



PLG:NYSE American
PTM:TSX

Platinum Group Metals Ltd.

(A Development Stage Company)

Supplementary Information and Management's Discussion and Analysis

For the three and nine-month period ended May 31, 2023

This Management's Discussion and Analysis is prepared as of July 13, 2023

A copy of this report will be provided to any shareholder who requests it.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("**MD&A**") of Platinum Group Metals Ltd. ("**Platinum Group**", the "**Company**" or "**PTM**") is dated as of July 13, 2023, and focuses on the Company's financial condition, cash flows and results of operations as at and for the three and nine-month period ended May 31, 2023. This MD&A should be read in conjunction with the Company's interim condensed consolidated financial statements for the period ended May 31, 2023, together with the notes thereto (the "**Financial Statements**").

The Company prepares its interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"), applicable to the preparation of interim financial statements including International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**"). All dollar figures included therein and in the following MD&A are quoted in United States Dollars unless otherwise noted. All references to "U.S. Dollars", "\$" or "US\$" are to United States Dollars. All references to "C\$" are to Canadian Dollars. All references to "R" or "Rand" are to South African Rand. The Company uses the U.S. Dollar as its presentation currency.

PRELIMINARY NOTES

Note Regarding Forward-Looking Statements

This MD&A and the documents incorporated by reference herein contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "**Forward-Looking Statements**"). All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future are Forward-Looking Statements. The words "expect", "anticipate", "estimate", "may", "could", "might", "will", "would", "should", "intend", "believe", "target", "budget", "plan", "strategy", "goals", "objectives", "projection" or the negative of any of these words and similar expressions are intended to identify Forward-Looking Statements, although these words may not be present in all Forward-Looking Statements. Forward-Looking Statements included or incorporated by reference in this MD&A may include, without limitation, statements related to:

- the timely completion of additional required financings and potential terms thereof;
- the completion of appropriate contractual smelting and/or refining arrangements with Impala Platinum Holdings Ltd. ("**Implats**") or another third-party smelter/refiner;
- the projections set forth or incorporated into, or derived from, the DFS Technical Report (as defined below), including, without limitation, estimates of mineral resources and mineral reserves, and projections relating to future prices of metals, commodities and supplies, currency rates, capital and operating expenses, production rate, grade, recovery and return, and other technical, operational and financial forecasts;
- the approval of a water use licence and environmental permits for, and other developments related to, a deposit area discovered by the Company on the Waterberg property (the "**Waterberg Project**") located on the Northern Limb of the Bushveld Igneous Complex in South Africa, approximately 85 km north of the town of Mokopane;
- the Company's expectations with respect to the outcome of a review application in the High Court to set aside a decision by the Minister of the Department of Forestry, Fisheries and the Environment ("**DFFE**") to refuse condonation for the late filing of the appeal by individuals from a community group against the grant of an Environmental Authorization ("**EA**") for the Waterberg Project;
- the negotiation and execution of long term access agreements, on reasonable terms, with communities recognized as titled landowners of three farms where surface and underground mine infrastructure is planned, and rezoning for mining use;
- the development of performance indicators to measure and monitor key environmental, social sustainability and governance activities at the Waterberg Project;
- the ability of state electricity utility ESKOM Holdings Limited ("**ESKOM**") to supply sufficient power to the Waterberg Project;
- risks related to geopolitical events and other uncertainties, such as Russia's invasion of Ukraine;
- the adequacy of capital, financing needs and the availability of and potential for obtaining further capital;

- revenue, cash flow and cost estimates and assumptions;
- future events or future performance;
- development of next generation battery technology by the Company's battery technology joint venture (described below);
- potential benefits of Lion Battery Technologies Inc. engaging The Battery Innovation Center;
- governmental and securities exchange laws, rules, regulations, orders, consents, decrees, provisions, charters, frameworks, schemes and regimes, including interpretations of and compliance with the same;
- developments in South African politics and laws relating to the mining industry;
- anticipated exploration, development, construction, production, permitting and other activities on the Company's properties;
- project economics;
- future metal prices and currency exchange rates;
- the identification of several large-scale water basins that could provide mine process and potable water for the Waterberg Project and local communities;
- the Company's expectations with respect to the outcomes of litigation;
- mineral reserve and mineral resource estimates;
- potential changes in the ownership structures of the Company's projects;
- the Company's ability to license certain intellectual property;
- the potential use of alternative renewable energy sources for the Waterberg Project; and
- future assistance from the Member of the Executive Committee ("MEC") for the Limpopo Department of Economic Development, Environment and Tourism Advancement.

Forward-Looking Statements are subject to a number of risks and uncertainties that may cause the actual events or results to differ materially from those discussed in the Forward-Looking Statements, and even if events or results discussed in the Forward-Looking Statements are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things:

- the Company's additional financing requirements;
- the effect of future debt financing on the Company and its financial condition;
- the Company's history of losses and expectations that will continue to incur losses until the Company's Waterberg Project reaches commercial production on a profitable basis, which may never occur;
- the Company's negative operating cash flow;
- uncertainty of estimated mineral reserve and mineral resource estimates, production, development plans and cost estimates for the Waterberg Project;
- the Company's ability to bring properties into a state of commercial production;
- the potential impact of international conflict and geopolitical tensions and events on the Company;
- discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production;
- fluctuations in the relative values of the U.S. Dollar, the Rand and the Canadian Dollar;
- volatility in metals prices;

- the possibility that the Company may become subject to the Investment Company Act of 1940, as amended;
- Implats or another third-party may not enter into appropriate contractual smelting and/or refining arrangements with Waterberg JV Resources Proprietary Limited (“**Waterberg JV Co.**”);
- the ability of the Company to acquire the necessary surface access rights on commercially acceptable terms or at all;
- the ability of state electricity utility ESKOM to supply sufficient power to the Waterberg Project;
- the failure of the Company or the other shareholders of Waterberg JV Co. to fund their pro rata share of funding obligations for the Waterberg Project;
- any disputes or disagreements with the Company’s other shareholders of Waterberg JV Co. or Mnombo Wethu Consultants Proprietary Limited (“**Mnombo**”), a South African Broad-Based Black Economic Empowerment (“**BEE**”) company;
- the outcome of a review application to the High Court to set aside a decision by the DFFE to refuse condonation for the late filing of a community group’s appeal against the grant of an EA for the Waterberg Project;
- the Company is subject to assessment by various taxation authorities, who may interpret tax legislation in a manner different from the Company, which may negatively affect the final amount or the timing of the payment or refund of taxes;
- the Company’s ability to attract and retain its key management employees;
- contractor performance and delivery of services, changes in contractors or their scope of work or any disputes with contractors;
- conflicts of interest among the Company’s officers and directors;
- any designation of the Company as a “passive foreign investment company” for its current and future tax years and potential adverse U.S. federal income tax consequences for U.S. shareholders;
- litigation or other legal or administrative proceedings brought against or relating to the Company, including the review application to set aside a decision by the Minister of the DFFE to refuse condonation for the late filing of the appeal by individuals from a community group against the grant of an EA for the Waterberg Project;
- information systems and cyber security risks;
- actual or alleged breaches of governance processes or instances of fraud, bribery or corruption;
- exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, cave ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties;
- property zoning and mineral title risks including defective title to mineral claims or property;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future;
- equipment shortages and the ability of the Company to acquire the necessary infrastructure for its mineral properties;
- environmental regulations and the ability to obtain and maintain necessary permits, including environmental authorizations and water use licences;
- extreme competition in the mineral exploration industry;
- delays in obtaining, or a failure to obtain, permits necessary for current or future operations or failures to comply with the terms of such permits;
- any adverse decision in respect of the Company’s mineral rights and projects in South Africa under the Mineral and Petroleum Resources Development Act of 2002 (the “**MPRDA**”);
- risks of doing business in South Africa, including but not limited to, labour, economic and political instability and potential changes to and failures to comply with legislation;

- the failure to maintain or increase equity participation by historically disadvantaged South Africans in the Company's prospecting and mining operations and to otherwise comply with the Amended Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, 2018 (the "**Mining Charter 2018**");
- certain potential adverse Canadian tax consequences for foreign-controlled Canadian companies that acquire common shares of the Company ("**Common Shares**");
- socio economic instability in South Africa or regionally, including risks of resource nationalism;
- labour disruptions and increased labour costs;
- interruptions, shortages or cuts in the supply of electricity or water;
- characteristics of and changes in the tax and royalties systems in South Africa;
- a change in community relations;
- South African foreign exchange controls impacting repatriation of profits;
- land restitution claims or land expropriation;
- restriction on dividend payments;
- the risk that the Common Shares may be delisted;
- volatility in the price of the Common Shares;
- the exercise or settlement of stock options, restricted share units, or warrants resulting in dilution to the holders of Common Shares;
- future sales of equity securities decreasing the value of the Common Shares, diluting investors' voting power, and reducing our earnings per share;
- enforcing judgements based on the civil liability provisions of United States federal securities laws;
- global financial conditions;
- government imposed shutdowns or expense increases;
- water license risks; and
- other risks disclosed under the heading "Risk Factors" in this MD&A and in the Company's Canadian Annual Information Form for the year ended August 31, 2022 ("**2022 AIF**") and annual report on Form 40-F for the year ended August 31, 2022 as filed with the United States Securities and Exchange Commission ("**2022 40-F**").

These factors should be considered carefully, and investors should not place undue reliance on the Company's Forward-Looking Statements. In addition, although the Company has attempted to identify important factors that could cause actual actions or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actions or results not to be as anticipated, estimated or intended.

Any Forward-Looking Statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any Forward-Looking Statement, whether because of new information, future events or results or otherwise.

Legislation and Mining Charter 2018

The MPRDA, the Mining Charter 2018 and related regulations in South Africa required that Waterberg JV Co.'s BEE shareholders own a 26% equity interest in Waterberg JV Co. to qualify for the grant of a mining right. Within five years of the effective date of a mining right, this BEE shareholding must be increased to 30%. The South African Department of Mineral Resources and Energy ("**DMRE**") had obtained an exemption from applying the generic BEE Codes of Good Practice ("**Generic BEE Codes**") under the Broad Based Black Economic Empowerment Act, 2003 until October 31, 2016, then extended until December 31, 2016. No further exemption was obtained thereafter, and, as a matter of law, the Generic BEE Codes now apply to the issuance and maintenance of licenses and other authorizations. As a matter of practice, the DMRE has continued to apply the provisions of Mining Charter 2018 rather than the Generic BEE Codes.

For a comprehensive discussion of Mining Charter 2018 and the Generic BEE Codes, please refer to the section entitled “Risk Factors” in the Company’s 2022 AIF and the separate 2022 40-F, which was also filed by the Company, as well as in the documents incorporated by reference therein. The 2022 AIF and the 2022 40-F may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Mineral Reserves and Resources

The mineral resource and mineral reserve figures referred to in this MD&A and the documents incorporated herein by reference are estimates and no assurances can be given that the indicated levels of platinum, palladium, rhodium and gold (collectively referred to as “4E”, or “PGEs”) will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on the Company.

Note to U.S. Investors Regarding Reserve and Resource Estimates

Estimates of mineralization and other technical information included or incorporated by reference herein have been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”), which differs significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”) under subpart 1300 of Regulation S-K (the “SEC Modernization Rules”). The Company is not currently subject to the SEC Modernization Rules. Accordingly, the Company’s disclosure of mineralization and other technical information herein may differ significantly from the information that would be disclosed had the Company prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

Technical and Scientific Information

The technical and scientific information contained in this MD&A, including, but not limited to, all references to and descriptions of technical reports and studies, has been reviewed by an independent qualified person as defined in NI 43-101, Robert van Egmond, P.Geo., a consultant geologist to the Company and a former employee. Mr. van Egmond is an independent “qualified person” as defined in NI 43-101 (a “Qualified Person”).

Non-GAAP Measures

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

1. DESCRIPTION OF BUSINESS

Overview

Platinum Group Metals Ltd. is a British Columbia, Canada company formed on February 18, 2002, pursuant to an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company is a platinum and palladium focused exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreements or applications in the Republic of South Africa.

The Company’s business is currently focused on the engineering and development of the Waterberg Project, which hosts a PGE and base metal bearing deposit discovered in 2011 by the Company as a result of a regional exploration initiative targeting a previously unknown extension to the Northern Limb of the Bushveld Igneous Complex in South Africa.

On September 21, 2017, Waterberg JV Co. issued shares to all existing Waterberg partners pro rata to their joint venture interests, resulting in the Company holding a 45.65% direct interest in Waterberg JV Co., Japan Organization for Metals

and Energy Security (formerly Japan Oil, Gas and Metals National Corporation) (“**JOGMEC**”) holding a 28.35% interest and Mnombo, as the Company’s BEE partner, holding 26%. Later, in March 2019, JOGMEC completed the sale of a 9.755% interest in the Waterberg JV Co. to Hanwa Co., Ltd. (“**Hanwa**”).

On November 6, 2017, the Company, along with JOGMEC and Mnombo closed a strategic transaction to sell to Implats 15% of the Waterberg JV Co. for \$30 million (the “**Implats Transaction**”). The Company sold Implats an 8.6% interest for \$17.2 million and JOGMEC sold a 6.4% interest for \$12.8 million. Implats also acquired an option to acquire a controlling interest in the Waterberg Project, which was later terminated in June 2020, as well as a right of first refusal to smelt and refine Waterberg Project concentrate (the “**Offtake ROFR**”). JOGMEC, or their nominee, retained a right to receive platinum, palladium, rhodium, gold, ruthenium, iridium, copper and nickel refined mineral products at the volumes produced from the Waterberg Project as well as a right to purchase or direct the sale of all or part of the project concentrate. Hanwa became JOGMEC’s “nominee” by way of their purchase of a 9.755% interest in Waterberg JV Co. in March 2019.

On September 24, 2019, the Company published the results of the Definitive Feasibility Study for the Waterberg Project (the “**Waterberg DFS**”). The Waterberg DFS was approved by all Waterberg JV Co. shareholders on December 5, 2019. On October 7, 2019 the Waterberg DFS technical report entitled “Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa” (the “**DFS Technical Report**”) was filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. The DFS Technical Report is dated October 4, 2019, and was prepared by Michael Murphy, P. Eng. of Stantec Consulting Ltd., Charles J Muller, B. Sc. (Hons) Geology, Pri. Sci. Nat. of CJM Consulting (Pty) Ltd., and Gordon I Cunningham, B. Eng. (Chemical), Pr. Eng., FSAIMM of Turnberry Projects (Pty) Ltd. DRA Projects SA (Pty) Ltd., an experienced South African engineering and EPCM firm, provided the plant design and compiled the capital cost estimates for the Waterberg Project Qualified Persons. The DFS Technical Report also supports the disclosure of an updated independent mineral resource estimate effective September 4, 2019.

An update to the Waterberg DFS, including the September 4, 2019, independent mineral resource estimate is underway currently and is described more fully below.

Implats currently retains a 15.0% participating project interest and the Offtake ROFR, whereby they hold a right to match concentrate offtake terms offered to Waterberg JV Co. by a bona fide third-party. The Company retains a controlling 50.02% direct (37.05%) and indirect (12.97% through its 49.9% shareholding in Mnombo) interest in the Waterberg Project and remains the Manager of the Waterberg Project, as directed by the technical committee of Waterberg JV Co. Mnombo retains a 26.0% direct interest in Waterberg JV Co., JOGMEC a 12.195% direct interest and Hanwa a 9.755% direct interest. In June 2023 JOGMEC and Hanwa reported the establishment of a special purpose company, HJ Platinum Metals Company Ltd. (“**HJM**”), to hold and fund their future equity interests in the Waterberg Project, with JOGMEC to fund 75% of future equity investments into HJM and Hanwa the remaining 25%. Consequently, JOGMEC and Hanwa's current shareholding percentages will dilute going forward as the combined funding obligations attributable to their aggregated shareholdings of 21.95% will be funded by HJM to which commensurate equity will be issued. On or about May 15, 2023 the Waterberg JV Co. shareholders concluded a Shareholder Variation and Consent Letter Agreement to record the restructuring of the respective Japanese shareholder interests in Waterberg JV Co. On July 7, 2023 HJM signed a Deed of Adherence, agreeing to be bound by the Waterberg JV Co Shareholders' Agreement and Memorandum of Incorporation.

The Company and Waterberg JV Co. are assessing commercial alternatives for mine development financing and concentrate offtake. Obtaining reasonable terms for Waterberg concentrate offtake from an existing smelter/refiner in South Africa is considered the preferred option. The Company is in discussion with several South African smelter operators, including Implats, with a view to establishing formal concentrate offtake arrangements for the Waterberg Project. Although discussions continue, to date no formal concentrate offtake terms have been achieved. The Company is also assessing the possibility of constructing a matte furnace and base metal refinery for the processing of Waterberg Project concentrate to produce an upgraded product for sale in the market without the need for treatment by a third-party offtaker. See more details below.

Lion Battery Technologies Inc.

On July 12, 2019, the Company, together with an affiliate of Anglo American Platinum Limited (“**Amplats**”), launched a venture through a jointly owned company, Lion Battery Technologies Inc. (“**Lion**”), to accelerate the development of next generation battery technology using platinum and palladium. The Company received 400,000 common shares of Lion, valued at a price of \$0.01 per share, as the original founder of Lion. Under the terms of an investment agreement, both the Company and Amplats were to equally invest up to an aggregate of \$4.0 million into Lion, of which approximately \$1.0

million would be for general and administrative expenses and the commercialization of the technology developed, subject to certain conditions. On July 6, 2021, the Company and Amplats agreed to increase the planned funding to Lion by a further \$2.7 million, to a total of up to \$6.7 million, in order to allow the acceleration of certain research and commercialization activities. All agreed funding into Lion by the Company and Amplats is to be in exchange for preferred shares of Lion at a price of \$0.50 per share over an approximate three to five year period.

On July 12, 2019, the Company and Amplats each invested \$550,000 as a first tranche of funding into Lion in exchange for 1,100,000 Lion preferred shares each. In June 2020, the Company and Amplats each invested \$350,000 as a second tranche of funding in exchange for 700,000 Lion preferred shares each. In February 2021, Amplats and the Company each invested \$350,000 as a third tranche of funding in exchange for 700,000 Lion preferred shares each. In February 2022, the Company and Amplats each invested \$250,000 as the fourth tranche of funding, while in February 2023, the Company and Amplats each invested \$295,000 for a fifth tranche of investment, in consideration for an aggregate 1,090,000 Lion preferred shares each. In June 2023, the Company and Amplats each invested \$280,000 into Lion for a sixth tranche of investment, to be settled in exchange for 560,000 Lion preferred shares each. At May 31, 2023, the Company owned a 52.64% interest in Lion. If the Company should fail to contribute its share of a required subscription to Lion, it would be in breach of its investment agreement with Lion and Amplats and its interest in Lion may be subject to dilution.

On July 12, 2019, Lion entered into an agreement (the “**Sponsored Research Agreement**”) with Florida International University (“**FIU**”) to fund a \$3.0 million research program over approximately a three-year period utilizing platinum and palladium to unlock the potential of Lithium Air and Lithium Sulphur battery chemistries to increase their discharge capacities and cyclability. On July 6, 2021 Lion agreed to increase the planned amount of research funding to FIU by a further amount of \$1.0 million, for a total of up to \$4.0 million. Under the Sponsored Research Agreement, Lion will have exclusive rights to all intellectual property developed and will lead all commercialization efforts. The first tranche of funding by Lion to FIU, totaling \$1.0 million plus a one-time fee of \$50,000, was paid by Lion in mid July 2019, with a second tranche of \$666,667 funded in June 2020. A third tranche of funding by Lion to FIU of \$666,667 was completed in February 2021 with the fourth and fifth tranches of funding for \$500,000 each being funded in February 2022 and 2023. Lion has provided aggregate research funding in the amount of \$3.4 million to FIU as of May 31, 2023. Subsequent to period end, in June 2023 Lion provided a sixth tranche of funding to FIU in the amount of \$350,000.

On August 4, 2020, the U.S. Patent and Trademark Office issued Patent No. 10,734,636 B2 entitled “Battery Cathodes for Improved Stability” to FIU. The patent includes the use of platinum group metals and carbon nanotubes and other innovations in a lithium battery. A second patent related to this work was issued in December 2020 and a third was issued on June 15, 2021. On October 4, 2022, the U.S. Patent and Trademark Office issued Patent No. 11,462,743 B2 entitled “Battery comprising a metal interlayer” to FIU. The patent involves the use of palladium as interlayer in batteries to stabilize and enable lithium metal anodes in various existing and emerging lithium battery technologies. On February 21, 2023 the U.S. Patent and Trademark Office issued FIU a fifth patent No. 11,588,144 B2 entitled “Battery Cathodes for Improved Stability”. This patent involves the fabrication of cathodes using palladium as a catalyst in carbon nanotubes. Further patents are currently applied for. Under the Sponsored Research Agreement, Lion has exclusive rights to all intellectual property being developed by FIU including patents granted. Lion is also reviewing several additional and complementary opportunities focused on developing next-generation battery technology using platinum and palladium.

During calendar year 2022 and into 2023, Company and FIU personnel held discussions with industry recognized third party battery specialists regarding Lion’s intellectual property and patented technology. In December 2022 and March 2023 Company and FIU personnel visited two separate industrial battery laboratories. On June 21, 2023 the Company reported that Lion had engaged The Battery Innovation Center (“**BIC**”) in Newberry, Indiana to help drive commercialization of its next generation lithium-sulfur and enhanced lithium-ion (NMC) technology using the unique catalytic properties of platinum and palladium. Under an agreed scope of work (the “**SOW**”), BIC is to conduct independent small scale and large scale trials to validate Lion’s proprietary platinum and palladium based electrode composition, slurry, and films in both lithium-sulfur and lithium-ion (NMC811) coin and pouch cells. The SOW also includes additional research and development focused on improving performance and scale-up with the goal of creating prototypes for commercialization consideration.

Personnel

The Waterberg Project is operated by the Company primarily utilizing its own staff and personnel. Contract drilling, geotechnical, engineering and support services are also utilized as required. The Company’s complement of managers, staff, and technical personnel currently consists of 9 individuals in South Africa and 5 individuals in Canada. PTM RSA and Waterberg JV Co. also utilize contract services from a professional security firm as well as consultants and temporary

workers from time to time. At present, in addition to the 9 individuals described above, two specialized consultants are currently engaged in South Africa to assist with the implementation and execution of the Waterberg Social and Labour Plan (“**Waterberg SLP**”) as well as community communication and engagement activities.

2. PROPERTIES

Under IFRS, the Company capitalizes all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The Company evaluates the carrying value of its property interests on a regular basis. Management is required to make significant judgements to identify potential impairment indicators. Any properties that management deems to be impaired are written down to their estimated net recoverable amount.

For more information on mineral properties, see below and Note 3 of the Financial Statements.

MATERIAL MINERAL PROPERTY INTERESTS

Waterberg Project

Recent Activities

During the nine-month period ended May 31, 2023, approximately \$3.5 million in expenditures were capitalized at the Waterberg Project for work carried out pursuant to the Initial Budget (as defined below). This work included infill and geotechnical drilling, mineral resource geology, feasibility engineering, infrastructure engineering and surveying. Baseline environmental monitoring studies continue. Work is also being carried out to identify, delineate and assess local deposits of calcrete and other aggregate materials (“**Construction Aggregate**”) that may be suitable for road building and infrastructure pad foundations. Work on community engagement and components of the Waterberg SLP are also underway.

At period end, \$38.6 million in accumulated net costs had been capitalized to the Waterberg Project. Total expenditures on the property since inception from all investor sources to May 31, 2023 are approximately \$83.8 million.

On October 20, 2022, the Company announced that Waterberg JV Co. had approved in principle a \$21 million preconstruction work program (“**Work Program**”) for the Waterberg Project, focused on early infrastructure, de-risking and project optimization. Specific work items include infill and exploration drilling, initial road access, water supply, essential site facilities, a first phase accommodation lodge, a site construction power supply from state utility ESKOM Holdings Limited (“**ESKOM**”), and advancement of the Waterberg SLP.

An initial budget for the first \$2.5 million of the Work Program (the “**Initial Budget**”), for the period up to March 31, 2023 has been completed. The budget for the second stage of the Work Program (the “**Stage Two Budget**”) for a further \$3.6 million up to August 31, 2023 was unanimously approved on March 24, 2023 by the Waterberg JV Co Board of Directors. Budgeted activities in the Stage Two Budget include mineral resource estimation and modelling, DFS Update engineering (as defined below), pre-construction engineering, electrical power supply engineering and the permitting and licensing of Construction Aggregate borrow pits at locations identified near the planned Waterberg mine site.

An update to the Waterberg DFS (the “**DFS Update**”), including updated resource and reserve estimates, is planned under the Work Program. Planned work is to include a review of cut-off grades, mining methods, geotechnical considerations, sub-level spacing, infrastructure plans, scheduling, concentrate offtake, dry stack tailings, costing and other potential revisions to the project’s financial model.

As a precursor to the DFS Update, an infill drilling program (“**Infill Drill Program**”) commenced in early November 2022 targeting near surface, modelled inferred mineral resource blocks that had good potential for conversion to higher confidence levels, which would potentially allow them to be added to early mine plans, potentially reducing early capital expenditure and the period to first mining. The Infill Drill Program was successfully completed in February 2023 and consisted of 16 T Zone NQ boreholes and 16 F Zone NQ boreholes. Detailed results of drilling of the T and F zone holes can be found in news releases dated January 26, 2023 and March 30, 2023 respectively. Mineralized material recovered from the drill program has been assayed and will be utilized to produce a sample concentrate for further metallurgical study.

The waste rock material remaining after assaying and sample concentrate production is to be processed to determine dry-stock tailings characteristics. If dry stack tailings methods are implemented in the DFS Update mine water consumption could be reduced by 40% to 50%.

During May 2023, Waterberg JV Co. also completed the drilling of one exploration borehole WE153 on prospecting rights owned by Waterberg JV Co. located adjacent to the north of the Waterberg Mining Right (as defined below). The borehole collar was positioned along a projected strike line approximately 16 km north from the area of delineated T Zone mineral resources and approximately 8 km north from the area of delineated F Zone mineral resources.

Borehole WE153 was drilled to a depth of 2,044.35 meters. At a depth of 1,272.98 meters WE153 intercepted 7.02 meters of mineralized T Zone displaying approximately 2% to 4% blebby copper, nickel, and iron sulphides. At a depth of 1,972.19 meters WE153 intercepted an F Zone intercept of 9.42 meters displaying approximately 2% to 4% blebby copper, nickel, and iron sulphides. After a depth of 1,981.61 meters, only sporadic sulphides were observed. Before closing the hole one T Zone deflection D1 was also drilled. The drill core was logged, and the mineralized intercepts recovered were sampled and sent for assay by Intertek Genalysis Minerals in Australia. T Zone mother hole D0 assay results for borehole WE153 were reported in a news release dated May 17, 2023. Assay results were subsequently received for a T Zone deflection D1 and for the F Zone intercept D0 described above. All borehole WE153 T Zone and F Zone 4E assay values in grams per tonne ("g/t") and prill split percentages are tabulated and reported below:

Zone	Borehole ID	From (m)	To (m)	Length (m) ⁽¹⁾	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4PGE (g/t)	Cu %	Ni %
Drilled in 2023											
T Zone	WE153D0	1,272.98	1,280.00	7.02	3.51	5.99	0.25	0.70	10.45	0.16	0.10
				<i>Prill Split</i>	33.6%	57.4%	2.3%	6.7%	100.0%		
Includes	WE153D0	1,272.98	1,279.00	6.02	4.07	6.94	0.28	0.81	12.10	0.18	0.12
				<i>Prill Split</i>	33.6%	57.3%	2.4%	6.7%	100.0%		
T Zone	WE153D1	1273.8	1280	6.20	2.36	4.05	0.10	0.55	7.06	0.12	0.09
				<i>Prill Split</i>	33.4%	57.4%	1.4%	7.8%	100.0%		
F Zone	WE153D0	1972.5	1980.37	7.87	0.21	0.13	0.01	0.02	0.37	0.03	0.10
				<i>Prill Split</i>	56.8%	35.1%	2.7%	5.4%	100.0%		

Notes:

(1) The true thickness is estimated at 85% to 90% of reported intercept based on available information.

Assay results from borehole WE153 for the T Zone are strong. Assay results from borehole WE153 for the F Zone are weak but do indicate the F Zone is present. The results from borehole WE153 support the hypothesis that the T Zone and F Zone continue for a significant distance northward from the known southern deposit area, indicating a future opportunity to delineate additional mineral resources that may be accessible from planned underground mine development.

Concentrate Offtake

Before a construction decision can be undertaken arrangements will be required for Waterberg Project concentrate offtake or processing. The Company and Waterberg JV Co. are assessing commercial alternatives for mine development financing and concentrate offtake.

As an alternative to a traditional concentrate offtake arrangement, the Company is conducting internal research and formal studies to evaluate the economic feasibility of establishing a smelter and base metal refinery business, jointly with third-party investors or partners, capable of processing Waterberg concentrate. The DFS Technical Report stated that "Additional smelting capacity may need to be constructed in the industry to be able to treat the flotation concentrate from Waterberg and the other potential Platreef miners." Conceptually, a Waterberg matte furnace and base metal refinery would be

operated as a separate business from the Waterberg Project. Such a facility could provide fair market offtake terms to Waterberg JV Co., and possibly to other PGM miners, allowing for the production of an upgraded product for sale in the market without the need for treatment by a third-party smelter operator.

An internal pre-feasibility study for a Waterberg matte furnace was completed for the Company by industry experts in late calendar 2021. The pre-feasibility study assessed the construction and operation of a 20 MW smelting furnace with two off air-blown converters capable of producing a matte suitable as feed to a standard base metal refinery in South Africa or elsewhere. In 2022 the Company completed a scope of work for a smelter and base metal refinery definitive feasibility study (the "**Smelter DFS**") examining plant and infrastructure requirements, downstream beneficiation, optimal location analysis, as well as down stream marketing considerations, permitting and power and water requirements. Submission of tenders for specific technical components of the engineering work were requested from industry recognized engineering firms in late calendar 2022 and early 2023. The Company is currently considering the estimated cost to complete the Smelter DFS vs the third party concentrate offtake discussions and opportunities it is working on at this time.

The Company is currently assessing the economic feasibility of constructing a matte furnace and base metal refinery outside of South Africa to process Waterberg concentrate. Working with a potential partner in a jurisdiction with less expensive power and water, engineers working for the Company have completed a trade off study which indicates that savings on power and water substantially offset the cost of additional concentrate transportation. Before concentrate could be exported from South Africa, a formal government approval would be required. Further studies are underway.

The Offtake ROFR allows Implats the opportunity to match concentrate offtake terms offered to Waterberg JV Co. by a bona fide third-party. Processing of Waterberg concentrate through a matte furnace owned by Waterberg JV Co. or by one or more of the Waterberg joint venture owners would not be subject to the Offtake ROFR as such an entity would not be a "bona fide third-party". Any transaction between Waterberg JV Co. and any one or more shareholders must be entered into on a bona fide arms-length basis and for fair value. Under the terms of the shareholders agreement governing Waterberg JV Co., Hanwa holds the exclusive right to purchase or direct the sale of all or part of the Waterberg Project concentrate or contained metal therein.

Waterberg DFS

On September 24, 2019, the Company published the results of the Waterberg DFS. Waterberg JV Co. shareholders approved the Waterberg DFS on December 5, 2019. Highlights of the Waterberg DFS include:

- A significant increase in Mineral Reserves from the Waterberg Project's 2016 Pre-Feasibility Study for a large-scale, shallow, decline-accessible, mechanised, PGE mine. Use of backfill in the Waterberg DFS design lowers risk and increases mined ore extraction rates.
- Annual steady state production rate of 420,000 4E ounces. Estimated mine life of 45 years on current reserves. The planned production rate is by careful design in order to reduce capital costs and simplify construction and ramp-up.
- After-tax net present value ("**NPV**") of \$982 million, at an 8% real discount rate, using spot metal prices as at September 4, 2019 (Incl. \$1,546 Pd/oz) ("**Spot Prices**").
- After-tax NPV of US\$333 million, at an 8% real discount rate, using three-year trailing average metal prices up until September 4, 2019 (Incl. \$1,055 Pd/oz) ("**Three Year Trailing Prices**").
- After-tax internal rate of return of 20.7% at Spot Prices and 13.3% at Three Year Trailing Prices.
- Estimated project capital of approximately \$874 million, including \$87 million in contingencies. Peak project funding estimated at \$617 million.
- On site life of mine average cash cost (inclusive of by-product credits and smelter discounts) for the spot metal price scenario equates to \$640 per 4E ounce.
- Updated measured and indicated mineral resources of 242 million tonnes at 3.38g/t 4E for 26.4 million 4E ounces (using 2.5 g/t 4E cut-off) and the deposit remains open on strike to the north and below an arbitrary depth cut-off of 1,250-meters.
- Proven and probable mineral reserves of 187 million tonnes at 3.24 g/t 4E for 19.5 million 4E ounces (using 2.5 g/t 4E cut-off).

The mineral resources for the Waterberg Project increased slightly based on in-fill drilling done during preparation of the Waterberg DFS. The mineral resources have been estimated based on 441 diamond drill holes and 583 deflections and has been stated at a 2.5 g/t 4E cut-off (the base-case). In the Waterberg DFS, a 2.5 g/t 4E cut-off grade has been applied to the mineral resource model as an input into the mine design. At the 2.5 g/t 4E cut-off grade, the total measured and indicated mineral resources are estimated at 242 million tonnes grading 3.38 g/t 4E for an estimated 26.4 million ounces 4E. Total mineral reserves at a 2.5 g/t 4E grade cut-off are estimated at 187 million tonnes for 19.5 million ounces 4E.

The mineral reserves are a subset of the mineral resource envelope at a 2.5 g/t 4E cut-off, and they include only measured and indicated mineral resources with dilution and stope shapes considered. A minimum mining thickness of 2.4 meters and sublevel planning of 20 meters to 40 meters was considered in the mine plan for mineral reserves.

The mineral resources for the Waterberg Project are categorized and reported in terms of NI 43-101 and are tabulated below.

Mineral Resource Estimate at 2.5 g/t 4E cut-off, effective September 4, 2019 on 100% Project basis

T Zone at 2.5 g/t (4E) Cut-off											
Mineral Resource Category	Cut-off	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	Tonnes	g/t	g/t	g/t	g/t	g/t	%	%	Kg	Moz
Measured	2.5	4,443,483	1.17	2.12	0.05	0.87	4.20	0.150	0.080	18,663	0.600
Indicated	2.5	17,026,142	1.37	2.34	0.03	0.88	4.61	0.200	0.094	78,491	2.524
M+I	2.5	21,469,625	1.34	2.29	0.03	0.88	4.53	0.189	0.091	97,154	3.124
Inferred	2.5	21,829,698	1.15	1.92	0.03	0.76	3.86	0.198	0.098	84,263	2.709

F Zone at 2.5 g/t (4E) Cut-off											
Mineral Resource Category	Cut-off	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	Tonnes	g/t	g/t	g/t	g/t	g/t	%	%	Kg	Moz
Measured	2.5	54,072,600	0.95	2.20	0.05	0.16	3.36	0.087	0.202	181,704	5.842
Indicated	2.5	166,895,635	0.95	2.09	0.05	0.15	3.24	0.090	0.186	540,691	17.384
M+I	2.5	220,968,235	0.95	2.12	0.05	0.15	3.27	0.089	0.190	722,395	23.226
Inferred	2.5	44,836,851	0.87	1.92	0.05	0.14	2.98	0.064	0.169	133,705	4.299

Waterberg Aggregate Total 2.5 g/t (4E) Cut-off											
Mineral Resource Category	Cut-off	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	Tonnes	g/t	g/t	g/t	g/t	g/t	%	%	Kg	Moz
Measured	2.5	58,516,083	0.97	2.19	0.05	0.21	3.42	0.092	0.193	200,367	6.442
Indicated	2.5	183,921,777	0.99	2.11	0.05	0.22	3.37	0.100	0.177	619,182	19.908
M+I	2.5	242,437,860	0.98	2.13	0.05	0.22	3.38	0.098	0.181	819,549	26.350
Inferred	2.5	66,666,549	0.96	1.92	0.04	0.34	3.27	0.108	0.146	217,968	7.008

Mineral Resource Category	Prill Split Waterberg Project Aggregate			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	28.2	64.4	1.5	5.9
Indicated	29.4	62.6	1.5	6.5
M+I	29.1	63.0	1.5	6.4
Inferred	29.5	58.9	1.2	10.4

Notes:

- (1) 4E elements are platinum, palladium, rhodium and gold.
- (2) Cut-offs for mineral resources were established by a QP after a review of potential operating costs and other factors.
- (3) Conversion factor used for kilograms ("kg") to ounces ("oz") is 32.15076.
- (4) A 5% and 7% geological loss was applied to the measured/indicated and inferred mineral resources categories, respectively.
- (5) The mineral resources are classified in accordance with NI 43-101. Mineral resources that are not mineral reserves do not have demonstrated economic viability and inferred mineral resources have a high degree of uncertainty.
- (6) The mineral resources are provided on a 100% Project basis, inferred and indicated categories are separate and the estimates have an effective date of September 4, 2019.
- (7) Mineral resources were completed by Mr. CJ Muller of CJM Consulting.
- (8) Mineral resources were estimated using kriging methods for geological domains created in Datamine from 441 mother holes and 583 deflections. A process of geological modelling and creation of grade shells using indicating kriging was completed in the estimation process.
- (9) The mineral resources may be materially affected by metal prices, exchange rates, labour costs, electricity supply issues or many other factors detailed in the Company's 2022 AIF.
- (10) The data that formed the basis of the mineral resources estimate are the drill holes drilled by Platinum Group as project operator, which consist of geological logs, drill hole collars surveys, downhole surveys and assay data. The area where each layer was present was delineated after examination of the intersections in the various drill holes.
- (11) Numbers may not add due to rounding.

Proven Mineral Reserve Estimate at 2.5 g/t 4E cut-off, effective September 4, 2019 on 100% Project basis

Proven Mineral Reserve Estimate at 2.5 g/t 4E cut-off										
		Pt	Pd	Rh	Au	4E	Cu	Ni	4E Metal	
Zone	Tonnes	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	Kg	Moz
T Zone	3,963,694	1.02	1.84	0.04	0.73	3.63	0.13	0.07	14,404	0.463
F Central	17,411,606	0.94	2.18	0.05	0.14	3.31	0.07	0.18	57,738	1.856
F South	-	-	-	-	-	-	-	-	-	-
F North	16,637,670	0.85	2.03	0.05	0.16	3.09	0.10	0.20	51,378	1.652
F Boundary North	4,975,853	0.97	2.00	0.05	0.16	3.18	0.10	0.22	15,847	0.509
F Boundary South	5,294,116	1.04	2.32	0.05	0.18	3.59	0.08	0.19	19,020	0.611
F Zone Total	44,319,244	0.92	2.12	0.05	0.16	3.25	0.09	0.20	143,982	4.629
Waterberg Project Total	48,282,938	0.93	2.10	0.05	0.20	3.28	0.09	0.19	158,387	5.092

Probable Mineral Reserve Estimate at 2.5 g/t 4E cut-off, effective September 4, 2019 on 100% Project basis

Probable Mineral Reserve Estimate at 2.5 g/t 4E cut-off										
		Pt	Pd	Rh	Au	4E	Cu	Ni	4E Metal	
Zone	Tonnes	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	Kg	Moz
T Zone	12,936,870	1.23	2.10	0.02	0.82	4.17	0.19	0.09	53,987	1.736
F Central	52,719,731	0.86	1.97	0.05	0.14	3.02	0.07	0.18	158,611	5.099
F South	15,653,961	1.06	2.03	0.05	0.15	3.29	0.04	0.13	51,411	1.653
F North	36,984,230	0.90	2.12	0.05	0.16	3.23	0.09	0.20	119,450	3.840

Probable Mineral Reserve Estimate at 2.5 g/t 4E cut-off										
Zone	Tonnes	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal Kg Moz	
F Boundary North	13,312,581	0.98	1.91	0.05	0.17	3.11	0.10	0.23	41,369	1.330
F Boundary South	7,616,744	0.92	1.89	0.04	0.13	2.98	0.06	0.18	22,737	0.731
F Zone Total	126,287,248	0.91	2.01	0.05	0.15	3.12	0.08	0.18	393,578	12.654
Waterberg Project Total	139,224,118	0.94	2.02	0.05	0.21	3.22	0.09	0.18	447,564	14.390

Proven & Probable Mineral Reserve Estimate at 2.5 g/t 4E cut-off, effective September 4, 2019 on 100% Project basis

Total Estimated Mineral Reserve at 2.5 g/t 4E cut-off										
Zone	Tonnes	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal Kg Moz	
T Zone	16,900,564	1.18	2.04	0.03	0.80	4.05	0.18	0.09	68,391	2.199
F Central	70,131,337	0.88	2.02	0.05	0.14	3.09	0.07	0.18	216,349	6.956
F South	15,653,961	1.06	2.03	0.05	0.15	3.29	0.04	0.13	51,411	1.653
F North	53,621,900	0.88	2.09	0.05	0.16	3.18	0.10	0.20	170,828	5.492
F Boundary North	18,288,434	0.98	1.93	0.05	0.17	3.13	0.10	0.23	57,216	1.840
F Boundary South	12,910,859	0.97	2.06	0.05	0.15	3.23	0.07	0.19	41,756	1.342
F Zone Total	170,606,492	0.91	2.04	0.05	0.15	3.15	0.08	0.19	537,560	17.283
Waterberg Project Total	187,507,056	0.94	2.04	0.05	0.21	3.24	0.09	0.18	605,951	19.482

Notes:

- (1) The estimated mineral reserves have an effective date of September 4, 2019.
- (2) A 2.5 g/t 4E stope cut-off grade was used for mine planning for the T Zone and the F Zone mineral reserves estimate. The cut-off grade considered April 2018 metal spot prices.
- (3) Tonnes and grade estimates include planned dilution, geological losses, external overbreak dilution, and mining losses.
- (4) 4E elements are platinum, palladium, rhodium and gold.
- (5) Numbers may not add due to rounding.

The Waterberg Project financial performance has been estimated both at Spot Prices and at Three Year Trailing Prices as set out in the table below. The long-term real US\$/Rand exchange rate for the Spot Price scenario is set at 15.00, which is based on an intra-day traded spot rate as of September 4, 2019. The US\$/Rand exchange rates for the Three-Year Trailing Price scenario, is based on Bloomberg's nominal consensus forward-curve as at June 2019, which translates into a long-term real US\$/Rand rate of 15.95. The price deck assumptions for each scenario are tabled below.

Waterberg DFS Technical Report Price Deck Assumptions in US\$

Parameter	Unit	Spot Prices (Sept 4, 2019)	Three Year Trailing Prices (Sept 4, 2019)
US\$ / Rand (Long-term Real)	US\$/Rand (Real July 2019)	15.00	15.95
Platinum	US\$/oz (Real July 2019)	980	931
Palladium	US\$/oz (Real July 2019)	1,546	1,055
Gold	US\$/oz (Real July 2019)	1,548	1,318
Rhodium	US\$/oz (Real July 2019)	5,036	1,930
Basket Price (4E)	US\$/oz (Real July 2019)	1,425	1,045

Parameter	Unit	Spot Prices (Sept 4, 2019)	Three Year Trailing Prices (Sept 4, 2019)
Copper	US\$/lb (Real July 2019)	2.56	2.87
Nickel	US\$/lb (Real July 2019)	8.10	5.56
Smelter Payability: 4E Metal	% Gross Sale Value	85%	85%
Smelter Payability: Copper	% Gross Sale Value	73%	73%
Smelter Payability: Nickel	% Gross Sale Value	68%	68%

Readers are directed to review the full text of the DFS Technical Report, available for review under the Company's profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov for additional information.

The known deposit strike length on the Waterberg Project is 13 km long so far, remains open along strike and begins from a depth of 140 meters vertical. The Waterberg DFS mine plan covers a strike length of approximately 8.5 km. The deposit is known to continue down dip below the arbitrary 1,250 meter cut off depth applied to the deposit for resource estimation purposes. The Waterberg Project and the deposit is still open for expansion. Based on airborne gravity surveys and drilling completed to date, additional drilling northward along strike is recommended for the future.

As a result of its shallow depth, good grade and a fully mechanized mining approach, the Waterberg Project can be a safe mine within the lowest quartile of the Southern Africa platinum group element industry cost curve.

The Waterberg DFS mine plan models production at 4.8 million tonnes of ore per annum and 420,000 4E ounces per year in concentrate. The mine initially accesses the orebody using two sets of twin decline tunnels with mining by fully mechanised long hole stoping methods and paste backfill. Paste backfill allows for a high mining extraction ratio as mining can be completed next to backfilled stopes without leaving internal pillars. Maintaining safety and reliability were key mine design criteria. As a result of the scale of the orebody, bulk mining on 20 to 40 meter sublevels with large underground equipment and conveyors for ore and waste transport provides high efficiency. Many of the larger successful underground mines in the world use the same method of mining with backfill and estimated costs were benchmarked against many of these operations.

Mining Right Grant

A formal mining right application ("MRA") for the Waterberg Project, including the Waterberg SLP, was accepted for filing by the DMRE on September 14, 2018. The Company held local public participation meetings on numerous occasions in advance of the MRA. A program of public consultation as part of the formal MRA and EA application for the Waterberg Project was completed in August 2019. An Environmental Impact Assessment ("EIA") and Environmental Management Program ("EMP") were filed with the DMRE on August 15, 2019. An EA was granted for the Waterberg Project on August 12, 2020, subject to a public notice period and finalization of issues raised by affected parties, which process was completed with the issue of the final EA on November 10, 2020.

On January 28, 2021, the DMRE issued a letter to Waterberg JV Co. notifying the Company that a mining right for the Waterberg Project (the "**Waterberg Mining Right**") had been granted. Public disclosure and notice of the Waterberg Mining Right grant was promulgated by the Company and Waterberg JV Co. as required under South African legislation. The Waterberg Mining Right was notarially executed on April 13, 2021, was registered at the Mineral and Petroleum Titles Registration Office on July 6, 2021 and remains active.

On and following March 5, 2021, the Company received several notices of appeal, filed with the DMRE by individual appellants from local communities, against the January 28, 2021 decision of the DMRE granting the Waterberg Mining Right. One group filed an application for an order in the High Court of South Africa to review and set aside the decision by the Minister of the DFFE to refuse condonation for the late filing of the group's appeal against the grant of an EA for the Waterberg Project in November 2020. Senior Counsel and attorneys acting for Waterberg JV Co. as an interested and affected party filed formal rebuttals to the appeals and applications, raising numerous factual and legal defences. Since filing their review application, the appellants have done nothing to progress their action.

On July 30, 2021, Waterberg JV Co. received an urgent interdict application to the High Court seeking to restrain the activities of Waterberg JV Co. on certain surface rights over a portion of the project area. The appellants claimed to be interested and affected parties located near planned surface infrastructure. Waterberg JV Co. promptly filed an answering affidavit denying urgency and providing arguments why the application was without merit. The appellants did not respond. On November 16, 2021 the host Ketting community filed an application to join as a respondent and documenting their support for the Waterberg Mine. Once again, the appellants did not respond. To force the interdict application to a conclusion, in July 2022 Waterberg JV Co. filed a Notice of Set Down with the High Court in Limpopo. A hearing to rule on the interdict application occurred on May 22, 2023, at which the court dismissed the urgent interdict application and ordered the applicants to pay costs to the defendants.

On October 13, 2022 the Minister of the DMRE ruled to dismiss all appeals to the grant of the Waterberg Mining Right filed with the DMRE. In his ruling the Minister provided the regulatory reasons why each appeal was denied and also confirmed the DMRE's assessment that Waterberg JV Co. has complied with Broad-Based Black Economic Empowerment requirements and social and labour plan community consultation processes.

The Company believes that all requirements specified under the National Environmental Management Act, the MPRDA and other applicable legislation have been complied with and that the DFFE correctly approved and the DMRE correctly issued the EA and the Waterberg Mining Right. Based on long term consultation and dialogue with local communities, the Company also believes that the leadership and the majority of residents in the host communities support the Waterberg Project.

The MEC is aware of disagreements between Waterberg JV Co. and certain members of the local communities. Since late 2021 the MEC has hosted several meetings and engagements and facilitated mediation sessions with representatives of Waterberg JV Co. and community leaders to assist with the reconciliation of concerns. The most recent meeting occurred on March 28, 2023. Advancement has been made and many community concerns have been addressed. The MEC has stated its intention to assist all stakeholders so that further investment by Waterberg JV Co. may occur.

Waterberg JV Co. remains committed to engaging and working with all host communities to ensure that all legitimate concerns are addressed, and mining operations are conducted in a harmonious and respectful manner. Waterberg JV Co. aims to optimize the Waterberg Project for the benefit of all stakeholders.

Community Considerations

Training for a new mechanised mining workforce is an important component of the Waterberg Project life of mine plan and the Waterberg SLP. Planning for training programs has been undertaken with the assistance of global mine training leader, NORCAT, of Sudbury, Ontario. The Waterberg DFS modelled a significant investment in training, focussed on the immediate area of the Waterberg Project, working in cooperation with local communities, colleges and facilities.

Water supply and delivery are important issues affecting local communities near the Waterberg Project. Detailed hydrological work studying the utilization of known sources for significant volumes of groundwater has been conducted. In 2018, a co-operation agreement was entered into between Waterberg JV Co. and the Capricorn District Municipality for the development of water resources to the benefit of local communities and the mine. Hydrological work has identified several large-scale water basins that are likely able to provide mine process and potable water for the Waterberg Project and local communities. Test drilling of these water basins has been completed resulting in the identification of sufficient water supplies. Earlier drilling programs conducted by the Capricorn District Municipality identified both potable and high mineral unpotable water resources in the district. Drilling by Waterberg JV Co. has identified some potable water resources. Several boreholes proximal to the Waterberg Project identified large volumes of high mineral, unpotable water not suitable for agriculture. Hydrological and mill process specialists have tested the use of this water as mine process water. In general, ground water resources identified proximal to the Waterberg Project have the potential for usage by both the mine and local communities.

The establishment of servitudes for power line routes and detailed planning and permitting with ESKOM are also advancing. Power line environmental and servitude work is being completed by TDxPower in coordination with ESKOM. TDxPower has progressed electrical power connection planning for approximately a 70 km, 132MvA line to the Waterberg Project. Engineering refinement of steady state power requirements has resulted in a reduced demand of approximately 90MvA at steady state. Bulk power design and costing work for steady state requirements has commenced. ESKOM is engaged with project engineers to determine electrical power sources and availability. A temporary power line for the construction period from the nearby grid at Bochum is being designed and costed. Community engagement regarding power line routes and

completion of an EIA for the power line routes is in process. ESKOM is experiencing power generation constraints leading to load-shedding, being the deliberate and scheduled shutdown of electric power in parts of its power-distribution network, when the demand strains the capacity of the system.

Alternative renewable energy sources are also being considered for the Waterberg Project. One such option envisages a solar panel farm, including battery storage, to be built by a third party operator at a suitable location near the Waterberg Project. The cost of construction would be carried by the third party operator and the power provided would be charged to Waterberg JV Co. at rates that would include a return of capital to the third party operator.

History of Acquisition

In 2007, PTM RSA began the application process for prospecting rights over the Waterberg area located on the Northern Limb of the Bushveld Igneous Complex, approximately 70 km north of the town of Mokopane, eventually acquiring prospecting rights over two adjacent areas known as the Waterberg JV Property and the Waterberg Extension Property. In September 2009, PTM RSA, JOGMEC and Mnombo entered a joint venture agreement whereby JOGMEC could earn up to a 37% participating interest in the Waterberg JV Property while at the same time Mnombo could earn a 26% participating interest in exchange for matching JOGMEC's expenditures on a 26/74 basis. On November 7, 2011, the Company executed an agreement with Mnombo's shareholders to acquire 49.9% of the issued and outstanding shares of Mnombo. Effective in May, 2015 the Waterberg JV Property and the Waterberg Extension Property were consolidated into the singular Waterberg Project and in September, 2017 the Waterberg Project prospecting rights were transferred into Waterberg JV Co. On November 6, 2017, the Company and JOGMEC closed the Implats Transaction and Implats acquired a 15% interest in Waterberg JV Co. and the right to match third-party offtake terms under the Offtake ROFR. In March 2019 JOGMEC completed a transfer of 9.755% of its 21.95% interest in Waterberg JV Co. to Hanwa. Under the terms of the transaction, Hanwa also acquired the exclusive right to purchase some, or all of the metals produced from the Waterberg Project at market prices. On May 10, 2022 JOGMEC confirmed and later announced its intention to maintain JOGMEC's interests in the Waterberg Project and to support funding contributions for project development to the extent possible. On June 9, 2023 it was announced that JOGMEC and Hanwa established HJM to hold and fund their future equity interests in the Waterberg Project.

Prior to 2022, the Waterberg Project comprised an aggregate of 66,003 hectares of granted prospecting rights and applied for prospecting rights including the 20,532 hectares covered by the Waterberg Mining Right. On March 9, 2022 Waterberg JV Co. passed a resolution to apply for closure on 50,985 gross hectares of prospecting rights, of which 14,209 hectares were held within the granted mining right, leaving a net 36,776 hectares of uneconomic prospecting rights to be closed. Closure applications have been filed and once they become effective, the project area will cover 29,227 hectares, being comprised of the Waterberg Mining Right covering 20,532 hectares, 4,207 hectares in the active prospecting right and 4,488 hectares of rights under application for incorporation into the Waterberg Mining Right.

Environmental, Social and Governance ("ESG")

Corporate Social Responsibility

Being a responsible corporate citizen means protecting the natural environment associated with its business activities, providing a safe workplace for its employees and contractors, and investing in infrastructure, economic development, and health and education in the communities where the Company operates so that it can enhance the lives of those who work and live there beyond the life of such operations. The Company takes a long-term view of its corporate responsibility, which is reflected in the policies that guide its business decisions, and in its corporate culture that fosters safe and ethical behaviour across all levels of Platinum Group. The Company's goal is to ensure that its engagement with its stakeholders, including its workforce, industry partners, and the communities where it operates, is continued, mutually beneficial and transparent. By building such relationships and conducting ourselves in this manner, the Company can address specific concerns of its stakeholders and work cooperatively and effectively towards achieving this goal.

Approach

The Company and Waterberg JV Co. are committed to conducting business in a responsible and sustainable manner. Our core ESG values are:

- maximizing the positive effect of our projects and operations for all stakeholders;

- caring for the environment in which we operate;
- contributing to both the short-term and long-term development of our host communities;
- ensuring safe and secure workplaces for our employees;
- contributing to the welfare of our employees and local communities; and
- promoting good corporate governance, through openness, transparency, and accountability;

We are working to develop a set of performance indicators to measure and monitor key environmental, social sustainability and governance activities at the Waterberg Project. We wish to achieve a high level of understanding and commitment from those who carry out our day-to-day activities. Our social performance indicators aim to cover social risk management, grievance management, community investment and human rights. Our environmental performance indicators aim to cover environmental impact mitigation, audits, water, energy, greenhouse gas emissions and environmental remediation and rehabilitation. Health and safety performance indicators are also to be recorded and monitored.

ESG Reporting and Assessment

We have partnered with Digbee Ltd. (“Digbee”) to utilize an industry approved set of frameworks to assess and disclose our ESG metrics. Platinum Group completed its inaugural ESG disclosure submission with Digbee in September 2021. Digbee, a United Kingdom based company, is a new mining-focused expert network and ESG disclosure platform that amalgamates over thirty initiatives and reporting standards to generate an appropriate ESG score for development stage mining companies. Digbee encompasses widely recognized ESG standards including, the Equator Principles, the Global Reporting Initiative Standards, the sustainability accounting standards of the Sustainability Accounting Standards Board, and the recommendations for more effective climate-related disclosures established by the Task Force on Climate Related Disclosure Digbee has been endorsed by leading financial firms who support the Digbee ESG initiative such as Blackrock Inc., BMO, and Dundee Corporation.

The Company’s ESG submission was based on both corporate level and project level disclosure. As part of the Waterberg Mining Right application process the Company developed a wide-ranging set of studies and plans in relation to potential ESG impacts. These studies and specialists were leveraged to form the basis of the Digbee ESG disclosure and subsequent outcomes.

Based on the information provided, Platinum Group achieved an overarching score from Digbee of BB with a range of CC to AA as of October 2022.



High Level Positive Outcomes from Digbee Assessment

- The Company has validated its financial transaction compliance and accuracy of financials through the submission of audited financials in both South Africa and Canada.

- The Company has demonstrated its commitment to ESG values by working to align executive and senior management remuneration to ESG goals.
- The Company has empowered local communities by providing suitable representation to address their concerns.
- The Company has demonstrated its commitment to enhanced ESG through initiatives such as the incorporation of dry stack tailings into its DFS Update to reduce the TSF footprint and water consumption by approximately 40%.

High Level Potential Risks and Opportunities from Digbee Assessment

- While improvements have been made, diversity targets for employees remain low. While these targets align with local legislative requirements, they are still below international standards.
- The mine is planned in a water scarce area where the mine operation will have high water consumption. While studies indicate that there is sufficient water to support both the mine and the local towns, a small impact on the water table can affect water access to marginal grazing and subsistence farmers. Careful management is required to ensure the mine does not draw down on groundwater resources to the detriment of the needs of the local community.

ESG Objectives

We are continuing to work on enhancements to our community engagement processes for all our mining and environmental matters. We consider all stakeholders and confirm our commitment to the health and safety of our employees and surrounding communities. Health and safety also remain a top priority. Our ESG objectives include:

- reducing planned water consumption;
- achieving full compliance with regulations and reporting of greenhouse gas emissions;
- achieving minimum impact on vegetation and supporting and enabling local biodiversity;
- reducing planned industrial waste;
- resolving individual community member grievances;
- continuing and improving stakeholder communication and engagement programmes; and
- achieving zero significant environmental incidents.

Environmental

We have commissioned independent environmental site inspections and environmental management program compliance assessments at the Waterberg Project for all our mining and prospecting rights areas. Baseline environmental studies for air quality and water quality are currently underway over the Waterberg Project area. Annual environmental reports are filed with regulators. To date, there have been no significant environmental incidents at our Waterberg operation since exploration began on the property in 2011. As a requirement to the grant of the Waterberg Mining Right an EIA and EMP were filed with governmental regulators after a comprehensive consultation process with communities, regulators, environmental institutions, and other stakeholders over the last ten years. Several independent, third-party specialist consultants completed component studies as a part of the application process. The EIA and EMP were subsequently approved by the relevant regulators.

During 2020, an environmental rehabilitation bond was established for the future costs of mine closure and environmental restoration. As the operations at the Waterberg Project increase, so too will the quantum of this bond.

During 2020, a study examining the use of battery electric equipment for the Waterberg Project was completed and a study examining possible water use reduction and dry stacking solutions for tailings was completed.

Furthermore, the mineral resources targeted at the Waterberg Project are mineable PGEs. These metals are important elements in terms of reducing harmful emissions from internal combustion engines. Platinum is a critical element in fuel cells and the “hydrogen economy” in general, highlighting the mine’s potential to contribute to a cleaner future.

Social

In response to the COVID-19 pandemic, we provided and delivered approximately US\$5,000 in hygiene supplies, medical supplies, and personal protection equipment to local communities near the Waterberg Project. We ensured safe operation of exploration and office facilities during the government mandated and recommended activity suspensions. To date, work

at the Waterberg Project has been related to exploration and engineering activities. Overall safety performance has been very good and strict safety protocols are followed.

We maintain an open communication policy with communities near the Waterberg Project. We responded to concerns raised by individuals regarding water resources, roadways, heritage sites and planned infrastructure locations by thoroughly investigating each reported concern or claim. Meetings were held with community leaders and site inspections occurred with local community members accompanied by independent consultants, NGOs, government agencies and regulators. Although no material issues or events of regulatory non-compliance by the Company have been identified after these investigations, the Company remains committed to operating in a responsible manner and continues to work with local community leadership to ensure any identified issues are resolved in an appropriate and professional manner and in compliance with governing regulations. The Company is in the process of working with local communities to create community trusts. To ensure communities are well represented, we are covering the costs of legal representation for the communities.

Based on community meetings and direct feedback, and in part due to the Company's efforts to engage and support local communities, we believe local community residents support the development of the Waterberg Project and understand the expected economic benefits. Nonetheless, several parties within the local community filed appeals in 2021 objecting to the grant of the Waterberg Mining Right. Waterberg JV Co. responded to each appeal and all appeals were dismissed on October 13, 2022 by the Minister of the DMRE.

Social and Labour Plans

The Waterberg SLP was developed pursuant to DMRE guidelines for social and labour plans and has been submitted in accordance with regulation 46 of the MPRDA. The objective of a social and labour plan is to align the Company's social and labour principles with the related requirements established under Mining Charter 2018. These requirements include promoting employment and avoiding retrenchments, advancement of the social and economic welfare of all South Africans, contributing toward the transformation of the mining industry and contributing towards the socio-economic development of the communities proximal to the Waterberg Project. Contractors will be required to comply with the Waterberg SLP and policies, including commitment to employment equity and BEE, proof of competence in terms of regulations, commitment to undertake training programs, compliance with all policies relating to recruitment, training, health and safety, etc. In terms of human resources training, the Waterberg SLP will establish objectives for adult-based education training, learnerships and development of the skills required by mining industry, portable skills training for transition into industries other than mining, education bursaries and internships. The Waterberg SLP will also establish local economic development objectives for projects such as community centre refurbishment, high school refurbishment, water and reticulation projects, housing development, establishment of recreational parks and various other localized programmes for small scale industry, agriculture, entrepreneurship and health and education.

To support the Waterberg SLP for affected communities near the Waterberg Project, we have budgeted expenditures amounting to an aggregate R428.9 million (\$21.72 million at May 31, 2023) over a five-year period. Expenditures are subject to the grant of all required permits and the commencement of development activities on site. At the end of each five-year period a new social and labour plan will be established, considering actual expenditures to date and changes to adjust for community feedback, needs and preferences. The Waterberg SLP includes the following provisions:

- ***Human Resource Development***

Waterberg JV Co. is aware of the importance of human resources to accomplish its business objectives. Skills development is the foundation for attaining competent and productive employees who can contribute to meeting the mine's business objectives and contribute to the upliftment of their communities through their own personal economic success. The skills development plan for the Waterberg Project budgets R 13.3 million (\$0.67 million at May 31, 2023) for the achievement of future career development opportunities within the mining industry and beyond the needs of the mine's operational requirements. The skills development plan seeks to achieve portable skills through accredited qualification by certified training providers and programmes. Emphasis is to be applied to employment equity and to participation by historically disadvantaged South Africans and women. Learnership, internship, bursary and youth training programs are planned. Targets have been established for procurement and employment levels for women and for people from the local community

- *Local Economic Development*

The Local Economic Development (“LED”) program will seek to enable local communities to become economically stronger by improving infrastructure, business skills, entrepreneurship, job creation and income. An amount of R 405.6 million (\$20.5 million at May 31, 2023) has been budgeted for LED projects seeking to amplify opportunities as well as alleviate poverty within the surrounding communities of the mine. Programmes are to include infrastructure and educational support to local schools, mine and community bulk water supply and reticulation, extension and equipping of existing clinic/health facilities, and road construction.

- *Management of Downscaling*

A budget of R 10.0 million (\$0.51 million at May 31, 2023) has been established for training and skills development. We conducted a social audit and needs and skills assessment of the communities near the Waterberg Project to learn about these communities and to help direct our efforts towards the matters of importance to them. This work will guide our long-term training programs intended to increase skilled employment opportunities for local community members. Investment in human resource development and facilitation of training during the lifetime of the Waterberg Project intends to sustain skills that will support employment for workers beyond the life of the mine. The mine intends to comply with the Basic Conditions of Employment Act and the Department of Labour’s Social Plan Guidelines with the goal of establishing skills that will be of value to employees at a future time of downscaling and retrenchment.

Governance

The Company has a Governance and Nomination Committee to ensure good corporate governance in the Company’s stewardship. The committee’s responsibilities include, but are not limited to:

- reviewing and making recommendations relating to respecting good corporate governance and the board’s stewardship role in the management of the Company;
- the regular evaluation of the effectiveness of the board, its members, its committees and their charters;
- the evaluation of the performance of individual directors, the board, and committees of the board;
- the performance evaluation of the chairperson of the board and the chairperson of each board committee;
- the performance evaluation of the CEO and CFO, including performance against corporate objectives;
- CEO and CFO succession planning;
- overseeing compliance with the Company’s Code of Business Conduct and Ethics, monitoring compliance with the code, investigating any alleged breach or violation of the code, authorizing any waiver granted in connection with the code; and
- overseeing compliance with any rules, regulations or guidelines promulgated by regulatory authorities relating to corporate governance.

On April 30, 2021, the Company established an Environmental, Health and Technical Advisory Committee, comprised of cross-disciplinary directors, to oversee capital projects and material transactions undertaken by the Company, its subsidiaries or its affiliates from an environmental, technical, financial and scheduling perspective and to be responsible for developing and monitoring standards for ensuring a safe and healthy work environment and to promote sustainable development.

The Company is subject to anti-corruption laws and regulations, including the Canadian Corruption of Foreign Public Officials Act and certain restrictions applicable to U.S. reporting companies imposed by the U.S. Foreign Corrupt Practices Act of 1977, as amended, and similar anti-corruption and anti-bribery laws in South Africa, that prohibit companies from bribing or making other prohibited payments to public officials to obtain or retain an advantage in the course of business.

The Company has previously adopted a Code of Business Conduct and Ethics, a Clawback Policy, and a Whistleblower Policy, amongst other customary codes and committees.

We also adhere to the corporate governance policies of the Toronto Stock Exchange and the NYSE American, LLC.

On February 28, 2023, the Company held its Annual General Meeting. All resolutions were passed in the form proposed by an affirmative vote of the shareholders.

3. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

A) Liquidity and Capital Resources

Recent Equity Financings

On February 5, 2021, the Company announced an equity distribution agreement with BMO Capital Markets whereby the Company could sell its Common Shares from time to time for up to \$50 million in aggregate sales proceeds in “at the market” transactions (the “**2021 ATM**”). In aggregate to May 27, 2022 the Company sold 10,426,632 Common Shares in the 2021 ATM at an average price of US\$2.94 for gross proceeds of US\$30.6 million. As a portion of the total 2021 ATM sales, during the fiscal year ending August 31, 2022 the Company sold 7,923,842 Common Shares at an average price of US\$2.48 per share for net proceeds of \$19.7 million. No shares were sold subsequent to May 27, 2022 and the term of the 2021 ATM expired in June 2022.

On February 4 and 10, 2022, the Company issued 7,073,746 and 4,719,763 shares respectively at a price of US\$1.695 to purchase and repay the Company’s \$19.99 million aggregate principal amount of 6 7/8% convertible senior subordinated notes maturing July 1, 2022 (the “**Convertible Notes**”).

On February 11, 2022, the Company closed a non-brokered private placement with Deepkloof Limited (“Deepkloof”) for 3,539,823 Common Shares at a price of US\$1.695 each for gross proceeds of \$6 million (the “**February 2022 HCI PP**”) maintaining HCI’s indirect ownership in the Company at approximately 26% at that time of the financing. Pricing for the February 2022 HCI PP was set to be consistent with the Company’s shares issued to repay the Convertible Notes.

On June 21, 2022, the Company filed a new final short form base shelf prospectus (the “**Shelf Prospectus**”) with the securities regulatory authorities in each of the provinces and territories of Canada and a corresponding registration statement on Form F-10 (the “**Registration Statement**”) with the SEC under the Multijurisdictional Disclosure System established between Canada and the United States.

Pursuant to the Shelf Prospectus and the Registration Statement, the Company may offer and sell in Canada or the United States, Common Shares, debt securities, warrants, subscription receipts, or a combination thereof up to an aggregate initial offering price of \$250 million from time to time, separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the offering and as set out in an accompanying prospectus supplement, during the 25-month period that the Shelf Prospectus and the Registration Statement remain effective.

On July 27, 2022, the Company filed a supplement to the Shelf Prospectus and announced a new equity distribution agreement with BMO Capital Markets and BMO Nesbitt Burns Inc. whereby the Company can sell its Common Shares from time to time until July 21, 2024 for up to \$50 million in aggregate sales proceeds in “at the market” transactions (the “**2022 ATM**”). No common shares were sold pursuant to the 2022 ATM prior to August 31, 2022. For the nine-month period ending May 31, 2023, the Company has sold 1,089,503 shares at an average price of US\$1.81 for gross proceeds of \$1.98 million and net proceeds of \$1.6 million after deducting fees and expenses including \$0.05 paid to BMO Capital Markets. Of this amount 45,934 shares were sold during the three-month period ended May 31, 2023 at an average price of US\$1.75 for gross proceeds of \$0.08 million and net proceeds of \$0.08 million after deducting \$0.002 million in fees paid to BMO Capital Markets.

The following reconciles the use of gross proceeds to recent financings and share issuances as at May 31, 2023 (*in thousands of dollars*):

Use of Proceeds	2021 ATM Offering	Repayment of Convertible Notes	February 11, 2022 Private Placement	2022 ATM Offering	Aggregate Proceeds	Actual Use of Proceeds to May 31, 2023
Repayment of the Sprott Facility	\$6,400	\$0	\$3,000	\$0	\$9,400	\$9,400
Repayment of Convertible Notes	\$0	\$19,990	\$0	\$0	\$19,990	\$19,990
General corporate purposes	\$13,300	\$0	\$3,000	\$1,975	\$18,275	\$16,116
TOTAL	\$19,700	\$19,990	\$6,000	\$1,975	\$47,665	\$45,506

Convertible Notes

On June 30, 2017, the Company closed a private placement of \$20 million aggregate principal amount of convertible senior subordinated notes due in 2022 (the “**Convertible Notes**”). The Convertible Notes bore interest at a rate of 6 7/8% per annum, payable semi-annually in cash or at the election of the Company, in common shares of the Company or a combination of cash and common shares.

On January 20, 2022, the Company announced the purchase and cancellation, on a private placement basis, of the \$19.99 million of Convertible Notes then outstanding. The principal outstanding balance of these Convertible Notes was repaid through the issuance of 11,793,509 common shares, at a price of US\$1.695 per share. The Company purchased \$11.99 million of the Convertible Notes from an affiliate of Kopernik Global Investors, LLC on February 4, 2022 and \$8 million of the Convertible Notes from affiliates of Franklin Templeton Investments on February 10, 2022.

Sprott Facility

On August 15, 2019, the Company announced it had entered a senior secured credit facility (the “**Sprott Facility**”) with Sprott Private Resource Lending II (Collector), LP (“**Sprott**”) and other lenders party thereto. The credit facility was due to mature on August 14, 2022. The credit facility was fully repaid in February 2022 and the Company’s pledge of its South African assets as security against the Sprott Facility have been fully released.

Liquidity

The Company currently has limited financial resources and does not generate revenue from the Waterberg Project. However, the Company has repaid in full both the Sprott Facility and the Convertible Notes, leaving the Company with materially reduced cash obligations over the next 12 months (see below). Current cash on hand (\$8.2 million at May 31, 2023) is projected to be sufficient to cover the Company’s budgeted expenditures over the next 12 months. Should the Company decide to begin construction of the Waterberg Mine in the next 12 months additional financing would be required.

Rising global inflation and increased potential supply chain disruptions could have a significant impact on the Company’s operations and costs.

Contractual Obligations

The following table discloses the Company’s contractual obligations as at May 31, 2023 (*in thousands of dollars*):

	Payments Due by Year				
	< 1 Year	1 – 3 Years	4 – 5 Years	> 5 Years	Total
Lease Obligations	\$ 114	\$ 285	\$ 175	\$ -	\$ 574
Environmental Bonds	41	123	82	-	246
Totals	\$ 155	\$ 408	\$ 257	\$ -	\$ 820

Other contingencies: Refer to section 8 below – Risk Factors.

Accounts Receivable and Payable

Accounts receivable at May 31, 2023, totaled \$0.4 million (August 31, 2022 - \$0.4 million) being comprised mainly of South African value added taxes.

Accounts payable and accrued liabilities at May 31, 2023, totaled \$0.6 million (August 31, 2022 - \$1.1 million).

B) Results of Operations

Nine Month Period ended May 31, 2023

For the nine-month period ended May 31, 2023, the Company incurred a net loss of \$4.0 million (May 31, 2022 - \$7.3 million loss). General and administrative expenses totaled \$2.9 million in the nine-month period (May 31, 2022 - \$3.3 million) with the decrease due to reduced legal fees incurred in the current period. For the nine-month period ended May 31, 2023, there were no interest expenses (May 31, 2022 - \$1.7 million) as both the Convertible Notes and Sprott Facility were fully repaid in the second quarter of fiscal 2022. During the nine month period ended May 31, 2023, a foreign exchange gain of \$0.3 million was recognized primarily on cash held by the Company (May 31, 2022 - \$0.1 million loss). Joint Venture expenditures for Lion amounted to \$0.3 million in the nine-month period (May 31, 2022 - \$0.3 million). Finance income of \$0.5 million was recognized in the current period (May 31, 2022 - \$0.1 million) with the increase due to higher interest rates and higher average cash balances in the current period. In the prior comparable period, the Company wrote-off \$0.2 million in previously capitalized costs on prospecting rights the Company chose to close (May 31, 2023 - \$Nil). Stock compensation expense was \$1.6 million during the current nine-month period (May 31, 2022 - \$1.7 million). The currency translation adjustment recognized in the nine-month period ended May 31, 2023 was a loss of \$6.1 million (May 31, 2022 - \$2.8 million loss) due predominantly to the Rand decreasing in value relative to the U.S. Dollar during the period. During the nine-month period ended May 31, 2023, \$3.5 million was spent at the Waterberg Project (May 31, 2022 - \$2.6 million).

Three Month Period May 31, 2023

For the three-month period ended May 31, 2023, the Company incurred a net loss of \$1.2 million (May 31, 2022 - \$1.3 million). General and administrative expenses totaled \$0.9 million in the current quarter (May 31, 2022 - \$0.8 million). For the three-month period ended May 31, 2023, there were no interest expenses (May 31, 2022 - \$Nil) as both the Convertible Notes and Sprott Facility were repaid in the second quarter of fiscal 2022. Stock compensation expense was \$0.5 million during the current three-month period (May 31, 2022 - \$0.4 million). The currency translation adjustment recognized in the three-month period ended May 31, 2023 was a loss of \$2.9 million (May 31, 2022 - \$0.4 million loss) due predominantly to the Rand decreasing in value by 7.5% relative to the U.S. Dollar during the current three month period. During the three-month period ended May 31, 2023 \$1.4 million was spent at the Waterberg Project (May 31, 2022 - \$0.6 million).

Quarterly Financial Information

The following tables set forth selected quarterly financial data for each of the last eight quarters (*In thousands of dollars, except for share data*):

Quarter ended	May 31, 2023	Feb. 28, 2023	Nov. 30, 2022	Aug. 31, 2022
Net finance income ⁽¹⁾	\$ 144	\$ 183	\$ 138	\$ 85
Net loss ⁽²⁾	1,236	1,199	1,614	990
Basic loss per share ⁽³⁾	0.01	0.01	0.02	0.01
Total assets	48,169	51,150	54,545	53,679
Quarter ended	May 31, 2022	Feb. 28, 2022	Nov. 30, 2021	Aug. 31, 2021
Net finance income ⁽¹⁾	\$ 40	\$ 26	\$ 25	\$ 24
Net loss ⁽²⁾	1,310	2,634	3,316	4,228
Basic loss per share ⁽³⁾	0.01	0.03	0.04	0.06
Total assets	58,246	53,859	50,994	51,199

Notes:

- (1) The Company earns income from interest bearing accounts and deposits. Rand balances earn higher rates of interest than can be earned at present in Canadian or U.S. Dollars. Interest income varies relative to cash on hand.
- (2) The Company fully repaid its outstanding loan and convertible debt in the quarter ended February 28, 2022, thus eliminating interest expenses and reducing net losses from the quarter ended February 28, 2022 onwards.
- (3) Basic loss per share is calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method to calculate diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In periods when a loss is incurred, the effect of share issuances under options would be anti-dilutive, resulting in basic and diluted loss per share being the same.

4. DIVIDENDS

The Company has never declared nor paid dividends on its Common Shares. The Company has no present intention of paying dividends on its Common Shares, as it anticipates that in the foreseeable future all available funds will be invested to finance its business. The Company plans to consider a dividend policy upon the establishment of positive cash flow.

5. RELATED PARTY TRANSACTIONS

All amounts receivable and accounts payable owing to or from related parties are non-interest bearing with no specific terms of repayment. All related party transactions are in the normal course of business and are recorded at consideration established and agreed to by the parties. Transactions with related parties are as follows (*in thousands of dollars*):

- (i) During the nine-month period ended May 31, 2023, an amount of \$234 (May 31, 2022 – \$208) was paid or accrued to independent directors for directors' fees and services.
- (ii) During the nine-month period ended May 31, 2023, the Company was paid or accrued payments of \$40 (May 31, 2023 - \$43) from West Vault Mining Inc., a company with one officer in common, for accounting and administrative services.
- (iii) In fiscal 2018, Company closed a private placement with Deepkloof whereby HCI acquired a right to nominate one person to the board of directors of the Company (which has been exercised) and a right to participate in future equity financings of the Company to maintain its pro-rata interest. During the year ended August 31, 2022, the Company closed a non-brokered private placement with Deepkloof for 3,539,823 Common Shares at a price of US\$1.695 per share for gross proceeds of \$6 million, maintaining HCI's indirect ownership in the Company at approximately 26% at the time of the private placement. At May 31, 2023, HCI's indirect ownership of the Company was reported at 24,837,349 Common Shares, representing a 24.8% interest in the Company.
- (iv) During the year ended August 31, 2022, the Company purchased and cancelled on a private placement basis the outstanding principal balance of \$8 million of the Convertible Notes from affiliates of Company shareholder Franklin Templeton Investments. The Company does not have any further ongoing contractual or other commitments with respect to the Convertible Notes.

6. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities nor is it party to any off-balance sheet arrangements.

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of Common Shares authorized for issuance without par value. At both May 31, 2023 and at July 13, 2023, there were 100,251,980 Common Shares, 4,883,837 incentive stock options and 472,440 restricted share units outstanding.

8. RISK FACTORS

The Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on results, business prospects or financial position. For a comprehensive list of the risks and uncertainties affecting our business, please refer to the section entitled "Risk Factors" in the 2022 AIF and 2022 40-F, and the documents incorporated by

reference therein. The Company's 2022 AIF and 2022 40-F may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Certain risk factors are discussed below in more detail.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy, supply chain and financial markets. Russia's 2022 invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the company's business and financial condition.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing, and unforeseeable impacts may materialize, and may have an adverse effect on the Company's business, results of operations and financial condition.

Africa Wide Legal Action

On April 26, 2018 a transaction was completed selling 100% of the share interests in Maseve Investments 11 (Pty) Ltd. ("**Maseve**") to Royal Bafokeng Platinum Limited ("**RBPlat**") in a transaction valued at approximately US \$74.0 million. Maseve owned and operated the Maseve Mine. Africa Wide Mineral Prospecting and Exploration Proprietary Limited ("**Africa Wide**") was required to simultaneously sell its 17.1% interest together with the Company's 82.9% interest in Maseve.

In September 2018, Africa Wide instituted legal proceedings in South Africa against PTM RSA, RBPlat and Maseve seeking to set aside the sale of Maseve. A trial to hear evidence occurred in the High Court of South Africa in October, 2021. On June 14, 2022, the High Court dismissed Africa Wide's challenge. Africa Wide appealed the ruling, which was ultimately dismissed by the South Africa Supreme Court of Appeal on November 10, 2022. Africa Wide was ordered to make payment of the defendants' costs. The Company has made no accruals for the award of costs due to the uncertainty of the recoverable amount.

On July 10, 2023, the Company received notice that Africa Wide had applied for a reconsideration of the ruling of the Supreme Court of Appeal. Notwithstanding the lack of merit and unusual nature of this application, it was filed nearly seven months past the deadline for such a submission. The Company is opposing this application.

9. OUTLOOK

The Company's key business objective is to advance the Waterberg Project to a development and construction decision. Before a construction decision can be undertaken arrangements will be required for project financing and concentrate offtake or processing. The Company and Waterberg JV Co. are assessing commercial alternatives for mine development, concentrate offtake and financing.

The Work Program now underway (described above) will focus on initial road access, water supply, essential site facilities, a first phase accommodation lodge, a site construction power supply from ESKOM and advancement of the Waterberg SLP. Under the Work Program, the DFS Update (described above) is also planned, including a review of cut-off grades, mining methods, infrastructure plans, scheduling, concentrate offtake, dry stack tailings, costing and other potential revisions to the project's financial model. Once complete, the DFS Update will provide updated estimates of project capital requirements and peak funding.

As discussed above, the Company is conducting research and formal studies to evaluate the economic feasibility of establishing a smelter and base metal refinery business, jointly with third-party investors, capable of processing Waterberg concentrate as an alternative to a traditional concentrate offtake arrangement. Discussions with potential participating partners for such a matte furnace are in process. Discussions are also underway with existing smelter/refinery operators in South Africa who may be interested to enter formal concentrate offtake arrangements for the Waterberg Project.

Project financing to meet peak funding requirements for the Waterberg Project as estimated in the Waterberg DFS is currently envisaged to be provided by approximately \$200 million from Waterberg JV Co. shareholders, approximately \$300 million from a metal stream arrangement, and approximately \$100 to \$150 million from a secured loan facility. Discussions and negotiations with potential financiers on the foregoing are underway. Capital cost estimates are subject to market conditions, which have been generally inflationary, and will be updated as a component to the DFS Update.

Notwithstanding some weakness during 2020 due to the economic effects of the COVID-19 pandemic, the markets for PGEs generally improved over the last several years until peaking in 2021. In the last year, PGE prices were somewhat volatile due to geopolitical tensions caused by the threat of Russian PGE exports being cut back or sanctioned, representing a significant supply risk. Major South African PGE producers are currently operating under recent wage settlement agreements. Supply risk due to union strike action at present appears to be unlikely. Power shortages due to rolling blackouts implemented by South African power utility Eskom are beginning to negatively impact PGE production in South Africa. The projected market penetration of battery electric vehicles in the future could soften the market for palladium in the longer term as demand for internal combustion engines with catalytic converters is potentially reduced. Other metals to be produced at Waterberg, being platinum, rhodium, gold, copper and nickel, are expected to see strong demand and prices in the longer term. Copper and nickel are important metals for battery electric vehicles and other electrical equipment. Platinum is projected to see strong pricing looking forward due to supply constraints and increased demand for utilization in hydrogen fuel cells and the equipment used to produce hydrogen.

As the world seeks to decarbonize and look for solutions to climate change, the unique properties of PGEs as powerful catalysts are being applied to various technologies as possible solutions for more efficient energy generation and storage. The Company's battery technology initiative through Lion with Amplats represents a new opportunity in the high-profile lithium battery research and innovation field. The investment in Lion creates a potential vertical integration with a broader industrial market development strategy to bring new technologies to market which use palladium and platinum. Research and development efforts by FIU on behalf of Lion continue. Technical results from Lion's research may have application to most lithium-ion battery chemistries and the scope of Lion's research work is being expanded. Senior officers of the Company and Lion partner Amplats spent time together at FIU in 2022 to review progress by the Lion research team and plan for the possible future commercialization of Lion's technology.

As well as the discussions within this MD&A, the reader is encouraged to also see the Company's disclosure made under the heading "Risk Factors" in the Company's 2022 AIF and separate 2022 40-F.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's consolidated financial statements in conformity with IFRS required management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as income and expenses. The Company's accounting policies are described in Note 2 of the Company's audited financial statements for the year ended August 31, 2022.

Determination of ore reserve and mineral resource estimates

The Company estimates its ore reserves and mineral resources based on information compiled by Qualified Persons as defined by NI 43-101. Reserves determined in this way are used in the calculation of depreciation, amortization and impairment charges, and for forecasting the timing of the payment of closure and restoration costs. In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation and they may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves being restated. Such changes in reserves could impact depreciation and amortization rates, asset carrying values and provisions for closure and restoration costs.

Assumption of control of Mnombo and Waterberg JV Co. for accounting purposes

The Company has judged that it controls Mnombo for accounting purposes as it owns 49.9% of the outstanding shares of Mnombo and has contributed all material capital to Mnombo since acquiring its 49.9% share. From inception to date, the Company has funded both the Company's and Mnombo's share of expenditures on the Waterberg Project. At May 31, 2023, Mnombo owed the Company approximately \$7.1 million for funding provided. Currently there are no other sources

of funding known to be available to Mnombo. If in the future Mnombo is not deemed to be controlled by the Company, the assets and liabilities of Mnombo would be derecognized at their carrying amounts. Amounts recognized in other comprehensive income would be transferred directly to retained earnings. If a retained interest remained after the loss of control, it would be recognized at its fair value on the date of loss of control. Although the Company controls Mnombo for accounting purposes, it does not have omnipotent knowledge of Mnombo's other shareholders activities. Mnombo's 50.01% shareholders are historically disadvantaged South Africans. The Company also determined that it controls Waterberg JV Co. given its control over Mnombo as well as its power over the investee.

Assessment of impairment indicators for mineral properties and exploration and evaluation assets

The Company applies judgement to assess whether there are impairment indicators present that give rise to the requirement to conduct an impairment test. Events or changes in circumstances that could trigger an impairment test include; (i) significant adverse changes in the business climate including changes in forecasted future metal prices; (ii) significant changes in the extent or manner in which the asset is being used or its physical condition including significant decreases in mineral reserves; and (iii) significant decreases in the market price of the assets.

11. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to both the SEC and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the applicable securities legislation is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There has been no change in our internal control over financial reporting during the period ended May 31, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

12. OTHER INFORMATION

Additional information relating to the Company for the period ended May 31, 2023, may be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Readers are encouraged to review the Company's audited financial statements for the year ended August 31, 2022 together with the notes thereto as well as the Company's 2022 40-F and separate 2022 AIF filed in Canada.

13. LIST OF DIRECTORS AND OFFICERS

Directors

Diana Walters	Stuart Harshaw
Frank R. Hallam	John Copelyn
Timothy Marlow	Mpho Makwana

Officers

Frank R. Hallam (President & CEO)
Greg Blair (CFO)
Kris Begic (VP, Corporate Development)
Mimy Fernandez-Maldonado (Corporate Secretary)