Consolidated financial statements of

Eastern Platinum Limited

December 31, 2020 and 2019

Eastern Platinum Limited
December 31, 2020 and 2019
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Independent auditor's report

To the Shareholders of Eastern Platinum Limited

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Eastern Platinum Limited and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of loss for the years ended December 31, 2020 and 2019;
- the consolidated statements of comprehensive loss (income) for the years ended December 31, 2020 and 2019;
- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of changes in equity for the years ended December 31, 2020 and 2019;
- the consolidated statements of cash flows for the years ended December 31, 2020 and 2019; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment (PP&E), including the mineral property related to the Crocodile River Mine *Refer to the Note 4(h)(vi) – Summary of significant accounting policies, Property, plant and equipment – Impairment, note 4(u)(i) – Summary of significant accounting policies, Critical accounting estimates, Impairment of property, plant and equipment, and note 6(f) – Property, plant and equipment, Impairment of property, plant and equipment to the consolidated financial statements.* As at December 31, 2020, the total net book value of PP&E amounted to $136.6 million, of which $112.1 million related to the Crocodile River Mine cash generating unit (CGU). Management reviews the Company's PPE for indicators of impairment at each statement of financial position reporting date. When impairment indicators of PP&E exist, an impairment assessment is conducted at the level of the CGU (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) and the recoverable amount of the CGU is estimated. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. During the year, management identified impairment indicators due to the significant fluctuation in the forecasted metal prices, the decline in the forecasted platinum prices, the decline in the market price of the Company's common shares at the end of the first quarter of 2020 and the	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the recoverable amount of the Crocodile River Mine, CGU, which included the following: - Tested the appropriateness of the method used by management. - Tested underlying data used in the discounted cash flow model. - Evaluated the reasonableness of significant assumptions by (i) comparing future metal prices with external market and industry data; (ii) comparing operating and capital costs to actual operating and capital expenditures incurred in the past, and (iii) assessing whether these assumptions and the estimate related to future production timing and production levels were consistent with evidence obtained in other areas of the audit. - The work of management's experts was used in performing the procedures to evaluate the reasonableness of the estimates associated with the quantity and grade of recoverable resources. As a basis for using this work, the management experts' competence, capability and objectivity were evaluated, their work performed was understood and the appropriateness of their work as audit evidence was evaluated by considering the relevance and reasonableness of the

uncertainty globally as a result of the COVID-19 pandemic. As a result, management performed an impairment assessment for all CGUs including the Crocodile River Mine CGU based on fair value less costs of disposal, using discounted cash flow models. The determination of the fair value less cost of disposal of the Crocodile River Mine CGU required management to make estimates and use assumptions related to the quantity and grade of recoverable resources, future production timing and production levels, operating and capital costs, future metal prices, discount rates, and foreign exchange rates. Management estimates of the quantity and grade of recoverable reserves are based on information compiled by qualified persons (management's experts). No impairment charge was required for the Crocodile River Mine CGU as the estimated recoverable amount exceeded the carrying amount. We considered the above a key audit matter due to (i) the significant judgment made by management in developing assumptions to determine the recoverable amount of the Crocodile River Mine CGU and (ii) the significance of the PP&E balance related to the Crocodile River Mine CGU. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to test the significant assumptions used by management. Professionals with specialized skill and knowledge in the field of valuation also assisted us in performing our procedures.	assumptions and methods and findings. - Professionals with specialized skill and knowledge in the field of valuation assisted us in assessing (i) the appropriateness of the method used in determining the recoverable amount of the Crocodile River Mine CGU, and (ii) the reasonableness of the discount and foreign exchange rates used within the discounted cash flow model.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Frans Minnaar.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 25, 2021

Eastern Platinum Limited

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

	Note		Year ended December 31		
			2020		2019
Revenue		**$**	**56,143**	$	39,242
Production costs			**(46,337)**		(31,233)
Production costs - depreciation			**(4,251)**		(2,485)
Mining operation income			**5,555**		5,524
Expenses					
General and administrative			**2,864**		2,642
Site services	25		**4,575**		4,642
Care and maintenance			**1,852**		2,227
Impairment reversal associated with assets held for sale	6(e)		**—**		(1,603)
Operating loss			**(3,736)**		(2,384)
Other income (expense)					
Gain on disposal of property, plant and equipment			**657**		1,177
Interest income			**487**		708
Other income			**2,613**		1,822
Finance costs	9		**(5,677)**		(3,241)
AlphaGlobal settlement	7		**(2,787)**		—
Foreign exchange (loss) gain			**(775)**		994
Loss before income taxes			**(9,218)**		(924)
Income tax expense	10		**(178)**		(222)
Net loss for the year			**(9,396)**		(1,146)
Net (loss) income attributable to					
Non-controlling interest			**(1,422)**		(1,249)
Equity shareholders of the Company			**(7,974)**		103
Net loss for the year		**$**	**(9,396)**	$	(1,146)
(Loss) per share					
Basic and diluted		**$**	**(0.08)**	$	0.00
Weighted average number of common shares outstanding in thousands					
Basic			**96,708**		92,599
Diluted			**96,708**		92,791

The accompanying notes are an integral part of these consolidated financial statements

"George Dorin"
George Dorin, Director

"Mike Cosic"
Mike Cosic, Director

Eastern Platinum Limited

Consolidated statements of comprehensive loss (income)
(Expressed in thousands of U.S. dollars)

			Year ended December 31		
	Note		**2020**		2019
Net loss for the year		**$**	**(9,396)**	$	(1,146)
Other comprehensive (loss) income					
Items that may subsequently be reclassified to loss or profit					
- Exchange differences on translating foreign operations			**(7,070)**		3,700
- Exchange differences on translating non-controlling interest			**1,910**		(1,190)
Comprehensive (loss) income for the year			**(14,556)**		1,364
Comprehensive (loss) income attributable to					
Equity shareholders of the Company			**(15,044)**		3,803
Non-controlling interest			**488**		(2,439)
Comprehensive (loss) income for the year		**$**	**(14,556)**	$	1,364

The accompanying notes are an integral part of these consolidated financial statements

Eastern Platinum Limited

Consolidated statements of financial position
(Expressed in thousands of U.S. dollars)

	Note	As at December 31 2020	As at December 31 2019
Assets			
Current assets			
Cash and cash equivalents	12	**$ 1,772**	$ 1,957
Trade and other receivables	13	**12,635**	15,796
Inventories		**1,553**	1,090
		15,960	18,843
Non-current assets			
Restricted cash		**90**	89
Inventories		**1,676**	1,748
Property, plant and equipment	6	**136,579**	135,397
Other assets	14	**6,787**	6,789
Assets held for sale	6(a)	**1,893**	1,982
		$ 162,985	$ 164,848
Liabilities			
Current liabilities			
Trade and other payables		**$ 7,491**	$ 9,145
Deferred revenue	15	**3,124**	2,527
Lease liabilities	18	**1,265**	18
		11,880	11,690
Non-current liabilities			
Deferred revenue	15	**8,875**	10,012
Contracts payable	15	**50,576**	42,307
Lease liabilities	18	**3,292**	45
Provision for environmental rehabilitation	16	**3,060**	3,371
Deferred tax liabilities	10	**3,442**	3,368
Liabilities associated with assets held for sale	6(e)	**530**	554
		81,655	71,347
Equity			
Issued capital	8	**1,231,767**	1,230,171
Treasury shares		**(204)**	(204)
Contributed surplus	8	**1,290**	501
Accumulated other comprehensive loss		**(299,258)**	(292,188)
Deficit		**(808,015)**	(800,041)
Total equity attributable to equity shareholders of the Company		**125,580**	138,239
Non-controlling interest	11	**(44,250)**	(44,738)
		81,330	93,501
		$ 162,985	$ 164,848

Contingencies (Note 22)
Subsequent events (Note 26)

The accompanying notes are an integral part of these consolidated financial statements.

Eastern Platinum Limited

Consolidated statements of changes in equity
(Expressed in thousands of U.S. dollars)

	Issued capital	Treasury shares	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity attributable to equity shareholders of the company	Non-controlling interest	Equity
Balance, December 31, 2018	**$ 1,230,171**	**$ (204)**	**$ 410**	**$ (295,888)**	**$ (800,170)**	**$ 134,319**	**$ (42,299)**	**$ 92,020**
Net income (loss)	—	—	—	—	103	103	(1,249)	(1,146)
Other comprehensive income (loss)	—	—	—	3,700	—	3,700	(1,190)	2,510
Total comprehensive income (loss)	—	—	—	3,700	103	3,803	(2,439)	1,364
Share-based compensation	—	—	117	—	—	117	—	117
Transfer equity reserve relating to expired options	—	—	(26)	—	26	—	—	—
Balance, December 31, 2019	**$ 1,230,171**	**$ (204)**	**$ 501**	**$ (292,188)**	**$ (800,041)**	**$ 138,239**	**$ (44,738)**	**$ 93,501**
Net loss	—	—	—	—	(7,974)	(7,974)	(1,422)	(9,396)
Other comprehensive (loss) income	—	—	—	(7,070)	—	(7,070)	1,910	(5,160)
Total comprehensive (loss) income	—	—	—	(7,070)	(7,974)	(15,044)	488	(14,556)
AlphaGlobal settlement	1,702	—	564	—	—	2,266	—	2,266
AlphaGlobal settlement - share issuance cost	(106)	—	—	—	—	(106)	—	(106)
Share-based compensation	—	—	225	—	—	225	—	225
Balance, December 31, 2020	**$ 1,231,767**	**$ (204)**	**$ 1,290**	**$ (299,258)**	**$ (808,015)**	**$ 125,580**	**$ (44,250)**	**$ 81,330**

The accompanying notes are an integral part of these consolidated financial statements

Eastern Platinum Limited

Consolidated statements of cash flows
(Expressed in thousands of U.S. dollars)

	Year ended December 31 2020	2019
Operating activities		
Loss before income taxes	**$ (9,218)**	$ (924)
Adjustments to net loss for non-cash items		
Depreciation and amortization	**4,400**	2,636
Stock based compensation	**225**	117
Shares and warrants issued for AlphaGlobal settlement	**2,266**	—
Impairment (reversal) of mineral properties	**—**	(1,603)
Gain on disposal of property, plant and equipment	**(657)**	(1,177)
Interest income	**(487)**	(708)
Finance costs	**5,677**	3,241
Foreign exchange loss	**775**	(994)
Net changes in non-cash working capital items		
Trade and other receivables	**2,440**	(14,016)
Inventories	**(470)**	(32)
Trade and other payables	**(1,099)**	5,862
Deferred revenue	**(2,664)**	(1,817)
Cash used in operations	**1,188**	(9,415)
Adjustments to net loss for cash items		
Interest income received	**481**	722
Finance costs paid	**(14)**	(18)
Taxes paid	**(96)**	(132)
Net operating cash flows	**1,559**	(8,843)
Financing activities		
Share issuance cost	**(106)**	—
Contracts payable - credit facility	**1,077**	2,765
Lease payments	**(431)**	—
Net financing cash flows	**540**	2,765
Investing activities		
Purchases of short-term investments	**—**	(500)
Redemptions of short-term investments	**—**	1,915
(Increase) decrease of other assets	**(267)**	1,332
Property, plant and equipment expenditures	**(2,471)**	(589)
Disposal of property, plant and equipment	**992**	1,393
Net investing cash flows	**(1,746)**	3,551
Effect of exchange rate changes on cash and cash equivalents	**(538)**	271
Decrease in cash and cash equivalents	**(185)**	(2,256)
Cash and cash equivalents, beginning of year	**1,957**	4,213
Cash and cash equivalents, end of year	**$ 1,772**	$ 1,957

The accompanying notes are an integral part of these consolidated financial statements

1. Nature of operations

Eastern Platinum Limited (the "Company") was incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the Toronto Stock Exchange (primary listing) and the Johannesburg Stock Exchange (secondary listing). The head office and principal address of the Company are located at 1080 – 1188 West Georgia Street, Vancouver, British Columbia, Canada.

The Company is a platinum group metal ("PGM") and chrome producing company engaged in re-mining and processing of tailings at the Crocodile River Mine ("CRM") and the exploration and development of other PGM and chrome properties located in various provinces in South Africa.

The Company's presentation currency is U.S. dollars. All monetary amounts presented in these consolidated financial statements are in thousands of U.S. dollars ("$"), thousands of Canadian dollars ("Cdn$") or thousands of South African Rand ("ZAR"), except for per share amounts or otherwise indicated.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

The consolidated financial statements were authorized for issue by the Board of Directors on March 25, 2021.

(b) Judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 4(u) and (v).

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for those as explained in the accounting policies below.

3. Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2020, and have not been applied in preparing these consolidated financial statements. None of these pronouncements are expected to have material impact on the Company's consolidated financial statements.

4. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has (i) power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee, and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions, balances, revenues and expenses have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of profit or loss and other comprehensive income or loss since the date of acquisition, even if this results in the non-controlling interest having a deficit balance. Changes in the Company's ownership percentage in subsidiaries that do not result in loss of control are accounted for as equity transactions. The carrying amount of the Company's interest and the non-controlling interests are adjusted to reflect the change in their relative interests in the subsidiary. Any difference between the fair value of the consideration paid or received and the adjustment to the Company's non-controlling interest is recognized directly to equity.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the acquisition date) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Any costs directly attributable to the business combination are generally recognized in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* which are recognized and measured at fair value less costs to sell. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognized immediately in profit or loss. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

4. Summary of significant accounting policies (continued)

(b) Investments in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company or a subsidiary of the Company transacts with an associate of the Company, profits and losses resulting from the transactions with the associate are recognized in the Company's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

(c) Presentation currency and foreign currency translation

The Company's presentation currency is the U.S. dollar. The functional currencies of the Company, its BVI and Barbados intermediate holding companies are the Canadian dollar, while the South African subsidiaries are the South African Rand. These consolidated financial statements have been translated to the U.S. dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). All resulting exchange differences are recognized directly in other comprehensive income.

(d) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

4. Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

(f) Short-term investments

Short-term investments are investments which are transitional or current in nature, with an original maturity greater than three months.

(g) Inventories

Inventories, comprising consumable parts, supplies and PGM material (since late 2020) are valued at the lower of cost and net realizable value. Cost is determined using the weighted average method and includes direct mining expenditures and an appropriate portion of normal overhead expenditure. For consumable parts and supplies, the replacement cost is used as the best available measure of net realizable value. Net realizable value of PGM material is determined based on estimated selling price less estimated cost of completion and cost to sale. Certain parts and supplies which may not be used within 1 year are classified as non-current.

(h) Property, plant and equipment

(i) Mining assets

Assets owned and mineral properties being depleted are recorded at cost less accumulated depreciation and accumulated impairment losses. Mineral properties not being depleted are recorded at cost less accumulated impairment losses. All direct costs related to the acquisition, exploration and development of mineral properties are capitalized until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mineral properties being depleted and amortized using the units-of-production method following commencement of commercial production. Interest on borrowings incurred to finance mining assets is capitalized until the asset is capable of carrying out its intended use.

Mining properties and mining and process facility assets are amortized on a units-of-production basis which is measured by the portion of the mine's proven and probable ore reserves recovered during the period. Capital work-in-progress, which is included in mining assets, is not depreciated until the assets are ready for their intended use.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

4. Summary of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(ii) Residential properties and other property, plant and equipment

Residential properties and other property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. These assets are depreciated using the straight-line method based on estimated useful lives. Land is not depreciated.

Where an item of plant and equipment comprises significant components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal overheads.

The costs of day-to-day servicing are recognized in profit or loss as incurred. These costs are more commonly referred to as "maintenance and repairs."

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized at interest rates relating to loans specifically raised for that purpose, or at the weighted average borrowing rate where the general pool of group borrowings is utilized. Capitalization of borrowing costs ceases when the asset is ready for its intended use.

(iii) Assets held for sale

Assets or asset groups that are held for sale are measured at fair value less cost of disposal.

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement. An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the noncurrent asset (or disposal group) is recognized at the date of derecognition. Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

4. Summary of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(iv) Depreciation

The depreciation method, useful life and residual values are assessed annually. The carrying amounts of property, plant and equipment are depreciated using either the straight-line or unit-of-production method over the shorter of the estimated useful life of the asset or the life of mine. The estimated useful lives of property, plant and equipment are as follows:

Plant and equipment owned	
Underground and other assets	life of mine
Mine houses	50 years
Office buildings	20 years
Plant	life of mine
Tailings retreatment plant	life of mine
Computer equipment	3 years
Mineral properties being depleted	life of mine
Residential properties	50 years
Lease	lease terms

(v) Subsequent costs

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

(vi) Impairment

The Company's tangible assets are reviewed for indications of impairment at each statement of financial position reporting date. If an indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit ("CGU"), exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

4. Summary of significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(vii) Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Financial instruments

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

Under IFRS 9, financial assets are classified into one of three categories below:
- amortized cost;
- fair value changes through other comprehensive income ("FVTOCI"); and
- fair value through profit or loss ("FVTPL")

Under IFRS 9, financial liabilities are classified into one of two categories below:
- amortized cost; and
- FVTPL

(i) Initial recognition

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

(ii) Subsequent measure of financial assets

Financial assets classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income. Financial assets classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss. Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

As at years ended December 31, 2020 and 2019, the Company does not have any financial assets that are classified as FVTOCI.

4. Summary of significant accounting policies (continued)

(i) Financial instruments (continued)

(iii) Impairment of financial assets carried at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that financial assets or group of financial assets measured at amortized cost are impaired. Impairment losses and reversal of impairment losses, if any, are recognized in profit or loss in the period they are incurred.

(iv) Subsequent measure of financial liabilities

Financial liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization using the effective interest method is included in finance costs.

Financial liabilities classified as FVTPL are measured at fair value with gains and losses recognized in profit or loss.

(v) Derecognition of financial assets and financial liabilities

A financial asset is derecognized when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass - through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. In this case, a new liability is recognized, and the difference in the respective carrying amounts is recognized in the statement of income.

4. Summary of significant accounting policies (continued)

(i) Financial instruments (continued)

(vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

(j) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if the Company has the right to direct the use of the asset.

As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if we are reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless we are reasonably certain not to terminate early.

4. Summary of significant accounting policies (continued)

(k) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(l) Environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation provision is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the consolidated statements of comprehensive loss. The rehabilitation asset is depreciated on the same basis as mining assets.

The rehabilitation provision is re-measured at the end of each reporting period for changes of estimates and circumstances. Changes in estimates and circumstances include changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. The carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit or loss as incurred.

4. Summary of significant accounting policies (continued)

(m) Employee benefits

(i) Employee post-retirement obligations – defined contribution retirement plan

The Company's South African subsidiaries operate a defined contribution retirement plan for its employees. The pension plan is funded by payments from the employees and the subsidiaries and payments are charged to profit and loss for the period as incurred. The assets of the different plans are held by independently managed trust funds. The South African Pension Funds Act of 1956 governs these funds.

(ii) Leave pay

Employee entitlements to annual leave are recognized as they are earned by the employees. A provision, stated at current cost, is made for the estimated liability at period end.

(n) Revenue recognition

The Company's revenue mainly consists of chrome concentrate based on offtake agreements. The Company followed IFRS 15 - *Revenue from Contracts with Customers ("IFRS 15")* to recognize revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer.

Chrome concentrate revenue is recognized when control is transferred to the offtake party, Union Goal Offshore Solution Limited ("Union Goal"), which is when the chrome concentrate is produced by the chrome processing circuits and related technology equipment (the "Chrome Circuit") which is the point of time the control is transferred in accordance with offtake agreement with Union Goal.

The sales price of chrome concentrate is determined based on a direct cost recovery basis including capital, operational, processing cost and logistics plus an upfront payment and a per ton fee based on the number of tons of material from re-mining the tailings made available to the chrome processing plant (based on the September 2017 feasibility study).

Additionally, IFRS 15 requires entities to apportion the transaction price attributable to contracts from customers to distinct performance obligations on a relative standalone selling price basis. In accordance with the terms of the offtake agreement with Union Goal, the Company must contract for and pay certain logistic cost. Therefore, a portion of the revenue representing the obligation to fulfill these services that occur after the transfer of control, is deferred and recognized over time (although a very short period) as the obligations are fulfilled. Revenue relating to the logistic costs deferred is not material for the years ended December 31, 2020 and 2019.

4. Summary of significant accounting policies (continued)

(o) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the average of the closing market price on the 5 days preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. When fully vested stock options expire, are forfeited or are cancelled, the expenses previously recognized within equity-settled employee benefits reserve is reallocated to deficit.

(p) Finance costs

Finance costs primarily comprise accretion charge on provision for environmental rehabilitation and contracts payable. Accretion charge on provision for environmental rehabilitation and contracts payable is calculated using the effective interest method.

(q) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. Summary of significant accounting policies (continued)

(r) Other income

Other income mainly consists of rental income and scrap metals sale. Rental income from residential properties is recognized on a straight-line basis over the term of the lease. Interest income is recognized in profit or loss as it accrues, using the effective interest method. Scrap metals sale is incidental income and is recognized when goods are delivered and the collection from the sale is assured which is the same time as transfer of control.

(s) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(t) Other comprehensive income (loss)

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit (loss) such as fair value movements in certain investments designated through other comprehensive income, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. As at December 31, 2020 and 2019, the Company's other comprehensive income (loss) was comprised of foreign currency translation gains and losses.

(u) Critical accounting estimates

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

(i) Impairment of property, plant and equipment

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

4. Summary of significant accounting policies (continued)

(u) Critical accounting estimates (continued)

(i) Impairment of property, plant and equipment (continued)

The Company has determined that there were impairment indicators as at March 31, 2020 and performed an impairment test on March 31, 2020 but this did not result in any impairment. The significant assumptions utilized in the Company's impairment analysis from March 31, 2020 are discussed in further detail in Note 6(f). Since 2016, management reassessed how the Eastern Limb projects would be brought to further development and into production, and concluded to advance the three Eastern Limb properties (consisting of Kennedy's Vale ("KV"), Spitzkop PGM ("Spitzkop") and Mareesburg Project) separately rather than concurrently. Therefore, it was determined that the Eastern Limb Projects comprised three independent CGUs. As such, for the purposes of the Company's impairment testing from 2017 onforwards, management identified CRM, KV, Spitzkop and Mareesburg each as separate CGUs. There are no changes of the Company's CGUs in 2020 and 2019. Determination of the CGUs requires significant estimates and judgements. The Company determined that there were no new impairment indicators as at December 31, 2020 or 2019.

In 2019, a partial reversal of impairment taken historically (prior to 2018) was recorded for the Maroelabult property, as a result of the property being classified as held for sale as at December 31, 2020 and 2019. Also see Note 6(e).

(ii) Environmental rehabilitation provision

Environmental rehabilitation obligations have been estimated by appropriately qualified external persons based on the Company's interpretation of current regulatory and best practice requirements and have measured at the net present value of expected future cash expenditures that would be required upon mine closure. These estimates require significant judgement about the nature, cost and timing of work to be completed, and may change with future changes to costs, environmental laws, regulations and remediation practices and the expected timing of remediation work. The details of assumptions used in calculation of the Company's environmental rehabilitation provision are disclosed in Note 16.

(iii) Union Goal Contracts

The Company purchased the Chrome Circuit equipment based on the Union Goal Contracts in connection with construction, re-mining and processing of the tailings resource, and the subsequent offtake of chrome concentrate from the Barplats Zandfontein UG2 tailings facility (the "Retreatment Project") (Note 15). The Chrome Circuit equipment is subject to put and call options in the event that either party is not satisfied with the agreed pricing or performance of the Chrome Circuit equipment during the initial contract period. There are significant estimates and uncertainties involved in assessing the future performance of the Chrome Circuit equipment and the total economic assessment of the project. The Retreatment Project has an estimated remaining life of over 3 – 4 years based on the estimated production. Management believes the Chrome Circuit equipment can be utilized after the completion of the Retreatment Project. Therefore, the Chrome Circuit equipment is amortized based on the unit of production with the total production estimated inclusive of the projected underground ore tonnage.

4. Summary of significant accounting policies (continued)

(v) Critical accounting judgments

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

(i) Global pandemic

The Company's business could be significantly adversely affected by the effects of the global pandemic of novel coronavirus ("COVID-19"). The Company's primary operation is in South Africa. On December 31, 2020, South Africa moved up the alert level to stage 3 to fight COVID-19 but has on March 1, 2021 moved back to alert level 1. The Company's operation continues with precautions and following the health guidelines of the Government of South Africa.

The effects of COVID-19 are evolving and changing and the consequences of a further increase in the alert level in South Africa, temporary shutdown of any operations or other related issues cannot be reasonably estimated at this time, but could potentially have material adverse effects on the Company's business, operations, liquidity and cashflows.

(ii) Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates,* management determined that the functional currencies of the Company and its South African subsidiaries are the Canadian dollar and South African Rand, respectively as these are the currencies of the primary economic environment in which the companies operate.

(iii) Provision and contingencies

The Company is subject to claims and legal proceedings arising in the ordinary course of business activities, each of which is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably to the Company. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its consolidated financial statements. When evaluating legal proceedings that are pending against the Company, the Company and its legal counsel assess the perceived merits of the legal proceedings along with the perceived merits of the amount of relief sought. Management assesses the probability of liability being payable as either remote, more than remote or probable. If liability is considered to be less than probable, then the liability is not recorded and it is only disclosed as a contingent liability. See Note 22.

In June 2016, the former management signed certain agreements in connection with the proposed purchase/cancellation of certain non-controlling interests in the Company's South African operations and sale of the CRM (which was terminated in November 2017). These transactions are complex and the agreements are subject to interpretations of laws under the various jurisdictions. The Company has been unable to complete the proposed non-controlling interest's acquisition/cancellation transaction due to difficulties in accessing the underlying documents, obtaining the cooperation of various parties and the potential implications of these transactions under the Company's mining rights and certain provisions under the *Mineral & Petroleum Resources Development Act (South African)*.

4. Summary of significant accounting policies (continued)

(v) Critical accounting judgments (continued)

(iv) Liquidity risk

The Company has projected 2021 cash flows that are sufficient to cover the Company's operating expenses, capital expenditures and all other care and maintenance expenses. However significant judgements and estimates are involved in projecting the future cash flows including the level of production of the Retreatment Project and PGM production. The Retreatment Project is also dependent on its operating cash inflows from Union Goal, its sole off taker of chrome concentrate (see Notes 15(d) and 26), in order to fund its current operating activities and eventually fulfil all obligations under the Framework Agreement.

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

5. Subsidiaries and associates

(a) *Subsidiaries*

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held **December 31, 2020**	December 31, 2019
Eastern Platinum Holdings Limited	Holding company	BVI (i)	**100%**	100%
Eastplats Holdings Limited	Holding company	BVI (i)	**100%**	100%
Eastplats Acquisition Co. Ltd.	Holding company	BVI (i)	**100%**	100%
Eastplats International Incorporated	Holding company	Barbados	**100%**	100%
Royal Anthem Investments 134 (Pty) Ltd.	Holding company	South Africa	**100%**	100%
EPL Pellets (Pty) Limited	Holding company	South Africa	**100%**	—
Spitzkop Joint Venture	Mining	South Africa	**93.37%**	93.37%
Barplats Investments (Pty) Ltd.	Holding company	South Africa	**87.49%**	87.49%
Barplats Mines (Pty) Ltd.	Mining	South Africa	**87.49%**	87.49%
Rhodium Reefs (Pty) Ltd.	Mining	South Africa	**87.49%**	87.49%
Spitzkop Platinum (Pty) Ltd.	Mining	South Africa	**86.74%**	86.74%
Mareesburg Joint Venture	Mining	South Africa	**87%**	87%
Lion's Head Platinum (Pty) Ltd.	Holding company	South Africa	**74%**	74%
SA Victiria International Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%
Brilliant Bravo Science and Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%
SA Tian Jin Bo Yi Communications Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%
SA New Land Communication Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%

(b) *Associates*

Details of the Company's associates are as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held **December 31, 2020**	December 31, 2019
Afrimineral Holdings (Pty) Ltd.	Holding company	South Africa	**49.00%**	49.00%
Gubevu Consortium Investment Holdings (Pty) Ltd.	Holding company	South Africa	**49.99%**	49.99%

During the year ended December 31, 2020 and 2019, these associates are inactive.

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

6. Property, plant and equipment

	Right-of-use assets (Note 18) $	Plant and equipment owned (Note 15) $	Mineral properties previously depleted $	Mineral properties not being depleted $	Properties and land (Note 16) $	Total $
Cost						
Balance as at December 31, 2018	**—**	**380,404**	**70,521**	**287,795**	**13,605**	**752,325**
Assets acquired (net of $888 spare parts reclassified to long-term inventory)	65	1,047	—	20	—	1,132
Environmental provision change in estimate	—	(25)	—	285	—	260
Assets disposed	—	(724)	—	—	(260)	(984)
Reclassify as assets held for sale (e)		(1,982)	—	—	—	(1,982)
Foreign exchange movement	1	10,346	1,917	7,838	359	20,461
Balance as at December 31, 2019	**66**	**389,066**	**72,438**	**295,938**	**13,704**	**771,212**
Assets acquired	4,268	7,243	—	—	—	11,511
Environmental provision change in estimate	—	(394)	—	(97)	—	(491)
Assets disposed	—	(339)	—	—	(168)	(507)
Foreign exchange movement	272	(16,339)	(3,260)	(13,326)	(630)	(33,283)
Balance as December 31, 2020	**4,606**	**379,237**	**69,178**	**282,515**	**12,906**	**748,442**
Accumulated depreciation and impairment						
Balance as at December 31, 2018	**—**	**300,037**	**57,766**	**258,676**	**2,142**	**618,621**
Depreciation	—	2,534	—	—	102	2,636
Depreciation of disposed assets	—	(688)	—	—	(80)	(768)
Impairment reversal (e)	—	(1,603)	—	—	—	(1,603)
Foreign exchange movement	—	8,294	1,544	7,032	59	16,929
Balance as at December 31, 2019	**—**	**308,574**	**59,310**	**265,708**	**2,223**	**635,815**
Depreciation	329	3,982	—	—	89	4,400
Depreciation of disposed assets	—	(98)	—	—	(74)	(172)
Foreign exchange movement	21	(13,521)	(2,625)	(11,959)	(96)	(28,180)
Balance as December 31, 2020	**350**	**298,937**	**56,685**	**253,749**	**2,142**	**611,863**
Carrying amounts						
At December 31, 2018	—	80,367	12,755	29,119	11,463	133,704
At December 31, 2019	66	80,492	13,128	30,230	11,481	135,397
At December 31, 2020	**4,256**	**80,300**	**12,493**	**28,766**	**10,764**	**136,579**

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

6. Property, plant and equipment (continued)

The following is property, plant and equipment categorized by project:

	Crocodile River Mine (a and e) $	Mareesburg Project (b) $	Kennedy's Vale and Concentrator (c) $	Spitzkop PGM Project (d) $	Other property plant and equipment $	Total $
Cost						
Balance as at December 31, 2018	**380,009**	**17,072**	**289,963**	**65,130**	**151**	**752,325**
Assets acquired	—	20	—	—	77	97
Retreatment Project additions (net of $888 spare parts reclassified to long-term inventory)	1,035	—	—	—	—	1,035
Environmental provision change in estimate	30	291	(55)	(6)	—	260
Assets disposed	(984)	—	—	—	—	(984)
Reclassify as assets held for sale (e)	(1,982)	—	—	—	—	(1,982)
Foreign exchange movement	10,325	478	7,880	1,770	8	20,461
Balance as at December 31, 2019	**388,433**	**17,861**	**297,788**	**66,894**	**236**	**771,212**
Assets acquired	11,511	—	—	—	—	11,511
Environmental provision change in estimate	(169)	(81)	(225)	(16)	—	(491)
Assets disposed	(507)	—	—	—	—	(507)
Foreign exchange movement	(16,051)	(809)	(13,417)	(3,011)	5	(33,283)
Balance as December 31, 2020	**383,217**	**16,971**	**284,146**	**63,867**	**241**	**748,442**
Accumulated depreciation and impairment						
Balance as at December 31, 2018	**271,474**	**7,344**	**278,591**	**61,085**	**127**	**618,621**
Depreciation	2,562	—	58	—	16	2,636
Depreciation of disposed assets	(768)	—	—	—	—	(768)
Impairment reversal (e)	(1,603)	—	—	—	—	(1,603)
Foreign exchange movement	7,487	200	7,574	1,661	7	16,929
Balance as at December 31, 2019	**279,152**	**7,544**	**286,223**	**62,746**	**150**	**635,815**
Depreciation	4,318	—	51	—	31	4,400
Depreciation of disposed assets	(172)	—	—	—	—	(172)
Foreign exchange movement	(12,145)	(339)	(12,876)	(2,825)	5	(28,180)
Balance as December 31, 2020	**271,153**	**7,205**	**273,398**	**59,921**	**186**	**611,863**
Carrying amounts						
At December 31, 2018	108,535	9,728	11,372	4,045	24	133,704
At December 31, 2019	109,281	10,317	11,565	4,148	86	135,397
At December 31, 2020	**112,064**	**9,766**	**10,748**	**3,946**	**55**	**136,579**

6. Property, plant and equipment (continued)

(a) Crocodile River Mine ("CRM")

The Company holds directly and indirectly an 87.5% interest in CRM, through Barplats Investments (Pty) Ltd. ("Barplats Investment"), which is located on the eastern portion of the western limb of the Bushveld Complex. The Retreatment Project, began providing material from re-mining the tailings and production in December 2018 (See Notes 15 and 22(d)). In 2020 PGM production began utilizing the re-mining of the Retreatment Project. The underground operations of the CRM have been placed on care and maintenance since 2013.

(b) Mareesburg Project

The Company holds directly and indirectly an 87% interest in the Mareesburg Project located on the eastern limb of the Bushveld Complex. The Company is currently working on an environmental impact assessment. The project is early stage and has never been in production.

(c) Kennedy's Vale Project ("KV")

The Company holds directly and indirectly an 87.5% interest in KV, an early-stage project which is located on the eastern limb of the Bushveld Complex. The concentrator located on the KV property has been on care and maintenance since 2012.

(d) Spitzkop PGM Project ("Spitzkop")

The Company holds directly and indirectly a 93.4% interest in the Spitzkop PGM Project located on the eastern limb of the Bushveld Complex. The early stage Spitzkop PGM Project has limited development and has never been in production. The work has been on hold since 2012.

(e) Assets held for sale

On October 24, 2019, the Company and its subsidiary Barplats entered into a sales agreement (the "Sale Agreement") with Eland Platinum (Pty) Limited ("Eland"). The Sales Agreement provides for sale of the mining rights, immovable property, infrastructure and equipment of the Maroelabult resource property (collectively referred as the "Maroelabult Assets") located near Brits in South Africa. The consideration to be received is ZAR20,000 (approximately $1,428), the assumption of the rehabilitation obligation and immediate assumption of the care and maintenance costs (the "Purchase Price") subject to representations and warranties by both parties. The Purchase Price is payable and enforceable on closing the transaction following the transfer of legal title and the completion of the various legal and regulatory obligations required in South Africa.

As at December 31, 2020, the sale of Maroelabult Assets has not been completed. The carrying value of the Maroelabult Assets of $1,893 (ZAR27,768) (December 31, 2019 – $1,982 (ZAR27,768)) have been presented as assets held for sale and the related rehabilitation obligation in the amount of $530 (ZAR7,768) (December 31, 2019 – $554 (ZAR7,768)) has been presented as liabilities associated with the assets held for sale. The Company recorded an impairment reversal of $1,603 in 2019 as a result of classifying Maroelabult Assets as assets held for sale.

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

6. Property, plant and equipment (continued)

(f) Impairment of property, plant and equipment

(i) Year ended December 31, 2020

Mineral properties are tested for impairment when events or changes in circumstance indicate that the carrying amount may not be recoverable, or previous impairment on assets is recoverable. In cases where the Company has current plans to develop a particular mineral property into an operating mining operation, management considers its internal discounted cash flow economic models as a proxy for the calculation of fair value less cost to disposal ("FVLCTD"), given a willing market participant would use such models in establishing a value for the properties. In situations where management does not currently intend to advance a particular mineral property into production, management will use reference market transactions and/or recent offers on the properties as a proxy for FVLCTD. The Company assesses the carrying values of its mineral properties for indication of impairment at each reporting date.

As at December 31, 2020, there were no impairment indicators for the CRM, Spitzkop and Mareesburg CGUs. However, in the first quarter of 2020, management determined that there were indicators of impairment due to the significant fluctuation in the forecasted metal prices, the decline in the forecasted platinum prices, the decline in the market price of the Company's common shares at the end of the first quarter of 2020 and the uncertainty globally as a result of the COVID-19 pandemic.

For the purpose of the impairment assessment, the Company considered CRM, KV, Spitzkop and Mareesburg each as separate CGUs which is consistent with the approach and method from prior years.

As a result, management performed the impairment assessment of CRM, Spitzkop and Mareesburg based on FVLCTD (level 3 in the fair value hierarchy). The projected cash flows in the Company's economic models were updated using a post-tax discount rate of 13.2%, the forecasted metal prices and forecasted foreign exchange rates based on an average of analysts' consensus issued in March 2020, as presented in the table below. The Company updated its economic models in March 2020 to reflect management's assessment in relation to costs, timing and recoveries. As a result of this analysis, the recoverable amount of CRM and Spitzkop approximated the carrying amount and the recoverable amount of Mareesburg exceeded the carrying amount. No impairment was required for the CRM, Spitzkop and Mareesburg projects.

		2020	2021	2022	2023	2024	2025+
South African Rand Per U.S Dollar		16.21	16.26	15.22	15.69	16.12	17.05
Platinum	US$/oz	952	987	1,037	1,048	1,042	1,042
Palladium	US$/oz	1,936	1,730	1,626	1,427	1,252	1,068

The KV project is at the early stage of development. The recoverable amount of the KV project was determined on a FVLCTD basis (level 3 in the fair value hierarchy) with reference to market transactions as well as a purchase offer received in 2019 and a new interest expression in 2020. During the three months ended March 31, 2020, there were no significant changes on the observable market transactions for the properties that are similar to KV since the previous impairment assessment performed as at December 31, 2019, except for the uncertainty due to COVID-19. No impairment charge was required for the KV project after the assessment.

6. Property, plant and equipment (continued)

(f) Impairment of property, plant and equipment (continued)

(i) Year ended December 31, 2020

When management utilizes internal discounted cashflow economic models in determining the recoverable value of the Company's mineral properties, the key assumptions are quantity and grade of resources, metal prices, operating and capital costs, foreign exchange rates, discount rates and the estimated future production timing and production levels. The results of the discounted cashflow economic models could change materially when these key assumptions change.

After testing impairment as at March 31, 2020, the Company has assessed that there were no further impairment indicators in 2020.

(ii) Year ended December 31, 2019

During 2019 and as at December 31, 2019, management determined that there were no indicators of impairment for the CRM and Mareesburg CGU. Also see above (e), an impairment reversal of $1,603 was recorded in 2019 as a result of classifying Maroelabult Assets as assets held for sale.

Consistent with prior year, the KV and Spitzkop projects recoverable amounts were determined on a FVLCTD basis with reference to market transactions as well as an updated purchase offer received. No impairment was determined based on these assessments.

7. Settlement with AlphaGlobal Capital Inc.

On June 26, 2020 the Company reached a settlement agreement with AlphaGlobal Capital Inc. ("AlphaGlobal") to dismiss all claims against the Company and its subsidiaries and to release the Company from any and all claims that AlphaGlobal may have against the Company or its subsidiaries (the "Claims"), in exchange for the issuance of 8,000,000 common shares of the Company (the "Common Shares") at a deemed subscription price of Cdn$0.235 per share, 6,000,000 common share purchase warrants exercisable at Cdn$0.24, each share purchase warrant entitling the holder to acquire one common share of the Company for a period of two years (the "Warrants"), and the payment of ZAR 9,000 (approximately $518), of which ZAR5,000 (approximately $289) was paid on June 26, 2020, ZAR1,000 was paid in each of two separate payments on September 29, 2020 and December 30, 2020 (total approximately $128) and the balance in the form of a promissory note (accrued and included in the accounts payable and accrued liabilities as at December 31, 2020) payable as to ZAR1,000 on each March 31, 2021 and June 30, 2021 (the "Alpha Global Settlement"). The 8,000,000 common shares were valued to be $1,702 based on the Company stock's trading price at the issuance and the 6 million warrants were valued to be $564 based on the Black-Scholes option pricing model (Note 8).

The Common Shares and the Warrants and the common shares issuable upon exercise of the Warrants were subject to a hold period of until October 27, 2020 in accordance with applicable securities laws.

The Claims against the Company were first initiated by commencement of litigation in 2017 in South Africa and continued by litigation in 2018 in the British Virgin Islands in relation to the payment of amounts alleged to be owing under a 2007 promissory note entered into by the Company and AlphaGlobal. AlphaGlobal sought payment of the amount of ZAR30,797 (approximately $2,099) plus an amount that AlphaGlobal claimed was owing for default interest from 2007, for an estimated total claim in excess of ZAR170,000 (approximately $11,588). The AlphaGlobal Settlement settled all matters related to the Claims and any litigation outstanding between the parties.

8. Issued capital

(a) Authorized

- Unlimited number of preferred redeemable, voting, non-participating shares without nominal or par value;

- Unlimited number of common shares with no par value.

(b) Issued and outstanding

As at December 31, 2020 the Company had 100,639,032 common shares issued (December 31, 2019 – 92,639,032) and 100,599,310 common shares outstanding (December 31, 2019 - 92,599,310) (also see below (c)). In June 2020, 8,000,000 common shares were issued in connection with the AlphaGlobal Settlement (see Note 7).

In January 2021, the Company completed a rights offering to its shareholders (See Note 26).

During the year ended December 31, 2019, 1,650,000 stock options are dilutive if issued and will increase the EPS denominator by 191,530 common shares. During the year ended December 31, 2020, common share equivalents (including stock options and warrants) are not included in the computation of loss per share as such inclusion would be anti-dilutive.

(c) Treasury shares

As at December 31, 2020 and 2019, the Company held 39,722 treasury shares. There were no changes to the number of treasury shares during the years ended December 31, 2020 and 2019.

(d) Warrants

In June 2020, 6,000,000 warrants were issued in connection with the AlphaGlobal Settlement (See Note 7).

As at December 31, 2020 the Company had 6,000,000 warrants outstanding and each warrant entitles its holder to acquire one common share of the Company at an exercise price of Cdn$0.24 per share expiring two years from the date of issuance of June 26, 2020.

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

8. Issued capital (continued)

(e) Share options

The Company has an incentive plan (the "2016 Plan"), approved by the Company's shareholders at its special meeting held on October 12, 2016, under which options to purchase common shares may be granted to its directors, officers, employees and others at the discretion of the Board of Directors. Options granted before the meeting continue to be governed by the old stock option plan but no further options can be issued under the old stock option plan.

During the year ended December 31, 2020, the Company granted 1,820,000 stock options to the directors and officers of the Company to acquire common shares of the Company at a weighted average exercise price of Cdn$0.37 per share expiring in five years from the date of grant. These stock options vested 90 days from the grant date.

During the year ended December 31, 2019, the Company granted 1,800,000 stock options to the directors and officers of the Company to acquire common shares of the Company at a weighted average exercise price of Cdn$0.21 per share expiring in five years from the date of grant. These stock options vested 90 days from the grant date.

The fair value of the options granted in 2020 and 2019 was estimated using the Black-Scholes options pricing model with the following assumptions:

	2020	2019
Fair value (Cdn$)	**0.19**	0.09
Risk-free interest rate	**0.50%**	1.40%
Dividend yield	**0%**	0%
Expected volatility	**60.98%**	49.92%
Expected life of options	**5**	5

Option pricing models require the input of highly subjective assumptions including the expected volatility. The Company's expected volatility is based on historical volatility of the Company's share price.

During the year ended December 31, 2020, a total of $225 (2019 – $117) was recorded as share-based compensation expense relating to general and administrative services.

The following is a summary of stock option transactions:

	Number of options	Weighted average exercise price Cdn$
Balance, December 31, 2018	2,075,000	0.54
Granted	1,800,000	0.21
Expired	(275,000)	0.28
Balance, December 31, 2019	3,600,000	0.40
Granted	1,820,000	0.37
Balance, December 31, 2020	**5,420,000**	**0.39**

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

8. Issued capital (continued)

(e) *Share options (continued)*

The following table summarizes information concerning outstanding and exercisable options at December 31, 2020:

Number of options outstanding	Number of options exercisable	Exercise price Cdn$	Remaining contractual life (Years)	Expiry date
200,000	200,000	1.05	0.51	July 4, 2021
300,000	300,000	1.05	0.62	August 14, 2021
100,000	100,000	1.05	0.72	September 20, 2021
100,000	100,000	0.40	1.15	February 24, 2022
600,000	600,000	0.32	1.86	November 9, 2022
550,000	550,000	0.33	1.93	December 7, 2022
100,000	100,000	0.39	2.32	April 26, 2023
1,650,000	1,650,000	0.21	3.45	June 13, 2024
50,000	50,000	0.24	4.33	April 29, 2025
1,770,000	—	0.37	4.79	October 16, 2025
5,420,000	3,650,000			

9. Finance costs

	Year ended December 31 2020 $	2019 $
Interest on provision for environmental rehabilitation (Note 16)	**326**	316
Accretion of interest on contracts payable (Note 15)	**4,956**	2,913
Accretion on interest on lease liabilities (Note 18)	**386**	—
Other interest	**9**	12
	5,677	3,241

During the prior year ended December 31, 2019, accretion relating to the Union Goal contracts payable (Note 15) in the amount of $1,357 was capitalize as part of development cost of the then qualifying asset.

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

10. Income tax

The income tax recognized in profit or loss is comprised of:

	December 31 2020	December 31 2019
	$	$
Current tax expense	**96**	132
Deferred tax expense	**82**	90
Income tax expense	**178**	222

The provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates to the loss before tax provision due to the following:

	December 31 2020	December 31 2019
	$	$
Loss before income tax	**(9,218)**	(924)
Statutory tax rate	**27%**	27%
Expected tax recovery at the applicable tax rate	**(2,489)**	(249)
Difference in tax rates between foreign jurisdictions and Canada	**(45)**	33
Items not deductible for income tax purposes	**2,763**	631
Tax losses not recognized	**1,047**	763
Tax losses utilized	**(1,098)**	(956)
Income tax expense	**178**	222

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

10. Income tax (continued)

The approximate tax effect of each item that gives rise to the Company's deferred tax liabilities are as follows:

	December 31 2020 $	December 31 2019 $
Deferred tax liabilities		
Property, plant and equipment	**(1,282)**	(1,308)
Other temporary difference	**(2,160)**	(2,060)
	(3,442)	(3,368)

At December 31, 2020, the Company has approximately Cdn$66,991 non-capital losses available to offset future taxable income in Canada expiring in various amounts from 2025 to 2040. In South Africa, the Company has unredeemed capital expenditures of approximately ZAR5,891,000 (approximately $401,553) and estimated tax losses of ZAR264,000 (approximately $17,519) available for utilization against future taxable income. The South African losses do not expire unless the Company's business activities cease.

The tax benefit of the Company's Canadian and South African tax losses has not been recorded as assets in the consolidated financial statements due to the uncertainty of their realization.

The Company's operations are conducted in a number of countries with complex tax legislation and regulations pertaining to the Company's activities. Any reassessment of the Company's tax filings by the tax authorities may result in material adjustments to net profit or loss, tax assets, tax liabilities and operating loss carry-forwards. The Company provides for such reassessments when it is probable that a taxation authority will not sustain the Company's filing position and the amount of the tax exposure can be reasonably estimated.

11. Non-controlling interest

The Company has the following significant non-controlling interests in South Africa for the projects:

Holding company, incorporated and operating in South Africa	South Africa Project	Effective interest owned by non-controlling interest
Gubevu Consortium Investment Holdings (Pty) Ltd.	CRM and KV	12.5%
Lion's Head Platinum (Pty) Ltd.	Mareesburg	13%
Afriminerals Holdings (Pty) Ltd.	Spitzkop PGM	6.6%

The proportion of equity and total comprehensive loss is allocated to the non-controlling interests. The non-controlling interests are comprised of the following amounts:

	$
Balance, December 31, 2018	(42,299)
Non-controlling interests' share of loss	(1,249)
Foreign exchange movement	(1,190)
Balance, December 31, 2019	(44,738)
Non-controlling interests' share of loss	(1,422)
Foreign exchange movement	1,910
Balance, December 31, 2020	**(44,250)**

(Also see Note 22 (d))

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

12. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	December 31 2020	December 31 2019
	$	$
Cash in bank	**836**	216
Money market instruments	**936**	1,741
	1,772	1,957

13. Trade and other receivables

Trade and other receivables are comprised of:

	December 31 2020	December 31 2019
	$	$
Trade receivables	**10,008**	12,966
VAT receivable	**1,805**	2,178
Other receivables	**1,210**	1,006
Allowance for doubtful debts for other receivables	**(388)**	(354)
	12,635	15,796

14. Other assets

Other assets consist of various money market fund investments that are classified as amortized cost and serve as security for a guarantee issued by the Company, the majority to the Department of Mineral Resources of South Africa in respect to environmental rehabilitation (Note 16). Changes to other assets for the years ended December 31, 2020 and 2019 are as follows:

	$
Balance, December 31, 2018	7,940
Funds released	(1,842)
Service fees	(46)
Interest income	556
Foreign exchange movement	181
Balance, December 31, 2019	6,789
Service fees	(40)
Interest income	307
Foreign exchange movement	(269)
Balance, December 31, 2020	**6,787**

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

15. Union Goal Contracts

On March 1, 2018, the Company and its subsidiary Barplats Mines (Pty) Limited ("Barplats") entered into an agreement (the "Framework Agreement") with Union Goal for the Retreatment Project. On August 31, 2018, various transactional agreements including equipment and chrome plant agreement, loan agreement, escrow agreement and offtake agreement were signed under the Frame Agreement (also see Note 26(b)). Since May 1, 2019 the Retreatment Project operations were considered ramped up and operating as intended by management. Operations from re-mining and processing the tailings material produced chrome concentrate revenue in 2020 and 2019.

	December 31 2020 $	December 31 2019 $
Deferred revenue		
Balance, beginning of year	**12,539**	**13,326**
Additions		
- Advance payment of mining equipment (a)	**1,010**	—
- Adjustments resulting from debt modification (e)	**954**	—
- Discounting effect from Chrome Circuit equipment payable (b)	**385**	—
- Discounting effect from Credit Facility (c)	**164**	673
	2,513	673
Recognized as revenue	**(2,663)**	(1,817)
Foreign exchange	**(390)**	357
Balance, end of year	**11,999**	12,539
Deferred revenue - current	**3,124**	2,527
Deferred revenue - non-current	**8,875**	10,012

	December 31 2020 $	December 31 2019 $
Contracts payable - Chrome Circuit equipment payable (b)		
Carrying value, beginning of year	**36,979**	33,309
Additions		
- Debt modification (e)	**(934)**	**—**
- Face value	**3,782**	—
- Discounting effect	**(385)**	—
- Net present value	**2,463**	—
- Accretion	**4,244**	3,670
Carrying value, end of year	**43,686**	36,979
Contracts payable - Credit Facility (c)		
Carrying value, beginning of year	**5,328**	2,525
Additions		
- Debt modification (e)	**(20)**	—
- Face value	**1,077**	2,765
- Discounting effect	**(164)**	(673)
Net present value	**893**	2,092
- Accretion	**712**	600
- Foreign exchange	**(43)**	111
Carrying value, end of year	**6,890**	5,328
Contracts payable, carrying value - total	**50,576**	42,307

15. Union Goal Contracts (continued)

(a) During the third quarter of 2020, the Company incurred ZAR17,067 (approximately $1,010) to acquire certain mining equipment when changing the re-mining contractor. A cash advance equal to the amount was received from Union Global and is recorded as deferred revenue in line with the treatment of a 2018 non-refundable cash advance from Union Goal. Deferred revenue is recognized as revenue based upon material re-mined from the tailings and made available on a per ton basis to the chrome processing plant over the operations of the Retreatment Project.

(b) Pursuant to the equipment and chrome plant agreement, Union Goal is financing the equipment. The purchase price originally was not due until the first 6.4 million tons of tailings from Barplats has been processed by the plant which was estimated to be the fourth quarter of 2021 and is subject to Barplats' put option and Union Goal's call option for the re-purchase of the Chrome Circuit equipment by Union Goal in the event that either party is not satisfied with the agreed pricing or performance of the Chrome Circuit. However, on December 31, 2020 the Company and Union Goal agreed to effectively defer the due date to January 14, 2022 (see (e) below) (the "Due Date") (Also see Note 26), without changing anything else at this time. The purchase price bears an interest rate equal to LIBOR rate plus 1 percent per annum commencing from April 2020 (being the later of May 1, 2019 and the last day of a period of 240 days after the start of production of the plant as defined in the Framework Agreement). The Company has an option to pay the purchase price and the related interest before the Due Date. Subject to the Company's board and the required regulatory approval, the Company has an option to settle the debt by issuing shares of the Company.

During the year ended December 31, 2020, the Company received Chrome Circuit equipment in relation to the Optimization Project totalling $3,782. The amount owing was added to the contracts payable and accounted for on a similar basis as the original equipment discussed above. The Company recognized a discounting effect of $385, based on an estimated market rate of 9% over the future payments of interest and principal. This discounting effect was credited to deferred revenue.

As at December 31, 2020, the total face value of Chrome Circuit equipment payable is $45,205 (December 31, 2019 - $41,423).

(c) Pursuant to the loan agreement, Union Goal granted the Company a non-revolving term loan in the amount of ZAR50,000 (approximately $3,408) (the "Credit Facility") in order to finance the plant construction cost. Both parties subsequently agreed to increase the term loan amount, and are in the process of amending the agreement. The Credit Facility has the same terms with respect to the Due Date and interest charge of Chrome Circuit equipment payable.

During the year ended December 31, 2020, the Company drew down ZAR17,780 (approximately $1,077) (2019 – ZAR39,150 (approximately $2,765)) from the Credit Facility. The Company recognized a discounting effect of $164 (2019 - $673) calculated by discounting the future payments of interest and principal using an estimated weighted average market rate of 10.83% (2019 – 12.90%). This discounting effect was credited to deferred revenue.

As at December 31, 2020, total drawdown from the Credit Facility is ZAR105,069 (approximately $7,162) (December 31, 2019 – ZAR87,289 (approximately $6,230)).

(d) Pursuant to the offtake agreement, Union Goal agreed to acquire all the chrome concentrate produced by Barplats from the Retreatment Project on the basis of the number of tons of material re-mined from the tailings and made available to the plant at a price equivalent to the aggregate of all the qualifying operating costs in the mining process and the logistics cost, plus other additional amount as agreed in the Framework Agreement (Note 20(c)).

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

15. Union Goal Contracts (continued)

(e) The Company received a waiver agreement from Union Goal effective December 31, 2020 to extend the original due date of both Chrome Circuit equipment payable and Credit Facility to the later of the current expected due date or January 14, 2022 (See Note 26(b)), whichever is later. The extension of the original due date is concluded to be a modification of the original debt. The difference between the net present value of future cash flows based on the Due Date and the net present value of the original debt is credited to the deferred revenue.

16. Provision for environmental rehabilitation

The environmental rehabilitation provision was estimated based on information currently available, including the estimated timing of recommencing operations, the remaining mine life, closure plans and applicable regulations. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs.

Future changes to environmental laws and regulations, life-of-mine estimates and discount rates can affect the carrying amount of this provision. In particular from November 20, 2015 in South Africa, regulations governing financial provisions for asset retirement obligations were transitioned from the MPRDA to the National Environmental Management ("NEMA"). These regulations were amended in October 2016. There is currently uncertainty regarding the revised requirements for financial provisions and funding thereof pursuant to NEMA and their actual implementation for the Company. The introduction of the new NEMA provisioning has again been deferred until June 2021. Once effective NEMA may require changes to the estimate of the liabilities and the way in which the entity funds the obligation.

The provision for environmental rehabilitation including $530 (ZAR7,768) (December 31, 2019 - $554 (ZAR7,768)) relating to Maroelabult which is presented as liabilities associated with the assets held for sale (Note 6(e)) at December 31, 2020 is $3,590 (ZAR52,665) (December 31, 2019 - $3,925 (ZAR54,987)). The provision was determined using the following assumptions:

	2020	2019
Inflation rate	**4.20%**	5.03%
Weighted average discount rate	**10.75%**	9.87%
Estimated life of mine		
- Zandfontein (yrs)	**23**	23
- Maroelabult (yrs)	**12**	12
- Crocette (yrs)	**27**	27
- Kennedy's Vale (yrs)	**21**	21
- Spitzkop (yrs)	**24**	24
- Mareesburg (yrs)	**7**	7

As at December 31, 2020, cash in the amount of $6,787 (December 31, 2019 - $6,789) was pledged as security for the guarantee issued to the Department of Mineral Resources of South Africa in respect to environmental rehabilitation (Note 14). Furthermore, certain of the Company's residential properties in the amount of $1,445 (ZAR21,200) (December 31, 2019 - $1,513 (ZAR21,200)) were also pledged as security for the guarantee issued to the Department of Mineral Resources for the same reason. These guarantees will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine.

As at December 31, 2020, the undiscounted and inflated value of this liability (including the amount associated with the assets held for sale) is approximately $34,247 (ZAR502,419) (December 31, 2019 – $29,140 (ZAR408,256)). Changes to the environmental rehabilitation provision are as follows:

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

16. Provision for environmental rehabilitation (continued)

	$
Balance, December 31, 2018	3,239
Revision in estimates	260
Accretion	316
Reclasify as liabilities associated to assets held for sale (Note 6 (e))	(554)
Foreign exchange movement	110
Balance, December 31, 2019	3,371
Revision in estimates	(491)
Accretion (Note 9)	326
Foreign change effect on ARO classified as liabilities associated to assets held for sale (Note 6 (e))	24
Foreign exchange movement	(170)
Balance, December 31, 2020	**3,060**

17. Commitments

(a) Refining contracts

The Company has a life of mine offtake contracts governing the sales of PGM concentrate production from CRM ("PGM Offtake") and a separate contract with Rhodium Reefs (Pty) Limited. The original carrying value of the PGM Offtake refining contract related to CRM was the assigned value based on the purchase price allocation when the Company acquired the equity interests in Barplats Investments through a series of acquisition transactions from 2006 to 2008. The carrying value of the PGM Offtake refining contract was fully amortized in prior years.

In December 2020 the Company delivered under the PGM Offtake contract and recognized $65 in Revenue.

(b) Capital expenditures

The Company has committed to capital expenditures in South Africa of approximately $432 (ZAR6,331) as at December 31, 2020, all of which are expected to be incurred during the next 12 months.

18. Leases

The Company has lease contracts for various items of mining equipment relating to CRM operations and office space at head office. The Company also has certain leases of assets with lease terms of 12 months or less and therefore, the Company applied the short-term lease exemption for these leases.

Effective October 1, 2019, the Company signed an office lease agreement and recognized the right-of-use asset in the amount of $65 based on an estimated incremental borrowing rate of 8% for three years non-cancellable lease term.

Effective October 1, 2020, the Company signed a new re-mining contract in relation to the Retreatment Project. This contract resulted in the Company recognizing $4,268 (ZAR66,584) of equipment under the right-of-use asset based on an estimated incremental borrowing rate of 9% for three and a half years non-cancellable lease term.

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

18. Leases (continued)

	December 31 2020 $	December 31 2019 $
Balance, beginning of year	**63**	—
Future aggregate minimum lease payments	**4,268**	65
Lease payments in cash	**(431)**	(4)
Non-cash accretion	**386**	1
Foreign exchange movement	**271**	1
Balance, end of year	**4,557**	63
Less: current portion	**(1,265)**	(18)
Non-current portion	**3,292**	45

The following table presents a reconciliation of the Company's undiscounted cash flows to their present value for its leases payable as at December 31, 2020 and 2019:

	December 31 2020 $	December 31 2019 $
Within 1 year	**1,674**	24
Between 1 - 2 years	**3,318**	25
Over 2 years	**481**	21
Total undiscounted amount	**5,473**	70
Less: accretion	**(916)**	(7)
Total discounted amount	**4,557**	63

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

19. Related party transactions

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these consolidated financial statements are listed below:

(a) *Trading transactions*

The Company's related parties consist of private companies owned by current executive officers and directors;

The Company incurred the following fees and expenses in the normal course of operations:

	Year ended December 31	
	2020	2019
	$	$
Director fees	**136**	168
Management fees	**269**	297
Share-based payments	**293**	117
	698	582

(i) The Company has a consulting agreement with Oriental Fortune Consulting Services Limited ("Oriental Fortune") which is controlled by the Company's chief operating officer ("COO"). The Company agreed to pay $20 (Cdn$26) per month to Oriental Fortune for management consulting services rendered. During the year ended December 31, 2020, Oriental Fortune also received a bonus payment of $39 (Cdn$51) (2019 – $69 (Cdn$92)).

(b) *Compensation of key management personnel*

The Company's key management includes the CEO, CFO, COO and the General Manager of South Africa ("GM"). The total remuneration to the key management, which included management fees from the table above in Note 19 (a), for the year ended December 31, 2020 was $1,104 (2019 - $933) with the breakdown below:

(i) Management salaries, bonuses and consulting fees of $910 (2019 - $865); and
(ii) Share-based compensation of $194 (2019 – $68).

Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the years ended December 31, 2020 and 2019.

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

20. Segmented Information

(a) Operating segments - The Company's operations are primarily directed towards the Mining exploration and development of chrome and platinum group metals in South Africa. The Company has three reportable segments – CRM, Eastern Limb and corporate. Eastern Limb consists of KV, Spitzkop and Mareesburg projects. Barbados, BVI and Canada collectively comprise the corporate segment.

(b) Geographic segments - The Company's expenses by geographic areas for the years ended December 31, 2020 and 2019, and assets by geographic areas as at December 31, 2020 and 2019, are as follows:

	Year ended December 31, 2020				
	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Property, plant and equipment additions	11,511	—	11,511	—	11,511
Cost of property, plant and equipment disposed	(446)	—	(446)	—	(446)
Revenue	56,143	—	56,143	—	56,143
Production costs - depreciation	(4,233)	—	(4,233)	(18)	(4,251)
(Loss) income before income taxes	(3,989)	240	(3,749)	(5,469)	(9,218)
Income tax expense	(96)	(37)	(133)	(45)	(178)
Net (loss) income	(4,085)	203	(3,882)	(5,514)	(9,396)

	Year ended December 31, 2019				
	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Property, plant and equipment expenditures (net of $888 spare parts reclassified to long term inventory)	1,035	20	1,055	77	1,132
Cost of property, plant and equipment disposals	(955)	(55)	(1,010)	—	(1,010)
Revenue	39,242	—	39,242	—	39,242
Production costs - depreciation	(2,472)	—	(2,472)	(13)	(2,485)
Impairment	1,603	—	1,603	—	1,603
Income (loss) before income taxes	1,825	(233)	1,592	(2,516)	(924)
Income tax expense	(132)	(26)	(158)	(64)	(222)
Net income (loss)	1,693	(259)	1,434	(2,580)	(1,146)

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

20. Segmented Information (continued)

(b) Geographic segments (continued)

December 31, 2020	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Total assets	137,932	24,743	162,675	310	162,985
Total liabilities	68,662	2,131	70,793	10,862	81,655

December 31, 2019	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Total assets	137,847	26,138	163,985	863	164,848
Total liabilities	59,867	2,351	62,218	9,129	71,347

(c) Revenue

99.9% of revenues generated during the years ended December 31, 2020 and 100% of 2019 are related to the processing of chrome concentrate (Note 15(d)).

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

21. Financial instruments

(a) Management of capital risk

The capital structure of the Company consists of contracts payable (Note 15) and equity attributable to common shareholders, comprised of issued capital, treasury shares, equity-settled employee benefits reserve, deficit, and accumulated other comprehensive loss. The Company's objectives when managing capital are to: (i) obtain the best available return investing in mining; (ii) preserve capital; 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 or issue debt instruments.

The Company is not subject to externally imposed capital requirements.

(b) Categories of financial instruments

	December 31 2020 $	December 31 2019 $
Financial assets		
Amortized cost		
Cash and cash equivalents	**1,772**	1,957
Restricted cash	**90**	89
Trade and other receivables (excluding taxes receivable)	**10,830**	13,618
Other assets *	**6,787**	6,789
	19,479	22,453
Financial liabilities		
Amortized cost		
Trade and other payables	**7,491**	9,145
Lease liabilities	**4,557**	63
Contracts payable	**50,576**	42,307
	62,624	51,515

* Other assets are mainly money market fund investments and are measured at the amortized cost

(c) Fair value of financial instruments

(i) Fair value estimation of financial instruments

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

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

21. Financial instruments (continued)

(c) Fair value of financial instruments (continued)

(ii) Fair value measurements recognized in the 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 financial assets consisting of other assets. Other assets are mainly money market fund investments. These are level 1 financial instruments at December 31, 2020 and 2019. As at December 31, 2020 and 2019, the Company did not have financial liabilities measured at fair value on a recurring basis. There were no transfers between levels during the years ended December 31, 2020 and 2019.

(d) Reclassification of financial assets

There was no reclassification of financial assets during the years ended December 31, 2020 and 2019.

(e) Financial risk management

The Company's financial instruments are exposed to certain financial risks, including, currency risk, interest rate risk, price risk, credit risk, and liquidity risk. All these risks can be affected by COVID-19 discussed elsewhere. The Company's exposure to these risks and its methods of managing the risks remain consistent.

(i) Currency risk

The Company reports its financial statements in U.S dollars. The functional currency of head office and its BVI and Barbados intermediate holding companies is Canadian dollars and the functional currency of all South African subsidiaries is South African Rand. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies.

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

21. Financial instruments (continued)

(e) Financial risk management (continued)

(i) Currency risk (continued)

The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations. The Company's exposure to currency risk affecting net income is summarized as below:

	December 31 2020 $	December 31 2019 $
Financial assets		
Denominated in USD at Canadian head office	**—**	508
Denominated in Rand at Canadian head office	**7**	1
Total	**7**	509
Financial liabilities		
Contracts payable denominated in Rand at Canadian head office	**6,890**	5,328
Contracts payable denominated in USD at South African subsidiaries	**43,686**	36,979
Total	**50,576**	42,307

As at December 31, 2020, with other variables unchanged, a 10% strengthening (weakening) of Canadian dollars against the South African Rand would have increased (decreased) net income by approximately $625; with other variables unchanged, a 10% strengthening (weakening) of the South African Rand against U.S dollars would have increased (decreased) net income by approximately $3,971.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest risk on Contracts Payable which is based on LIBOR rate. With other variables unchanged, a 10% fluctuation in the LIBOR rate would increase (decrease) the interest charge on Contracts Payable of $182. The Company monitors its exposure to interest rates and has not entered into any derivative financial instruments to manage this risk. The sensitivity of the Company's net earnings due to changes in interest rates is not material.

(iii) Commodity price risk

Effective December 2020, the Company has begun selling PGM materials (Note 17 (a)) and therefore is exposed to commodity price risk with respect to fluctuations in the prices of platinum group metals going forward. Previously, the Company was not exposed to commodity price risk with respect to fluctuations in the prices of platinum group metals or chrome concentrate as there were no material revenues from PGM sales during the year ended December 31, 2019. Chrome concentrate sales were structured based on a long-term chrome concentrate commodity price according to the Union Goal contract.

21. Financial instruments (continued)

(e) Financial risk management (continued)

(iv) Credit and concentration risk

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

Almost all of the Company's revenue is from the chrome concentrate production to Union Goal under a chrome concentrate offtake agreement (Note 15(d)). As at December 31, 2020, the Company had receivable balances associated with Union Goal of $9,939 (December 31, 2019 – $12,966). The trade and other receivable balances are monitored on an ongoing basis. The Company seeks to maintain strict control over its outstanding receivables to minimize credit risk. Provision for doubtful debts is calculated based on the payment history. With respect to credit risk arising from cash and cash equivalents and other assets, the Company limits its counterparty credit risk on these assets by dealing only with financial institutions with strong credit ratings.

There is both a credit risk and credit concentration risk associated with the collection of revenue from its sole purchaser Union Goal under the chrome concentrate offtake agreement. This risk is mitigated due to the contract structure and the significant outstanding contracts payable due to Union Goal.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments.

The Company started generating revenue from its Retreatment Project in December 2018, and at consistent expected levels since May 1, 2019. Despite the Retreatment Project and the forecasted PGM production cash flows, CRM underground remains in care and maintenance and all other properties and projects are on hold. The Company also generated some income from interest and other income and sale of non-core properties, and although not expected to be significant, some of which will be recurring in 2021. The projected cash flows for 2021 are sufficient to cover the Company's operating expenses, capital expenditures and all other care and maintenance expenses. Also, in addition to cash inflows from current operations, additional funding will be required in the future to commence underground production at CRM, and to develop and bring the Eastern Limb Projects into commercial production (See Note 26).

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

21. Financial instruments (continued)

(e) Financial risk management (continued)

(v) Liquidity risk (continued)

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments (undiscounted) and corresponding maturities as at December 31, 2020. The Company currently does not have expected payments of obligations and commitments beyond 3 years.

	<1 year	1 - 3 years	Total
	$	$	$
Trade and other payables	7,491	—	7,491
Contracts payable and interests	—	56,064	56,064
Lease liabilties	1,674	3,799	5,473
	9,165	59,863	69,028

22. Contingencies

The Company is subject to claims and legal proceedings arising in the ordinary course of business activities, each of which is subject to various uncertainties, it is not possible to predict the outcome and the result of which may be resolved unfavorably to the Company. These include the following matters:

(a) On November 6, 2018, the Company received a petition filed with the Supreme Court of British Columbia, by 2538520 Ontario Limited ("2538520"), a shareholder of the Company, seeking leave from the court to commence a derivative action on behalf of the Company against certain of its current and former directors in relation to the approval of the transactions between the Company and Union Goal. The Board of Directors of the Company formed a Special Committee of three non-management Directors to review the petition and make a recommendation on the appropriate action. Following its detailed review of this matter, the Special Committee of the Board of Directors recommended opposing this petition, and this recommendation was accepted by the Board of Directors. As such, the Company filed its opposition to the petition and was provided security for costs. In June 2019 the petition was heard by the court and was dismissed on August 27, 2019. On September 27, 2019, the petitioner filed an appeal of the judgement which was heard on June 1, 2020 and dismissed on November 16, 2020. In January 2021 2538520 sought leave to appeal to the Supreme Court of Canada. The Company has opposed the granting of leave and is of the view that this petition is without merit and that no provision in this matter is required.

22. Contingencies (continued)

(b) On March 5, 2020 the Company received a further claim filed by 2538520 and its CEO, Rong Kai Hong, ("Plaintiffs") regarding various allegations, including that the Company was acting to oppress the Plaintiffs' rights among other claims. Several of these claims are similar to the derivative action that was dismissed by the Court (appeal denied) and appear to primarily relate to 2538520's unsuccessful attempt to acquire control of the Company. The Plaintiffs seek orders requiring a change to the Company ownership, election of new Directors, several changes to senior management and damages of US$50,000 (or such greater amount as may be proven at trial) from the Company, certain present and former Directors and Officers, and separately seven other listed defendants.

The Company intends to vigorously defend the lawsuit and to refute the information and many of the allegations made in the claim. The Company and others will respond in due course. No provision is made in the consolidated financial statements as the Company assessed the allegations have no merit.

(c) During December 2020, the Company received a petition filed with the Supreme Court of British Columbia, by Xiaoling Ren, a shareholder of the Company, seeking leave from the court to commence a derivative action on behalf of the Company against certain of its current and former directors. Ms. Ren is represented by the same law firm who filed a similar petition in November 2018 for 2538520, which was dismissed in 2019 and the appeal denied in November 2020.

The Company intends to vigorously oppose the granting of the petition and the claims and allegations made. The Company has filed its response.

(d) On June 30, 2016, two days after concluding the sale of CRM (which agreements were subsequently terminated), the former management of the Company purportedly entered into a number of share purchase agreements (the "BEE Buyout Agreements") with Ingwenya Incorporated ("Ingwenya") and Serina Service AG ("Serina") (collectively the "Vendors") to acquire/cancel all of the Company's black economic empowerment partners' (the "BEE Partners") interests in the Company's South African projects except for the 17.65% equity interest in Afriminerals Holdings (Pty) Ltd. ("Afriminerals") for a total of $13,367. The Vendors represented to the Company that they are or will be the registered and beneficial owners of the respective equity interests in the Company's South African projects as at the closing date defined under the BEE Buyout Agreements. The transactions under the BEE Buyout Agreements consist of the acquisition of (i) 44.12% equity interest in Gubevu for a total of $8,955 and an 18% equity interest in Lion's Head Platinum (Pty) Ltd. ("Lion's Head") for $1,099 from Ingwenya; and (ii) 8% interest in Lion's Head for $502, a 5.89% equity interest in Gubevu for $1,194 and a 33.35% equity interest in Afriminerals for $1,617 from Serina.

As at December 31, 2020, the BEE Buyout Transactions have not been completed. However, the Company has been advised by some of its BEE partners of Gubevu and Lion's Head that they have purportedly relinquished their interests in those companies in varying amounts to either Serina or Ingwenya. This could give rise to non-compliance with the mining rights and certain provisions of the MPRDA in respect of black economic empowerment requirements in South Africa. Further, in September 2018 a new Mining Charter was issued in South Africa that includes new ownership and other new BEE requirements. In December 2018 additional implementation guidelines were published. The Company is reviewing the issues and monitoring ongoing disputes in relation to the new Mining Charter to determine the effect on its business and operations. Depending on the results of the review and other factors there may be a significant impact on the Company's future operations.

22. Contingencies (continued)

(e) On June 7, 2018, the Company filed a claim in the Supreme Court of British Columbia against Serina and Ingwenya in relation to the payment of $13,367. The claim alleges that the BEE Buyout Agreements are not binding, that the funds were not properly received by them, are an unjust enrichment to them and should be returned. The Company filed an application for default judgment against Serina in the British Columbia Supreme Court in December 2018, and default judgment was granted in 2019, as Serina provided no response to the claim. Service of the claim on Ingwenya is continuing. The Company has been unable to successfully contact either Serina or Ingwenya to date and any recovery of the funds or judgement appears remote.

(f) On June 7, 2018, the Company filed a notice of civil claim in the British Columbia Supreme Court against certain former officers and directors of the Company. It alleges that the former officers and directors purported to enter into agreements with Serina and Ingwenya on behalf of the Eastplats Companies pursuant to which $13,367 was transferred to Serina and Ingwenya without consideration, without conditions precedent for delivery of the funds being met, and without any apparent benefit to the Eastplats Companies. The Company is seeking damages from the former directors and officers on a number of legal grounds.

As a response to the claim the former Directors and Officers have filed a counterclaim claiming indemnity for costs and claims. The Company has filed its defense to oppose this claim. The Company is of the view that this is without merit and that no provision in this matter is required.

(g) On October 16, 2017, the Company filed a claim in the Supreme Court of British Columbia against its former CFO and Corporate Secretary, Mr. Lee for breach of fiduciary duty and conflict of interest and its former general and administrative service provider Sterling West Management Ltd. in regards to recovery of termination fees, withholding of deposits, recovery of property and records, breach of contract, conspiracy and negligence. The Company is demanding recovery of the payments, value of property withheld, general and punitive damages.

(h) The Company has received a notice from the DMR of an appeal launched with the DMR of its mineral license issued in 2012 relating to the Spitzkop property. In addition, the claimant has launched a dispute of the issue into the High court in South Africa for review. The Company, with the assistance of counsel, is addressing and intends to defend this issue related to the validity of the issued mineral rights of Spitzkop.

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

23. Headline and diluted headline loss per share

The Company's shares are also listed on the Johannesburg Stock Exchange which requires the Company to present headline and diluted headline loss per share. Headline loss per share is calculated by dividing headline loss attributable to equity shareholders of the Company by weighted average number of the common shares issued and outstanding during the year. Diluted headline loss per share is determined by adjusting the headline loss attributable to equity shareholders of the Company and the weighted average number of common shares issued and outstanding during the year after taking all potential dilutive effects. For the years ended December 31, 2020 and 2019, the Company's diluted headline loss per share is identical to the headline loss per share as inclusion of stock options would be anti-dilutive.

The following table summarizes the adjustments to loss attributable to equity shareholders of the Company for the purpose of calculating headline loss attributable to the equity shareholders of the Company, and the headline loss and diluted headline loss per share.

	Year ended December 31	
	2020	2019
	$	$
(Loss) income attributable to shareholders of the Company	**(7,974)**	103
Adjusted for:		
Gain on disposal of property, plant and equipment	**(575)**	(1,030)
Impairment reversal of mineral properties	**—**	(1,402)
Headline loss attributable to shareholders of the Company	**(8,549)**	(2,329)
Headline loss and diluted headline loss per share	**(0.09)**	(0.03)

24. Economic dependence

During the years ended December 31, 2020 and 2019, 99.99% and 100% of the Company's revenue was generated from one customer (Notes 15(d) and 20(c)). As at December 31, 2020 and 2019, almost all of the trade receivable balance (Note 13) is from this customer.

25. Reclassifications

The Company has reclassified $4,642 from care and maintenance to site services for the year ended December 31, 2019 for conformity with the current year's presentation. This reclassification does not impact the net loss for the year or any balance sheet items.

26. Subsequent events

(a) Rights Offering

On December 11, 2020 the Company announced its rights offering to its shareholders (the "Rights Offering"). The Rights Offering was completed on January 22, 2021 and the Company issued 36,841,741 common shares at a price of Cdn$0.32 per share for rights exercised on the Toronto Stock Exchange (the "TSX") and ZAR3.77136 per share for rights exercised on the Johannesburg Stock Exchange (the "JSE"). The Company received total gross proceeds of approximately $9,262 with the Rights Offering.

A total of 32,808,630 common shares were issued under the basic subscription privilege and an additional 4,033,111 common shares were issued under the additional subscription privilege. No common shares were issued under a stand-by commitment and no fees or commissions were paid in connection with the distribution.

26. Subsequent events (continued)

(b) Retreatment Project Agreements

On March 10, 2021, Eastplats, Barplats and Union Goal executed updated Retreatment Project Agreements. The updated Retreatment Project Agreements include:

(i) The 2021 Revised and Restated Framework Agreement;
(ii) The 2021 Revised and Restated Off-take Agreement;
(iii) The 2021 Revised and Restated Eastplats Loan Agreement; and
(iv) The 2021 Revised and Restated Barplats Equipment and Chrome Plant Agreement.

These 2021 Retreatment Project Agreements replace the 2018 Framework Agreement and the 2018 Transactional Agreements referenced herein.

Among other changes, a key change is the due date of amounts referenced in Note 15 Contracts Payable, moving from January 14, 2022 to an estimated date of May 2022, based on the expected commissioning of the optimization program.