended in 2012. As at December 31, 2016, 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. During the three and six months ended June 30, 2017, 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 six months ended June 30, 2017 for the KV and Spitzkop projects.

Interest Income

Interest income increased $86 from $214 to $300 in Q2 2017 compared to Q2 2016, of which $29 resulted from the foreign exchange translation impact.
Interest income increased $169 from $415 to $584 for the six months ended June 30, 2017 compared to the same period in 2016, of which $69 resulted from foreign exchange impact.

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.

Other income increased $237 from $391 to $628 in Q2 2017 compared to Q2 2016. $53 of the increase of other income in Q2 2017 resulted from the foreign exchange translation impact, and the remaining increase of $184 was mainly attributable to (i) the dispute settlement in the amount of $101 (ZAR1,400) relating to the previous offtake arrangement with Chromtech; and (ii) the additional rock and mineral sales amount received.

Other income increased $222 from $856 to $1,078 for the six months ended June 30, 2017 compared to the same period in 2016. $144 of the increase of other income for the six-month ended June 30, 2017 resulted from the foreign exchange translation impact, and the remaining increase of $78 was mainly attributable to (i) the dispute settlement in the amount of $101 (ZAR1,400) relating to the previous offtake arrangement with Chromtech in Q2 2017; and (ii) was offset by the slight decrease of rock and mineral crushing sales amount received.

Finance Costs

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

Finance costs increased $31 from $161 to $192 in Q2 2017 compared to Q2 2016, of which $22 resulted from the foreign exchange translation impact.

Finance cost increased $70 from $316 to $386 for the six months ended June 30, 2017 compared to the same period in 2016, of which $52 resulted from the foreign exchange translation impact.

Income Tax

The Company recorded a net income tax expense of $70 in Q2 2017 compared to a net income tax expense of $55 in Q2 2016, and a net income tax expense of $93 for the six months ended June 30, 2017 compared to a net recovery of $153 for the same period in 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.

4.4 Liquidity and Capital Resources

As at June 30, 2017, the Company had working capital of $26,298 (December 31, 2016 – $27,519) and a Cash Position of $25,044 (December 31, 2016 – $26,238).

The Company's Cash Position increased by $1,135 in Q2 2017 compared to the balance as at March 31, 2017 of $ 23,909 as the Company received (i) $2,787 cash payment released to the Company from the cash security provided under the environmental rehabilitation due to the reduced cash security requirement; (ii) interest received net of finance cost paid of $290; and (iii) foreign exchange gain impact of $348, offset with the following costs incurred: (i) approximately $1,816 in operations, including G&A and care and maintenance of the CRM and the Eastern Limb Projects; (ii) tax paid in the amount of $55; (iii) an increase in other assets of $133; and (iv) a net acquisition of property plant and equipment of $286.

The Company's Cash Position decreased by $1,194 during the six months ended June 30, 2017 compared to the balance as at December 31, 2016 as the Company received (i) $2,787 cash payment released to the Company from the cash security provided under the environmental rehabilitation due to the reduced security requirement; (ii) interest received net of finance cost paid of $408; and (iii) foreign exchange gain impact of $566, offset with the following costs incurred: (i) approximately $4,245 in operations, including G&A and care and maintenance of the CRM and the Eastern Limb Projects; (ii) tax paid in the amount of $70; (iii) an increase in other assets of $226; and (iv) a net acquisition of property plant and equipment of $414.

As at June 30, 2017, the Company did not have any producing operations. Its key asset, the CRM was in care and maintenance while all other properties and projects were at an earlier stage of development or on hold. However, during 2017 the Company began work to investigate options for re-mining the tailings storage facility of CRM and appointed SRK to prepare a feasibility study. Further, SRK is also engaged on the Mareesburg Project and has begun new drilling and geotechnical work which will become part of a feasibility study. 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, including the advancement of development of the tailings storage facility and completion of the various technical studies. However, additional funding will be required should production be commenced at CRM, and the Eastern Limb projects be developed and brought into commercial production. Although completion of above referenced technical reports will significantly enhance project viability, 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 spent $422 during 2017 to date. All funding is from existing working capital.

The Company had no long-term debt outstanding as at June 30, 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 Q2 2017 to further the work necessary to make strategic decisions during 2017. It furthered the review of options for re-mining the tailings storage facility at the CRM, including metallurgical and mining test work and engineering design and refurbishing of the CRM processing facility. This work will culminate in a completed and updated technical report on the tailings storage facility during 2017. Secondly the Company performed specific study and assessment of the Mareesburg open pit project furthering the infill drilling work.

All this work will further enable the Company to make operational decisions during the last half of 2017.

The Reviewed Broad-Based Black Economic Empowerment Charter for the South African Mining Industry that was published and came into effect on June 15, 2017 has created significant uncertainty. Continued monitoring over the next few months is required as the Company is unable to assess the impact the Mining Charter III will have on its business.

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 Transactions 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 or stock options during the three months ended June 30, 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 $19 and $31 (three and six months ended June 30, 2016 – nil and nil) was recorded as share-based compensation expense relating to G&A for the three and six months ended June 30, 2017, respectively.

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	0.27	October 5, 2017
207,500	207,500	1.90	0.53	January 8, 2018
400,000	400,000	1.05	4.01	July 4, 2021
300,000	300,000	1.05	4.13	August 14, 2021
100,000	100,000	1.05	4.23	September 20, 2021
200,000	200,000	0.40	4.66	Febuary 24, 2022
1,216,500	1,216,500			

5.3 Contractual Obligations, Commitments and Contingencies

The Company's major contractual obligations and commitments as at June 30, 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	9,056	—	—	9,056
Operating lease	51	20	31	—
Capital expenditure and purchase commitments contracted at June 30, 2017 but not recognized on the consolidated statement of financial position	242	242	—	—
	9,348	262	31	9,056

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 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 was 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 ($2,353) 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 ($2,353) 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.

6 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 and six months ended June 30, 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 June 30		Six months ended June 30	
	2017	2016	**2017**	2016
	$	$	**$**	$
Trading transactions				
Consulting fees	**—**	35	**—**	68
General and administrative expenses	**—**	170	**—**	281
Director fees	**74**	19	**110**	54
Management fees, including termination fees	**107**	114	**216**	1,688
Share-based payments	**19**	—	**31**	—
Total	**200**	338	**357**	2,091
Compensation of key management personnel				
Remuneration (excluding termination payments)	**191**	149	**385**	314
Termination payments	**—**	—	**—**	1,442
Share-based payments	**19**	—	**31**	—
Total compensation of key management personnel	**210**	149	**416**	1,756

During the three and six months ended June 30, 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. These termination fees were recorded in the third quarter of 2016 of the Company consolidated financial statements.

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 June 30, 2017, the Company held a loan receivable from Gubevu in the amount of $64,013 (ZAR837,863) (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 for the three and six months ended June 30, 2017.

Accounts receivable as at June 30, 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.

During the three and six months ended June 30, 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 and six months ended June 30, 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 and six months ended June 30, 2017 was $210 and $416 (three and six months ended 2016 - $149 and $1,756), respectively. During the three and six months ended June 30, 2017, the key management received share-based payments of $19 and $31 (three and six months June 30, 2016 – nil and nil), respectively.

Key management personnel were not paid post-employment benefits or other long-term benefits for the three and six months ended June 30, 2017 and 2016.

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 judgement and estimates made by management for the three and six months ended June 30, 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.

8 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)	**June 30 2017 $**	December 31, 2016 $
Financial assets		
Loans and receivables		
Cash and cash equivalents	**5,571**	5,890
Restricted cash	**5,089**	5,086
Trade and other receivables (excluding taxes receivable)	**532**	265
Available for sale financial assets		
Short-term investments	**19,473**	20,348
Other assets	**7,782**	9,779
	38,447	41,368
Other Financial liabilities		
Trade and other payables	**1,875**	1,586
	1,875	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 June 30, 2017 and 2016. As at June 30, 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 and six months ended June 30, 2017 and 2016.

9 *Accounting Standards Issued but not yet Effective*

A number of new standards, amendments to standards and interpretations, are not yet effective as at June 30, 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 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.

10 Off-Balance Sheet Arrangements

As at June 30, 2017, the Company had not entered into any off-balance sheet arrangements.

11 Internal Control Over Financial Reporting and Disclosure Controls and Procedures

Internal Control over Financial Reporting

The Chief Executive Officer ("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 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 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.

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, 2016, which is available on SEDAR at www.sedar.com. In addition to this list we have included new or heightened risk factors that have emerged.

South African Risk – New Mining Charter

As the majority of Eastplats' operations are located in South Africa, the Company is exposed to certain risks in connection with the political situation in South Africa. The government of South Africa exercises control over such matters as exploration and mining licensing, permitting, exporting and taxation, which may adversely impact the Company's ability to carry out exploration, development and mining activities in a timely manner. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

Section 2.1 outlines the new Mining Charter and this regulatory process entailed limited public comment, which makes the outcome of the legislation or regulation effect uncertain and may cause delays in the regulatory process. Further, the reaction by the Mining Chamber provides further uncertainty.

These changes are not yet effective but based on the new charter must be in place in 12 months. The Company may be required to complete certain transactions to comply. There can be no assurances that such transactions will be completed within the periods provided under applicable policy, regulation or legislation and as such the Company is exposed to the risk that they will not be in compliance with such policies, regulations and legislation.

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 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, Mining Charter III and other new regulations 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.