



ANNUAL INFORMATION FORM

For the year ended December 31, 2016

DATED: June 13, 2017

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PRELIMINARY NOTES

All financial information in this AIF is prepared in accordance with International Financial Reporting Standards.

CURRENCY

All dollar amounts are expressed in US dollars unless otherwise indicated, as the Company's financial statements are reported in US dollars. Platinum group metals are based in US dollars and the Company's costs are incurred principally in South African Rand and Canadian dollars.

MEASUREMENTS

Conversion of metric units into imperial equivalents is as follows:

Metric Units	Multiply by	Imperial Units
hectares	2.471	= acres
metres	3.281	= feet
kilometres	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tonnes	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton

DEFINITIONS FOR MINERAL SYMBOLS

Pt – Platinum; Pd – Palladium; Rh – Rhodium; Os – Osmium; Ir – Iridium; Ru – Ruthenium; Au – Gold; Cu – Copper; Ni – Nickel and Cr – Chromium.

FORWARD-LOOKING STATEMENTS/RESERVES

This AIF contains certain “forward-looking statements” or “forward-looking information” (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or are events or conditions that “will”, “would”, “may”, “could” or “should” occur or be achieved. This AIF contains forward-looking statements, pertaining to, among other things, the following: the expectations and beliefs of New Management; the long-term price of PGM and exchange rates; the estimation of mineral reserves and resources, and the realization of mineral reserve estimates in future expected production; anticipated future capital and operating costs; potential joint ventures and business combinations; the potential of the Company's properties and expectations of growth; conclusions of assessments of the Company's projects; expectations regarding the outcome of the CRM transaction; expectations regarding potential litigation; fluctuations in currency markets; the future funding of the Company's projects; the future development of the Company's projects; the likelihood of re-commencing operations at certain of the Company's mines; economic, political and regulatory conditions; the Company's expectations regarding regulation changes in South Africa; the Company's intention to conduct business in certain jurisdictions and the Company's plans for its properties.

With respect to the forward-looking statements contained in this AIF, assumptions have been made regarding, among other things: the Company's ability to complete or otherwise to resolve the CRM Transaction and the BEE Buyout Agreements; the resolution of the black economic empowerment requirements; the price of PGM; fluctuations in currency markets; inflation; the regulatory framework in the jurisdictions that the Company conducts its business; operating cost; the accuracy of certain reserves analysis and the Company's ability to obtain financing on acceptable terms and litigation outcome.

Forward-looking statements are subject to all of the risks and uncertainties normally incident in the mining and development of PGM that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risks include, but are not limited to: the risk of fluctuations in the assumed exchange rates of currencies that directly impact the Company, such as the Canadian dollar, Rand and U.S. dollar; the risk of fluctuations in the assumed prices of PGM and other commodities; the risk of changes in government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company carries, or may carry on business in the future; risks associated with mining or development activities; the speculative nature of exploration and development, including the risk of obtaining necessary licences and permits, assumed quantities or grades of reserves and certain other known and unknown risks detailed from time to time in the Company's public disclosure documents, copies of which are available on the Company's SEDAR profile at www.sedar.com. Many of these uncertainties can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The Company's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

GLOSSARY

The following definitions apply throughout this document, unless the context otherwise requires:

“Acquisition” also known as a takeover, is the buying of one company (the “target”) by another;

“Afriminerall” means Afriminerall Holdings (Pty) Ltd.;

“AMSL” means above mean sea level;

“Barplats” means Barplats Investments Limited, a company incorporated in South Africa;

“BCX” means the Bushveld Complex in South Africa;

“BEE” means Black Economic Empowerment in South Africa, which seeks to increase the ownership and management of South Africa’s resources by historically disadvantaged persons;

“BML” means Barplats Mines Limited, a company incorporated in South Africa;

“Board” or “Directors” means the board of directors of the Company for the time being, including a duly constituted committee of the Directors;

“BRC” means bottom of reef contact;

“Bushveld” means the Bushveld Complex in South Africa;

“CL” means chromitite layer;

“Company” or “Eastplats” means Eastern Platinum Limited, a company existing under the *Business Corporations Act* (British Columbia);

“CRM” means the Crocodile River Mine, comprising the Company’s PGM mineral rights located on the eastern portion of the western limb of the BCX, in the North West Province, South Africa;

“DME” means the Department of Minerals and Energy of South Africa;

“DMR” means the Department of Mineral Resources of South Africa, which was previously called the Department of Minerals and Energy;

“Eastplats Holdings” means Eastern Platinum Holdings Ltd., a wholly owned subsidiary of Eastern Platinum Limited, a BVI corporation that directly owns 74 percent of Spitzplats;

“Elgin” means Elgin Resources Inc., a company which was incorporated in Alberta and continued in British Columbia under the *Business Corporations Act* (British Columbia);

“Empowerment Charter” means the Broad-Based Socio-Economic Empowerment Charter of South Africa;

“Former Management” means the Board of Directors and Officers prior to July 5, 2016, specifically the CEO David Cohen and the CFO Horng Dih Lee;

“Gubevu” means Gubevu Consortium Investment Holdings (Proprietary) Limited, a private company incorporated in South Africa which holds 26% of the issued share capital of Barplats Investments Ltd.;

“HDSAs” means historically disadvantaged South Africans;

“Impala” means Impala Platinum Holdings Ltd.;

“IRS” means Impala Refining Services Limited;

“Jonpol” means Jonpol Explorations Limited, a company which was formed under the laws of the Province of Ontario by articles of amalgamation dated August 31, 1989;

“JORC Code” means the Australasian Code for Reporting of Mineral Resources and Ore Reserves of December 2012, as prepared by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;

“JSE” means the Johannesburg Stock Exchange in South Africa;

“Kennedy’s Vale Project” means the Company’s PGM prospecting and mineral rights to the Kennedy’s Vale Project located on the eastern limb of the BCX, in Limpopo Province, South Africa;

“LRA” means the *Labour Relations Act 66 of 1995*;

“Mareesburg Project” means the PGM mineral rights to the Company’s Mareesburg PGM deposit located on the eastern limb of the BCX in Limpopo Province, South Africa;

“Minerals Act” means the South African *Minerals Act, 1991*;

“MPRDA” means the *Mineral and Petroleum Resources Development Act, 2002*;

“New Act” means the South African *Mineral and Petroleum Resources Development Act, 2002*;

“New Management” means the Board of Directors and officers following the annual general meeting of the Company held on July 5, 2016;

“PGM(s)” means platinum group metals, consisting of platinum, palladium, rhodium, iridium, ruthenium and osmium;

“Projects” means the CRM, Kennedy’s Vale project, Spitzkop project and Mareesburg Project ;

“RLS” means the Rustenburg Layered Suite;

“Spitzkop Project” or “Spitzkop” means the Company’s PGM prospecting and mineral rights to the Spitzkop PGM deposit located on the eastern limb of the BCX in Limpopo Province, South Africa;

“Spitzplats” means Spitzkop Platinum (Pty) Ltd., a South African corporation that holds a 50 percent joint venture interest in the Spitzkop PGM Project with the Company;

“TRC” means top reef contact;

“TSX” means the Toronto Stock Exchange;

“UCZ” means Upper Critical Zone;

“Usiba” means Usiba Resources (Pty) Ltd., a South African company controlled by the estate of the late Mr. Zwelakhe Sisulu; and

“ZAR” refers to South African Rand, the lawful currency of South Africa.

CORPORATE STRUCTURE

NAME AND INCORPORATION

Eastern Platinum Limited was formed pursuant to an amalgamation agreement dated April 25, 2005, under the *Business Corporations Act* (British Columbia). The predecessor companies were Elgin and Jonpol. The Company's head office is located at 1080-1188 West Georgia Street, Vancouver, B.C. V6E 4A2, Tel: 604-800-8200, Fax: 604-210-4516, website: www.eastplats.com. Its registered and records office is located at 2900 - 550 Burrard Street, Vancouver, B.C. V6C 0A3.

SUBSIDIARIES

The following sets forth all of the Company's subsidiaries, their jurisdictions of incorporation and the percentage of their voting securities held by the Company as at June 13, 2017:

Name of Subsidiary	Jurisdiction of Incorporation	Percentage Ownership
Royal Anthem Investments 134 (Pty) Ltd. ⁽²⁾	South Africa	100%
Lion's Head Platinum (Pty) Ltd. ⁽¹⁾	South Africa	74% ⁽³⁾
Mareesburg Joint Venture	South Africa	87% ⁽³⁾
Afrimineral Holdings (Pty) Ltd. ⁽²⁾	South Africa	49% ⁽³⁾
Spitzkop Platinum (Pty) Ltd. ⁽¹⁾	South Africa	86.74% ⁽³⁾
Spitzkop Joint Venture	South Africa	93.37% ⁽³⁾
Eastern Platinum Holdings Ltd. ⁽²⁾	British Virgin Islands	100%
Eastplats International Incorporated ⁽²⁾	Barbados	100%
Eastplats Acquisition Co. Ltd. ⁽²⁾	British Virgin Islands	100%
Eastplats Holdings Limited ⁽²⁾	British Virgin Islands	100%
Guebevu Consortium Investments Holdings (Pty) Ltd. ⁽²⁾	South Africa	49.99% ⁽³⁾
Barplats Investments Limited ⁽²⁾	South Africa	87.49% ⁽³⁾
Barplats Mines Limited ⁽¹⁾	South Africa	87.49% ⁽³⁾
Barplats Mines (North West) (Pty) Limited ⁽²⁾	South Africa	87.49% ⁽³⁾
Rhodium Reefs Limited ⁽¹⁾	South Africa	87.49% ⁽³⁾

NOTES:

- (1) Holder of new order mining rights and/or prospecting rights
- (2) Holding company
- (3) Direct and indirect ownership

GENERAL DEVELOPMENT OF THE BUSINESS

HISTORY

The Company's common shares commenced trading on the TSX on January 10, 2005 under the symbol ELR, and on the JSE on May 21, 2007, under the symbol EPS.

In 2012, due to the uncertain outlook in the global economic environment, particularly in Europe, stagnant PGM pricing and the operating environment in South Africa, the development of the Eastern Limb Projects was suspended. In August 2013, the CRM was placed on care and maintenance. A further deterioration of PGM pricing continued until in 2016 some recoveries occurred in commodities and PGM pricing. Due to contracts, the Company's markets are in South Africa, but the ultimate destination is global and pricing is determined by the global market. As a result, no mining revenue producing operations are currently active and New Management continues to assess the optimal path forward. Production will not resume until it is clear that the factors contributing to the care and maintenance decision have changed.

On November 7, 2014, the Company entered into an agreement with Hebei Zhongbo Platinum Co. Limited ("HZP") whereby HZP would acquire all of the Company's South African PGM business, including the CRM, Kennedy's Vale Project, Spitzkop Project and Mareesburg project and their associated mining and prospecting rights, all of the Company's subsidiaries, a majority of the interests held by the Company's existing minority partners and all loan agreements that the Company has with its subsidiaries, for cash consideration of \$225,000,000 and estimated net proceeds of \$175,522,000. On November 9, 2015, as a result of inquiries, the Company was advised that Beijing Hehe Fengye Investment Co. Ltd. ("Beijing Hehe")'s approval as a shareholder of HZP was required to approve the HZP agreement and Beijing Hehe had stated that it did not intend to provide such approval. The shareholders of HZP were engaged in a process to resolve certain differences and until such resolution occurred, the transaction would not proceed. As a result of the June 28, 2016 agreement below this agreement ended.

On June 28, 2016, Former Management purported to enter into a share purchase agreement (the "CRM Purchase Agreement") with Hebei Zhongheng Tianda Platinum Co. Limited ("HZT"), a company incorporated in the People's Republic of China, whereby HZT would acquire a 100% interest in Barplats Mines Limited and associated intercorporate investments and loans for total consideration of \$50,000,000 (the "CRM Transaction"). Pursuant to that agreement, HZT could be required to forfeit up to \$10,000,000 in the event it fails to meet obligations and the Company could be required to pay a \$5,000,000 break fee in the event the Company fails to meet its obligations. Both HZT and the Company agreed to place the prepayment and break fee into an escrow account. On June 28, 2016, the Company made its required \$5,000,000 deposit (the "CRM Deposit) and on July 5, 2016, HZT made an initial \$5,000,000 deposit, followed on September 21, 2016 with a second deposit of \$5,000,000.

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

On June 30, 2016, Former Management caused the Company to enter into share purchase agreements (the "BEE Buyout Agreements") with Ingwenya Incorporated ("Ingwenya") and Serina Service AG ("Serina") (Ingwenya and Serina, collectively the "Vendors") to acquire all of the Company's black economic empowerment partners' (the "BEE Partners") interests in the Company's South African projects, except for a 17.65% equity interest in Afriminerals Holdings (Pty) Ltd. ("Afriminerals"), for a total of \$13,366,609. The Vendors represented to the Company that they are or will be the registered and beneficial owners of

the respective equity interests in the Company's South African projects as at the closing date under the BEE Buyout Agreements. The transactions under the BEE Buyout Agreements consist of the acquisition of:

- (a) Ingwenya's 44.12% equity interest in Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") for a total of \$8,954,658 and an 18% equity interest in Lion's Head Platinum (Pty) Ltd. ("Lion's Head") for \$1,099,247; and
- (b) Serina's 8% interest in Lion's Head for \$501,648, a 5.89% equity interest in Gubevu for \$1,194,303 and a 33.35% equity interest in Afriminerals for \$1,616,753

(collectively, the "BEE Buyout Transaction").

Pursuant to the BEE Buyout Agreements, Former Management caused 100% of the consideration to be placed (the "Escrow Funds") with an escrow agent and subsequently caused the Escrow Funds to be released to the Vendors upon the change of control of the Company which occurred upon the election of the New Board of Directors on July 5, 2016.

As at December 31, 2016, the BEE Buyout Transaction had not been completed. New Management has been actively investigating the Company's rights and obligations under the BEE Buyout Agreements and the related transactions between parties. The Company is working on determining the actions and steps necessary to complete, terminate or otherwise resolve the BEE Buyout Transactions. The Company's ability to complete the BEE Buyout Transactions has been impeded by the difficulty to access the underlying documents and agreements, the cooperation of various parties and the review of the implications of the BEE Buyout Agreements under the Company's mining rights and certain provisions under the *Mineral & Petroleum Resources Development Act* (South Africa) (the "MPRDA"). The Company has recently concluded an extensive investigation into certain actions taken by Former Management and others including in connection to the BEE Buyout Transaction. The investigation provided the Company with sufficient information regarding the recording and disclosure of the BEE Buyout Transaction. The payments in the amount of \$13,366,609, made from the escrow agent to the Vendors in July 2016, was recorded as prepayments in the Company's consolidated statement of financial position, but an allowance equal to the entire value has been recorded due to the above-mentioned uncertainty.

NARRATIVE DESCRIPTION OF THE BUSINESS

The Company is engaged in the acquisition, exploration and development of PGM with interests in four PGM projects in the western and eastern limbs of the BCX: CRM, the Kennedy's Vale Project, the Spitzkop Project and the Maresburg Project. These four projects plus corporate make up the Company's five reportable segments. Barbados, BVI and Canada collectively are the corporate segment.

The Company is obligated to sell any of its concentrate from CRM and Kennedy's Vale, none has been produced during 2016 nor is anticipated to be produced until changes in the PGM industry occur, to one customer in South Africa under the terms of a refining contract. The life of the contract was estimated to be 2019 based on the renewal terms.

Although we have four projects, as we are in care and maintenance we operate a centralized South African operation with the majority of the Company's people at the CRM. We employ or contract all critical and key personnel to ensure we have the specialized mining skills available including, mining engineers, geologists, mechanical engineers, environmental specialists, experienced PGM miners, commodity traders and trading and qualified safety personnel. The Company also ensures that we employ or contract highly skilled, legal, finance and human resource professionals as well as other administrative or protection personnel to run an effective and efficient organization. Due to our current activity level the Company has not maintained a metallurgist on staff but this would be required if operations were resumed.

The Company is reliant on and focused on developing its foreign operations in South Africa as this will be the source of all economic development for Eastplats. As such, corporate has a staff of 5, CRM has a staff of approximately 90 and the eastern limb has a staff of approximately 19 (2 administrative staff operating out of the Kennedy Vale office with the balance, part of the safety and protection team). This level has been reduced in 2016 to the minimum required to operate an effective and safe mine in care and maintenance.

Corporate is a cost centre to support all projects and ensure overall regulatory, legal, governance and shareholder communication standards and efforts are consistent and effective.

SOUTH AFRICAN MINING INDUSTRY

The South African mining sector has undergone a series of significant legislative changes since the enactment of the *Mineral and Petroleum Resources Development Act* (MPRDA) in 2004. These legislative changes significantly altered and replaced the “old order” form of mineral tenure described in the following paragraphs.

OLD ORDER MINERAL TENURE IN SOUTH AFRICA

Prior to the commencement of the MPRDA on 1 May 2004, South African mineral tenure was governed primarily by the Minerals Act 50 of 1991. The Minerals Act revived the common law principles of mineral rights ownership. Under the common law, the owner of land was the owner of the whole of the land, including the minerals in the soil. The Minerals Act established a system of licensing and statutory authorisations as a pre-requisite for the exercise of all mineral rights. Mineral rights were officially registered and were tradable. Historically, the acquisition and registration of these rights were the subject of considerable financial investment by prospectors and miners over areas of interest.

Old order mineral rights represent a parcel of rights, including the rights to prospect and mine (although the exercise of such rights is subject to authorization under the Minerals Act), together with ancillary rights to do what is reasonably necessary in order to effectively carry on prospecting or mining operations. The holder of mineral rights could grant subordinate rights to prospect under a prospecting contract, grant subordinate rights to mine under a mineral lease, or could sell or otherwise dispose of the rights. The mineral rights owner was ordinarily compensated by the miner of the minerals for the depletion of the non-renewable resource through the outright purchase of the mineral rights, or, less commonly, through the payment of royalties.

The mineral right owner was not permitted to prospect or mine for minerals without having obtained a prospecting permit or mining authorization from the State. These licences were not transferable and were aimed at controlling prospecting and mining, having regard to considerations of health and safety, environmental rehabilitation and responsible extraction of the minerals. Conversely, a prospecting permit or mining authorization could not be granted unless the applicant was the holder of the relevant mineral right or had acquired the holder’s consent to prospect or mine. Reconnaissance work could and did take place without the necessity to hold a permit, provided the work did not fall within the definition of “prospecting” in the Minerals Act.

NEW ORDER MINERAL TENURE IN SOUTH AFRICA

The MPRDA came into effect on May 1, 2004. The MPRDA repealed the Minerals Act and the common law to the extent that either was in conflict with the MPRDA. It has wide-ranging objectives, including sustainable development and the promotion of equitable access to South Africa’s mineral wealth by the inclusion of HDSAs in the industry.

The MPRDA abolished the private ownership of mineral rights in South Africa and introduced a systems of administrative law based on a system of State grant of the right to prospect and mine. Under the MPRDA the mineral resources are the common heritage of all the people of South Africa, and the State is the custodian of those resources for the benefit of all South Africans This is in line with the bulk of minerals in other established mining jurisdictions such as Canada and Australia. "Use it or lose it" principles now applies in respect of mineral rights. In order to ensure security of tenure, the MPRDA contains transitional provisions which deal with the conversion of so-called old order rights to new order rights. In terms of the transitional provisions under the MPRDA private holders of old order mineral rights had limited exclusive time periods to convert these rights to new order rights since the MPRDA came into effect.

Holders of old order mining rights for which a mining authorization had been granted under the Minerals Act and who were actively conducting mining operations on the date of commencement of the MPRDA, had a period of five years from the commencement of the MPRDA, until April 30, 2009, to lodge their rights for conversion into new order mineral rights.

Old order mineral rights for which a prospecting permit had been issued under the Minerals Act and who were actively conducting prospecting operations on the date of commencement of the MPRDA, had a period of two years from the commencement of the MPRDA, until April 30, 2006, to convert to a new order prospecting or mining right.

Holders who were not actively conducting such prospecting or mining operations on the MPRDA's commencement date or who held the mineral rights but not a prospecting permit or mining authorisation had one year to apply for the new form of prospecting right or mining right.

Should such holders have failed to do so, or upon such conversion, the existing rights and authorisations ceased to exist. All old order rights continued to be in force during the conversion period, subject to the terms and conditions under which they were originally granted. If certain requirements were met, the DMR would grant the conversion of the old order right to a new order mining right.

A person converting an existing mining right had to commit to giving effect to the objectives (paragraph 1) that are embodied in the Charter (Objectives) which was signed by the DMR, the Chamber of Mines of South Africa and others on October 11, 2002, and which was followed on February 18, 2003 by the release of the appendix to the Charter known as the Scorecard. The Charter is based on seven key principles, two of which are focused on ownership targets for HDSAs and beneficiation, and five of which are operationally oriented and cover areas focused on improving conditions for HDSAs.

No undertaking to promote the Objectives is expressly required under the MPRDA for the conversion of existing prospecting rights. A person applying for a new order mining right (as opposed to converting an old order mining right) must demonstrate, among other requirements, that the Objectives and the imperatives of the Charter will be advanced by the grant of the right. In practice, this probably means that the applicant will already have satisfied the BEE targets set out in the Charter. In relation to applications for new prospecting rights, it is unclear whether the DMR requires strict compliance with these targets.

Regarding ownership targets, the Charter (as read with the Scorecard) requires each mining company to achieve the following HDSA ownership targets to qualify for the grant of new order rights: (a) 15% ownership by HDSAs in that company or its attributable units of production by May 1, 2009; and (b) 26% ownership by HDSAs in that company or its attributable units of production by May 1, 2014. The Charter states that such transfers must take place in a transparent manner and for fair market value. It also states that the South African mining industry will assist HDSA companies in securing financing to fund HDSA participation, in the amount of ZAR100 billion within the first five years. The Charter does not specify the nature of the assistance to be provided.

The Scorecard is a checklist that requires mining companies to indicate the extent of their achievement in the aspirational areas for empowerment identified by the Charter. Each company's points on the Scorecard will be used by the Minister in deciding applications for new order rights by that company.

Current state prospecting fees range from ZAR3 per hectare in year one to ZAR7 per hectare in year five. In accordance with the *Mineral and Petroleum Resources Royalty Act, 2008*, ("MPRRA") royalties will be calculated on the revised tax base that would be equal to gross sales (excluding costs incurred to transport the "final" product/mineral between the seller and the buyer). In the case of platinum miners selling concentrate, the royalty will be based on 80% of the gross metal value ("GMV") in concentrate.

The new royalty rate is based on a formula that also takes into account the profitability of a company.

For unrefined minerals like PGM sold in concentrate, the royalty rate is equal to:

- $Y (\%) = 0.5\% + \text{EBIT divided by (gross sales multiplied by 9) X 100\%}$

The royalty only applies to the first sale of any product derived from the mineral resource:

- Gross revenue will be taken as the arm's length price of the transfer of the mineral at its initial readily saleable condition. The gross sales value of PGM sold in concentrate would be deemed to be 80% of GMV.
- EBIT is then calculated as the deemed revenue less all expenses that can be deducted from tax for the entity in question, i.e., operating costs and capital expenditures redeemed against taxable income. To this extent depreciation is ignored in favor of 100% capital expensing.
- If EBIT is zero or less than zero, it will be taken as zero, and the minimum royalty will amount to 0.5%.
- For unrefined mineral resources: the minimum of 0.5% to a maximum of 7%.

Royalties came into effect from March 1, 2010 onwards.

DRAFT MINING CHARTER - 2016

On April 15, 2016, the Minister of Mineral Resources, published the new draft Reviewed Broad Based Black- Economic Empowerment Charter for the South African Mining and Minerals Industry, 2016 ("**Draft Mining Charter**") for public comment.

The Draft Mining Charter retains the minimum target of 26% participation by workers, entrepreneurs and the community. The Draft Mining Charter requires 'a minimum target of 26% ownership per mining right' for black people. The Draft Mining Charter endeavours to align the Mining Charter scorecard with that of the Codes of Good Practice on Broad-Based Black Economic Empowerment published in terms of the Broad-Based Black Economic Empowerment Act, 2013.

It also requires that this 26% stake should be structured in a particular way:

- a minimum of 5% going to workers (in the form of employee share ownership schemes - ESOPs);
- a minimum of 5% to a community having rights in the land being mined; and

- a minimum of 5% to black entrepreneurs.

With regards to communities and employees, such equity must be held in trusts created by the community and the employees, respectively, which trusts must be structured to include representation from the traditional authorities and unions respectively.

A special purpose vehicle (SPV) must be created to manage each of the 26% BEE stakes required for each mining right. In other words, the model incorporating the SPV would apply for every mining right granted by the DMR and the Draft Mining Charter requires all existing BBBEE transactions to be restructured accordingly.

The black ownership requirement no longer attaches to the mining company, but rather to each mining right. This will require each mining right held by a mining company to have its own BEE structure.

All existing mining right holders will be required to align BEE transaction(s) concluded prior to the coming into operation of the Amended Mining Charter with the Draft Mining Charter. Where a BEE partner or partners have exited, a BEE contract has lapsed or the previous BEE partner has transferred shares to a non-BEE company, mining companies will have a grace period of 3 years from the date of publication of the Draft Mining Charter to conclude another BBBEE transaction to ensure that it meets the requirement of black ownership.

The target of the ownership requirement under the Draft Mining Charter will need to be met throughout the life of the mine. This appears to be aimed at clarifying the issue of whether the current Amended Mining Charter is subject to the principle of *'once empowered, always empowered'*.

However, it should be noted that these changes are under review and are yet to be effected. However, in the event that the Draft Mining Charter is adopted in its current form the Company will need to undertake an impact assessment as to the effect of the Draft Mining Charter on its mining rights. Since the Company does not currently comply with the 5% allocation requirement it may have to contemplate a restructure of its BEE transactions and in addition, approvals may have to be sought, where appropriate, for the consolidation of rights to existing empowerment transactions. The Company will continue to monitor its own mining charter scorecard on a continuous basis.

The BEE Buyout Agreements entered into by Former Management of the Company, although not completed, may cause non-compliance with the MPRDA, the Charter and possibly the Draft Mining Charter, if published in its current form. New Management is considering its options to ensure proper compliance, one of which could be a reorganization of the South African operations.

NEW ORDER MINERAL TENURE OF THE COMPANY

EASTERN LIMB

On October 8, 2009, a new order mining right was issued on various portions of the farm Spitzkop 333KT. This mining right is held by Spitzplats.

A new order mining right over the farm Mareesburg 8JT in favour of Lion's Head Platinum was executed on September 1, 2010, for a period of 12 years.

Rhodium Reefs Limited ("Rhodium Reefs") holds two new order prospecting rights on various portions of the farms Tweefontein 360KT, Kennedy's Vale 361KT, Belvedere 362KT and De Goedeverwachting 332KT. Rhodium Reefs has a pending new order mining right which has been accepted by the DMR, and being processed subject to BEE validation.

WESTERN LIMB

BML currently holds 7 new order prospecting rights and 5 new order mining rights. The North West Provincial Department of Mineral Resources committed that applications in terms of Section 102 of the *MPRDA* that were lodged to include gold and cobalt as minerals to be prospected for would be dealt with timeously. BML currently has two Section 102 applications to include gold and cobalt as minerals to be mined pending for approval. On April 19, 2016, the DMR granted a Section 102 application in favour of BML to extend the CRM life of mine to 2038.

MINERAL PROPERTIES

All the Company's projects are located in the BCX. For additional information regarding these projects, please refer to the respective geological or technical report for each project, all of which are incorporated herein by reference and published on SEDAR at www.sedar.com.

CROCODILE RIVER MINE (CRM)

Introduction and Terms of Reference

The information that follows is summarized from a technical report entitled "Technical Report Update on the Crocodile River Mine, Eastern Platinum Limited, North West Province, South Africa," (the "CRM Technical Report") prepared by Brian Montpellier dated November 30, 2010, that complies with National Instrument 43-101-*Standards of Disclosure for Mineral Projects* and NI 43-101F1, as well as the resource and reserve classifications adopted by the Canadian Institute for Mining ("CIM") Council in August 2000 (the CIM Standards). The report is also consistent with the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" of December 2004 (the "JORC Code") as prepared by the Joint Ore Reserves Committee ("JORC") of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. Further details on the CRM operation are available in the complete report, filed on SEDAR on December 20, 2010. Some information on operations, developed since the CRM Technical Report was issued, has been included in this AIF. An update on the reserve statement at CRM was disclosed in a press release and filed on SEDAR on January 31, 2013. There have been no significant changes since then as mining operations were suspended and put CRM into care and maintenance on July 31, 2013.

Title Status and Land Tenure

It is common in South Africa for the boundaries of mineral rights to coincide with the boundaries of surface rights since all rights in a property, both mineral and surface, were originally held by a single owner. When various rights were subsequently severed, this was generally done in relation to the original boundaries. The Title Deeds Register administered by the government is an official record of the rights in landholding and the applicable property boundaries. The boundaries of mineral properties are therefore normally well demarcated as part of the surface title boundaries.

BML holds, directly and indirectly, prospecting and mining rights to the PGM on some 1,026 different farm portions in the BCX.

Property Description and Location

CRM is a PGM mine located 70 km north-northwest of Johannesburg in the North West Province and 7 km south of the town of Brits (see map on page 17) and situated on the western limb of the BCX in an area of known structural complexity, the Brits Graben. The current mine lease area includes two operating mining

sections (the Zandfontein and Maroelabult sections) and two development sections (the Crocette and Kareespruit sections).

Historically, mining at CRM re-commenced in April 2005 at Zandfontein and Maroelabult and until 2013, the mine has treated up to 120,000 tpm of underground hardrock which is supplemented with tailings. All ore was treated using conventional crushing, milling and flotation processes. A new chromite circuit was commissioned in 2008 which minimizes chrome penalties. An additional benefit was the production of up to 25,000 tpm of saleable chemical and metallurgical grade chromite for which a sale and marketing agreement is in place. PGM concentrate was sold to Impala Refining Services (“IRS”) for smelting, refining and sale.

Certain development activities at CRM ceased in mid 2012 and mining operations ceased by the end of July 2013 due to the continuing stagnant outlook in the global economic environment, the sustained weakness in PGM pricing and the labour and operating environment in South Africa at the time. Production will not resume until it is clear that these factors have improved.

Accessibility

The mine is located 70 km north-northwest of Johannesburg and 7 km southwest of the town of Brits and is accessible by adequately paved roads.

Climate

The climate is a typical summer rainfall climate. Mean annual precipitation is 680 mm and evaporation is 1,800 mm per year. The climate is favourable to year-round mining operations.

Local Resources, Infrastructure

CRM is located within the Local Municipality of Madibeng, which is one of five local municipalities included in the Bojanala Platinum District Municipality (“DC37”). The population of the Madibeng municipal area is about 33,800, and the closest large town is Brits. Brits serves as a base for providing a full range of urban amenities, including well-developed medical, educational, financial, retail and commercial services. The property is located some 65 km to the east of the city of Rustenburg, which is an international centre for the PGM industry. There are a number of existing platinum and chrome mines and associated industries in the area. The Herculite opencast mining operation and smelter are located to the northwest of CRM and Glencore’s Eland platinum mine (sale to Northam pending) is to the east. Large properties to the east are also used for grazing cattle, and to the southeast some land is used for cultivation. There is an informal settlement located to the southwest of the CRM mining area.

There are numerous mines and PGM projects on the BCX. Most of these operations generally mine both the Merensky Reef and UG2 chromitite layer, allowing them to share aspects of the infrastructure, such as shafts, between the two deposits. To the west of CRM are the operating mines of various companies, Eastern Platinum Mine (Lonmin), Western Platinum Mine (Lonmin), Karee Platinum Mine (Lonmin) and Rustenburg Platinum Mines (Sibanye Platinum). To the east are the Eland Platinum Mine (Sale to Northam pending) and the De Wildt Project (Glencore).

Physiography

The Crocette and Maroelabult sections are on opposite sides of the Crocodile River, while the Zandfontein section is intersected by the river which meanders in a northerly direction. The average land elevation in this area is 1,151 m AMSL. Land rises gradually to the south of the mine, and then rises steeply to the Magaliesberg mountain range with an elevation of some 1,829 m AMSL. The dominant soils in the CRM

area are black clayey vertisol, which are of the Arcadia and Rensburg forms and are generally known as “black turf.” The Zandfontein section is dominated by Arcadia soils. The dominant soils in the Maroelabult section are Arcadia and Rensburg, and the midslope areas around the tailings dam comprise deep red Hutton soils.

History

The CRM operation was originally known as Lefkochrysos. In 1987, development of the first decline at the Zandfontein section was commenced. Initial production was planned at 160,000 tpm. Operational problems were experienced and capital and operating costs were higher than expected. In November 1988, a controlling interest in Lefkochrysos was acquired by Rand Mines Limited (“Rand Mines”), with Rand Mines taking ownership of the mine through its platinum subsidiary, Barplats Limited. In 1991, Implats acquired an interest of 38% in Barplats Limited, as well as the contract to manage the mine, but a dramatic decline in metal prices forced the mine’s closure in late 1991. In 1998, Implats increased its stake in Barplats Limited to 83% and after some further exploration and additional geological and engineering investigations, CRM was re-opened in February 2000. Profitable opencast mining commenced at the Maroelabult section and was completed in March 2003. The underground room-and-pillar mechanized mining undertaken was unprofitable, largely due to excess dilution and the difficult ground conditions, which resulted in poor operational efficiencies. Even utilizing a hybrid mining method, Maroelabult was unable to achieve the mine production target of 75,000 tpm and the contractor-operated mining operations ceased in December 2003. CRM returned to care and maintenance, with limited mining activities occurring in 2004. In 2004, a consortium of investors acquired a majority shareholding in CRM and in December 2004, CRM began to refurbish their stoping sections. Drilling and blasting operations recommenced in April 2005. Production continued until the end of July 2013 when operations ceased as a result of a stagnant outlook in the global economic environment, sustained weakness in PGM pricing and the labour and operating environment in South Africa at the time.

Data below is extracted from an update to the CRM Technical Report, which was filed on SEDAR on December 20, 2010. Interested readers should refer to that report for further details.

Geological Setting

CRM is located within and adjacent to the Brits Graben and mines the UG2 chromitite layer (CL). The Merensky Reef in this area is not currently considered economically viable. The graben and associated faults result in the mine being split into four main sections or mining blocks.

The Upper Critical Zone (UCZ) of the Rustenburg Layered Suite (RLS) outcrops extensively, striking in an east-west direction and dipping to the north from about 15° to 25°. Both the Merensky Reef and the UG2 CL outcrop in the area, with a middling of approximately 200 m. The UG2 CL occurs from outcrop down to an estimated depth of at least 2,000 m below surface.

The UG2 CL at CRM typically consists of a single chromitite layer approximately 1.35 m to 1.5 m thick. The chromititic leader hanging wall layers are absent or have coalesced with the main band to form a virtually homogenous chromitite. A very thin chromitite stringer (~1 mm thick) occurs at varying heights above the top of the chromitite in the immediate hanging wall. However, variations in the thickness of specific lithotypes do exist between individual drill holes, and several disturbances to the layering by pothole structures and mafic pegmatites have been encountered during mining and in some drill holes. A comparison between the features of the UG2 CL at Zandfontein and Maroelabult is presented below:

Table 1: Geology of the UG2 Chromitite Layer at CRM

UG2 CL	Zandfontein Section	Maroelabult Section
Reef thickness	1.3 m – 1.4 m	1.4 m – 1.5 m
Average dip	17°	17°
Faulting	Significant faulting with some scissor effects noted	Large dykes
Potholing	Present	Present
Other features	Reef horizon undulates	Reef horizon undulates

The bottom of reef contact (BRC) is undulating. The footwall is typically a pegmatoidal pyroxenite but where the BRC transgresses through the pegmatoidal pyroxenite the footwall is a norite. The top reef contact (TRC) is generally sharp and stable. The UG2 CL is predominantly impure chromitite with much interstitial silicate, comprising pyroxene (bronzite) and feldspar (anorthite). It is typically comprised of 60% to 90% chromite, which is consistent with other localities in the BCX. Disseminated sulphides are concentrated in the lower part of the reef, which is always bottom- to middle-loaded with respect to PGM concentrations. The PGMs are associated with sulphides that are interstitial to the chromite grains. The mineralized reef zone itself is defined by the sharp basal contact into the footwall pyroxenite. The 3PGE+Au (“4E”) concentration of the UG2 CL ranges from 2.5 ppm to 6.6 ppm, and is generally dominated by Pt-Pd sulphides.

Other features of the UG2 CL are the undulating nature of the BRC, the presence of mafic/ultramafic pegmatites and potholes.

Figure 1 - Generalized Stratigraphic Section of the UG2 Chromitite Layer

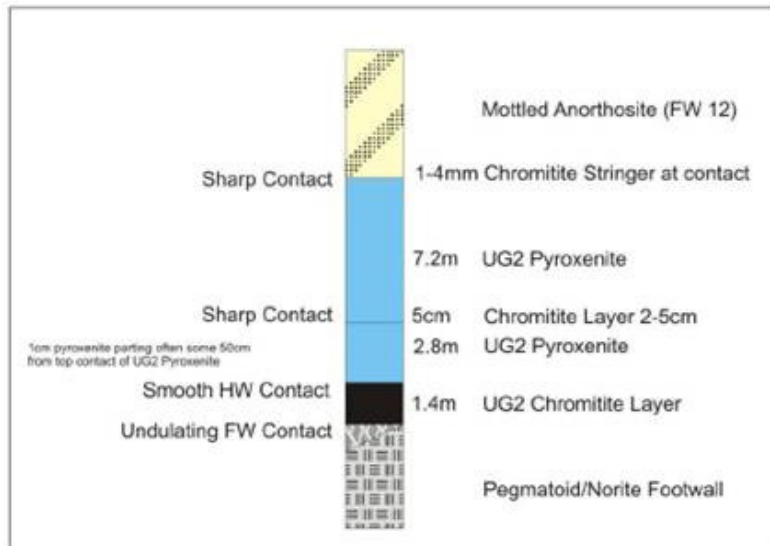


Figure 2: Location of Eastplats Project Area in relation to the Bushveld Igneous Complex

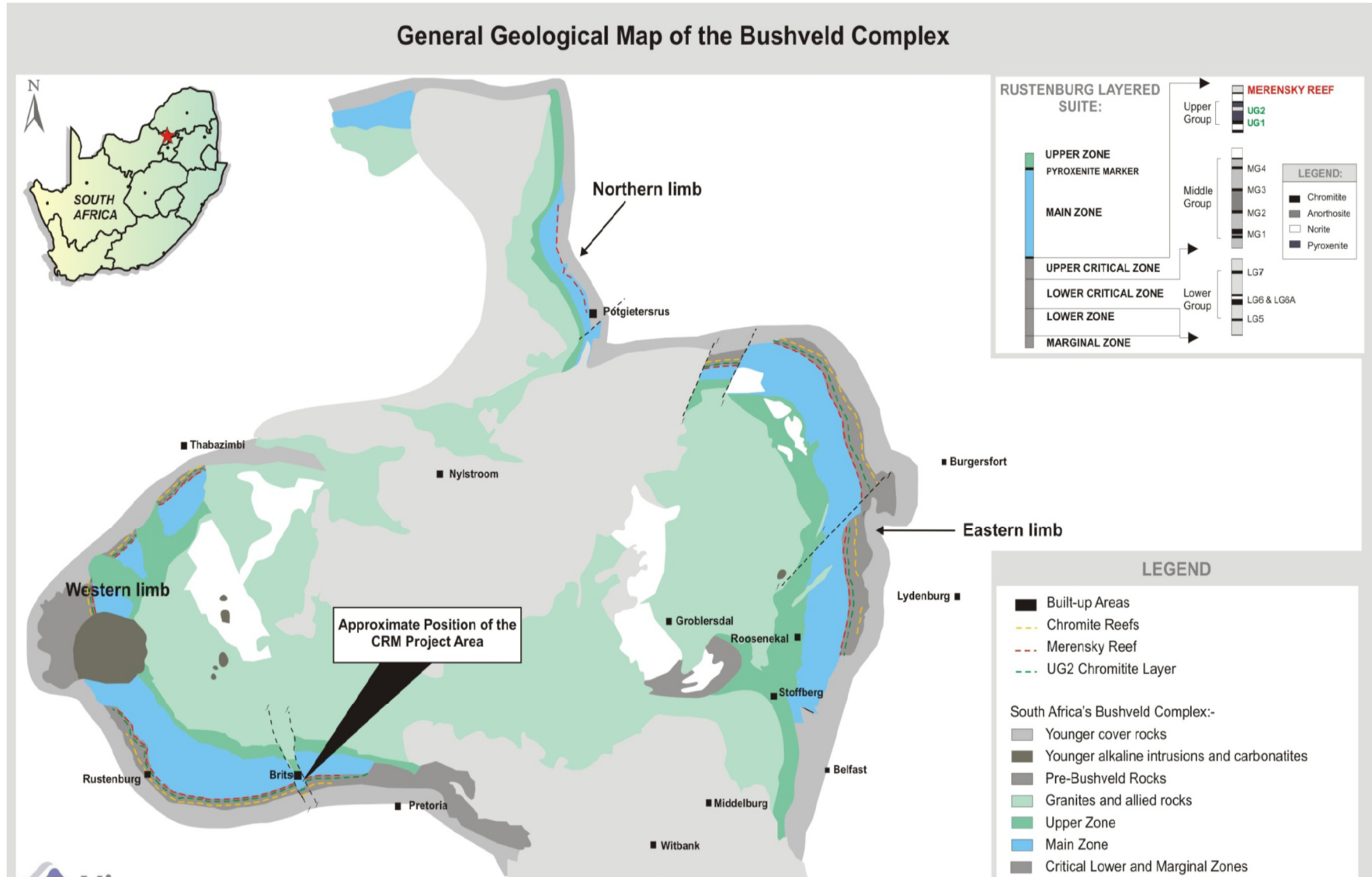


Figure 3: Location of CRM Project Area in Relation to the Western Limb of the Bushveld Igneous Complex

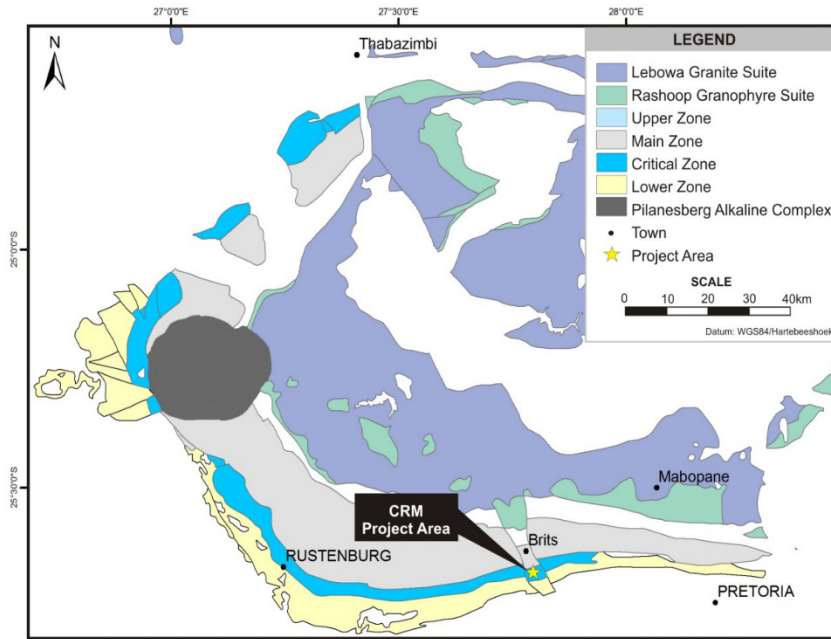
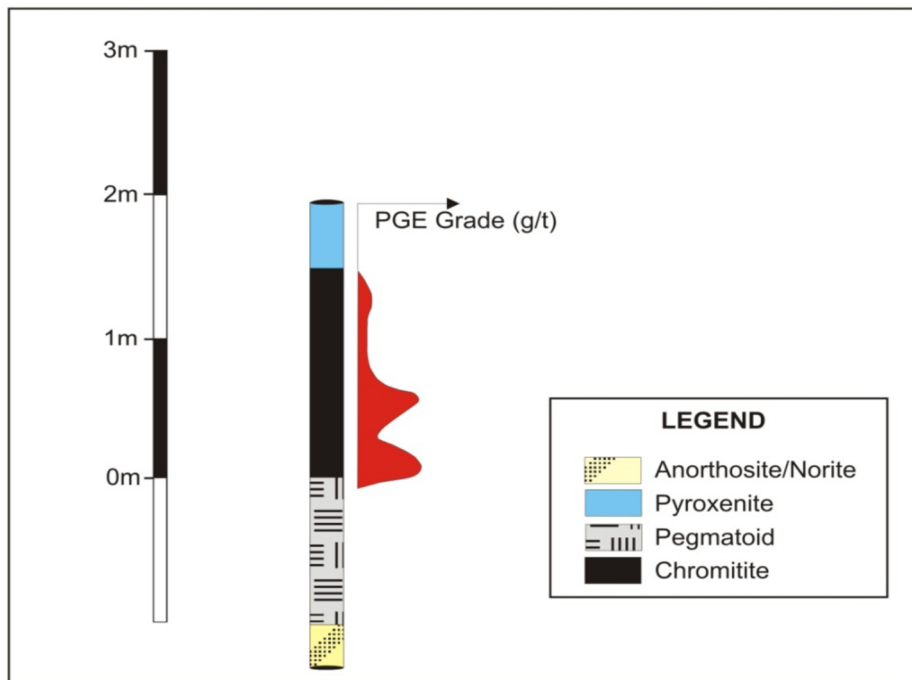


Figure 4: Generalized Grade Histogram of the UG2 Chromitite Layer



Deposit Types

The mineralized units of the project area form part of the BCX, a large layered igneous intrusive body. In a large layered intrusion, such as the BCX, the sulphide droplets that segregate out of the parental magma will eventually settle out of the magma and, once magma convection ceases, will be deposited on already consolidated layers of the magma chamber to form sulphide-rich zones.

The Merensky Reef has traditionally been the most important PGM-producing horizon in the BCX. In addition to PGM mineralization associated with the Merensky Reef, all chromitite layers in the critical zone of the BCX contain elevated concentrations of PGM. The UG2 CL is the only chromitite layer where significant mining of PGM takes place. The UG2 CL of the western Bushveld limb is generally less than 1 m thick, and is comprised of 60% to 90% chromite. However, in the project area the thickness of the UG2 CL ranges from 1.3 m to in excess of 1.5 m. The PGMs are interstitial to the chromite grains and are concentrated at the base and middle of the chromitite layer. The PGM concentration of the UG2 CL ranges from 3 ppm to 19 ppm, and is generally dominated by Pt-Pd sulphides.

Mineralization

The broad stratigraphy of the UG2 sequence comprises three mineralized chromitite layers, referenced (from bottom to top) as the main UG2, the UG2A and the UG2B units, which vary quite significantly in their chromite content and separation distance between one another. All the chromitite layers contain a variable amount of inter-reef pyroxenite, which is the cause of dilution of grade in some drill intersections.

PGM and base metal sulphide mineralization is typically bimodal in its distribution within the main UG2 chromitite with the higher PGE and Cu-Ni values being found close to the upper and lower portions of the reef, with a distinct “bottom loading.” The central part tends to be moderately lower grade.

Exploration

The geology of the area has been understood for some time. Regional mapping of the area was conducted in the 1960s and 1970s. Exploration work at CRM started in the 1980s to define the geology in an area which was previously considered to be too structurally complex for efficient mining. Mining commenced in 1987. Exploration was continued by the various new owners with the work concentrated on drilling in order to understand the structure of the UG2 chromitite layer within Brits Graben. An airborne total magnetic survey was flown by Geodass in the 1980s and a two-dimensional seismic survey was conducted along four lines across the mine lease in 1999. These surveys have assisted in the structural interpretation of the area and of the mine.

Drilling

Several drilling campaigns have been undertaken on CRM by the previous and current owners. The majority of the drilling has been diamond drilling. Reverse circulation and percussion drilling has been undertaken but has not formed part of the current database used for the mineral resource estimation process.

The drilling database is divided into two parts: historical and current data. The current data refers to the drilling campaign undertaken by Eastplats from 2007 to the present. The historical drilling campaigns were undertaken under the ownership of Lefkochrysol, Rand Mines, Impala and Barplats. The drilling, logging and assaying techniques involved in each of the historical drilling campaigns have not been fully captured, nor have the procedures been identical, the result being that varying levels of information are available and captured into the Eastplats in-house Fusion database. With regard to the drilling, logging and assaying

procedures, the differing techniques applied are considered not to have a major material effect on the data. The majority of the historical data, however, lack the support of the original drilling logs, assay sheets, and quality assurance and quality control (QA/QC). The data available from CRM does not represent the entire database available for the ore body; extensive data collection is still in progress and data is being verified. The data used from CRM represents data supplied by the mine that are deemed valid and has undergone forms of data verification.

Data extracted from the fusion database for use in the mineral resource estimation process included collar coordinates and geological and sampling logs, together with assay values. The assay data available for the historical data are a combination of single 3PGE+Au (Pt, Pd, Rh and Au; or 4E) assay results and prill split analytical techniques. This is described in detail in the Assay and Sampling section of the Technical Report. In addition, the assays are captured as a combination of grams per tonne (“g/t”) and parts per billion (“ppb”). Assay sheets are difficult to come by in order to establish the unit of measurement; for example, 20 Pt could represent either 20 g/t or 20 ppb (0.02 g/t). The values that fall within this range that could represent either g/t or ppb were reviewed in context of the over- and underlying values and/or the adjacent mother hole or deflections. Once the unit of measurement had been recalculated into g/t, the data was verified by graphical plotting of the suspicious data and comparison to the neighbouring drill holes, as well as review of the vertical grade profiles of the economic unit in Downhole Explorer™. No data as to the regression factors applied to the 3PGE+Au single analyses were available.

A detailed log was maintained during the coding exercise to record the process of deciding whether the drill hole should be included or excluded from the estimation database.

With regard to the calculation of the resource cut widths, after consultation in November 2008 with the mine, a resource cut width of 1.5 m was determined. A resource cut width is the width of the mineralized unit calculated on optimized geological cut, based on historical and envisaged mining criteria. The width of 1.5 m was determined using the average channel width of the UG2 main band (~1.4 m) and the average historical mining widths achieved (1.52 m). The data was coded accordingly from the base sample (across contact) upwards and coded “UG2MC.” A problem with the historical data is the frequent lack of assay values above the UG2MB. Where this occurred, a zero grade (0 g/t) was input into the database. Although this will penalize the ore body, it can be seen to represent the minimum value that will be obtained at that mining width. Where the lengths of the drill holes exceeded 1.5 m cut, the full width intersection was maintained.

CRM drill holes were typically drilled as vertical holes. Previous work indicated that the maximum inclination away from vertical was 6%. All drill holes were assumed to be vertical for the mineral resource estimation.

All drill hole data available up to and including April 2009 were included in this mineral resource update.

The drill hole intersections were adjusted to represent corrected width for the mineral resource estimation. Of concern is the fact that the data were generated by various mining companies and hence may represent a data set with varying levels of information.

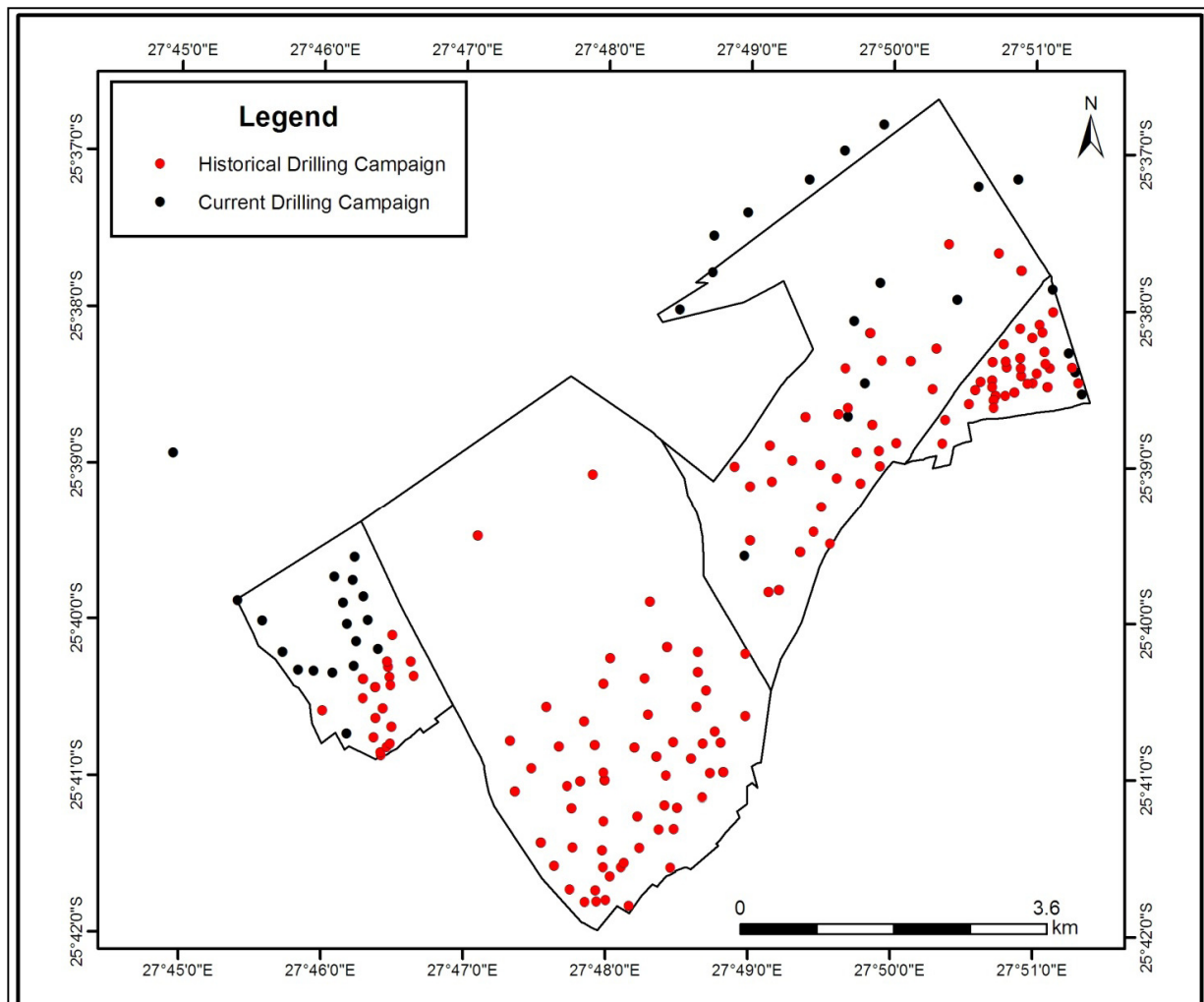
The typical drilling procedure conducted within the most recent campaign on CRM, which occurred between 2007–2009, involved the drilling of a mother hole drilled to approximately 20–30 m into the UG2 footwall. Non-directional deflections were then drilled out of the mother hole through the UG2 CL and Merensky Reef. Sampling was conducted over the economic horizons. Typically, three non-directional deflections were drilled per hole. Additional deflections was drilled if the core recovery in the economic unit was deemed sub-optimal. As mentioned in the previous section, complete data per drill hole was often

unavailable and hence, within the data used for the mineral resource estimation exercise, certain data was missing with regard to either the mother hole or deflections.

Due to the number of historical drilling campaigns and the extremely faulted nature of the ore body, the drilling did not adhere to a uniform grid spacing. For the current mineral resource estimation, the data deemed to fulfill the requirements of being valid data typically had a 100 to 350 m variable spacing.

Four hundred and eleven drill holes (mother holes and deflections) were available for the mineral resource estimation process. Figure 5 below illustrates the composition of the data set. The mineral resource estimation in 2007 was based on 188 boreholes. The mineral resource has a substantial greater coverage of data, especially in the areas of Kareespruit and Crocette.

Figure 5: Location of Drill holes



Statistical analyses were performed on the 4E grade, 4E content (“cm.g/t”), specific gravity (“SG”) and channel width (“CW”) of the data set used in the in situ and resource cut mineral resource models.

Descriptive statistics in the form of histograms (frequency distributions), probability plots (used to evaluate the normality of the distribution of a variable) and trend plots (linear and quadratic) were used to develop an understanding of such statistical relationships.

When the domains were delineated, the data along the domain boundaries were reviewed and the domain soft boundaries adjusted accordingly. The soft boundaries affect the estimation/kriging process, in that data lying between the hard and soft boundaries for a specific domain are allowed to be incorporated in the kriging of the relevant blocks. This ensures continuity of the grade relationships across domains. The soft boundaries extend for approximately 10 m beyond the domain hard perimeters.

Quality Control Measures & Verification

The following section details the quality assurance and quality control (QA/QC) for the fire assay method used by Impala Laboratory.

The Impala Laboratory used for assaying is well designed with dust extractors, furnaces, and timers. Samples are logged for each step of the process on a laboratory information management system (LIMS). An accredited company checks balances every three months.

The twin stream batch process results in two assays for each borehole sample being submitted. Samples for which PGM values were not within 10% were re-assayed. This method provides some confidence that the variability in the assay technique has been minimized. However, it does not necessarily provide adequate assurance or control for the assays. Round-robin evaluations, in which samples are sent to a number of different laboratories for analysis, have been undertaken to check laboratory accuracy. A laboratory standard sample was assayed before and after the borehole samples and used to identify assay problems. Inconsistencies identified using laboratory standards indicate problems in certain sample batches. In those cases, the drill hole samples were re-assayed. Although this method of QA/QC may not be ideal, it should be adequate for in-mine geological purposes. In a typical month, Impala Laboratory would process 8,000 samples and, on average, 25,000 determinations from twin stream and repeats.

The precision and accuracy of the laboratories was not monitored. The analyses undertaken did not include the field insertion of internal blanks, standards or duplicates. The data therefore rely on the QA/QC work undertaken by the laboratories which was considered appropriate at the time.

Limitations on Verification

It is the opinion of RSG Global that acceptable verification was undertaken on the drill hole database by CRM staff. However, few original borehole logs and core and assay laboratory sheets are available to verify the data. In addition, the level of detailed stratigraphic coding on the historical drill hole logs are limited. As little underground data have been digitally captured to date, the underground data were not reviewed or used in the mineral resource estimation.

Due to the fact that the deflections were non-directional, the coordinates of the deflections were moved 0.5 m away from the mother hole progressively.

Adjacent Properties

The property is bounded to the east by Glencore's (sale to Northam pending) Eland PGM mine and to the west by development properties held by Sibanye Platinum and Lonmin. The Eland mine is in care and maintenance. Lonmin's operating Marikana mine is approximately 15 km to the west.

Standard Resource and Reserve Reporting System

All the aspects of these estimates are compliant with the specifications embodied in SAMREC, the CIM and NI 43-101. The mineral resource pertains to 4E grades (g/t) at a cut-off of 200 cm.g/t. The cut-off was determined using current PGE commodity prices, as well as planned improvements in current operating costs and mining factors and forecasts. The mineral reserve is based on current operating parameters.

Resource and Reserve Subsets

The resources reported are inclusive of reserves.

Inferred Resources

Based on the data spacing and kriging efficiencies of the estimates, and a number of other parameters, the mineral resource estimate for the resource area was deemed to fulfill the requirements necessary to be categorized as measured, indicated and inferred mineral resources. The inferred resources were limited to approximately the variogram range and not the lease area limits.

Key Assumptions, Parameters and Methods of Resource Calculation

Although the structure of the area is relatively complex, the UG2 CL at CRM is defined by a tabular ore body across the project area, which allowed a two-dimensional ("2D") approach to mineral resource estimation. The simple kriging method of geostatistical estimation was employed based on the spacing for the borehole data. The estimation process utilised the 4E metal accumulation (cm.g/t) and thickness (or CW). A total of 411 acceptable UG2 CL intersections were available for the mineral resource estimation. The CRM Project was subdivided into four domains. The average distance between boreholes is between 100 m and 350 m. The metal grade for 4E was estimated from metal content and thickness. The tonnages were adjusted for dip and geological losses (faults, dykes, potholes, IRUPs).

Variography

Variograms are an essential tool for investigating the spatial relationships of samples. Variograms for metal accumulation 4E (cm.g/t) and CW, resource width and metal grade (4E g/t) were modelled. Anisotropy in each area was investigated, although all variograms are deemed best represented by omni-directional models.

Metal Splits for Declared Resource

The UG2 CL at CRM is a polymetallic ore body. (See section in the CRM Technical Report concerning prill splits). The metal splits have been calculated from regression analysis on the original borehole data set. The regression of the individual metals to the 4E grade was computed from the current borehole data set. Typically, the current boreholes were analyzed for the four metals in comparison to the historical data which contained very few prill analyses.

Resource Cut

With regard to the estimation of the resource cut widths, after consultation with the mine engineers a resource cut width of 1.5 m was determined in 2008. A resource cut is the width of the mineralized unit calculated on an optimized geological cut based on historical and envisaged mining criteria. The width of 1.5 m was determined using the average channel width of the UG2 Main Band (~1.4 m) and the average historical mining widths achieved (1.52 m).

Resources and reserves are provided in the following tables. The resources are an update (effective December 31, 2013) to those reported in the CRM Technical Report filed on SEDAR on December 20, 2010. The reserves dated December 31, 2012 were also an update to the same CRM Technical Report and were published in the Company's press release dated January 31, 2013. The reserves have also been updated effective December 31, 2013.

Table 2: Classified Resources — CRM as at December 31, 2013

Resource Area	Tonnes	Metal Concentration					Contained Metal	
		4E (g/t)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E	
							(kg)	(oz)
Measured								
Crocette	2,806,950	3.78	2.36	0.99	0.39	0.03	10,599	340,772
Maroelabult	400,528	3.98	2.49	1.04	0.41	0.03	1,594	51,252
ZF above 9 level	2,373,695	4.17	2.61	1.09	0.43	0.03	9,898	318,238
ZF below 9 level	–	–	–	–	–	–	–	–
Total	5,581,174	3.96	2.48	1.04	0.41	0.03	22,092	710,261
Indicated								
Crocette	2,541,629	3.81	2.42	0.96	0.40	0.02	9,688	311,492
Maroelabult	1,439,471	3.90	2.47	0.99	0.41	0.02	5,614	180,492
ZF above 9 level	16,044,434	4.02	2.53	1.04	0.42	0.02	64,499	2,093,679
ZF below 9 level	8,524,977	4.22	2.64	1.11	0.44	0.03	36,002	1,157,501
Total	28,550,511	4.06	2.55	1.05	0.42	0.02	115,803	3,723,165
Total Measured and Indicated								
Crocette	5,348,579	3.79	2.41	0.95	0.40	0.02	20,288	652,264
Maroelabult	1,839,999	3.90	2.47	0.99	0.41	0.02	7,208	231,744
ZF above 9 level	18,418,129	4.02	2.53	1.04	0.42	0.02	74,397	2,391,917
ZF below 9 level	8,524,977	4.22	2.64	1.11	0.44	0.03	36,002	1,157,501
Total	34,131,684	4.03	2.54	1.04	0.42	0.02	137,895	4,433,426
Inferred								
Crocette	826,471	3.84	2.44	0.97	0.40	0.02	3,173	102,005
Maroelabult	–	–	–	–	–	–	–	–
ZF above 9 level	2,234,991	4.06	2.55	1.05	0.42	0.02	9,081	291,949
ZF below 9 level	19,007,813	4.09	2.57	1.06	0.43	0.03	77,780	2,500,690
Total Inferred	22,069,275	4.08	2.56	1.06	0.43	0.03	90,033	2,894,644

Table 3: Classified Reserves – CRM as at December 31, 2013

Section	2013 Reserve Update						
	Tonnes	4E g/t	Pt g/t	Pd g/t	Rh g/t	Au g/t	4E ounces
Proven							
Zandfontein	1,557,000	4.17	2.61	1.09	0.43	0.03	208,000
Maroelabult	403,000	3.98	2.49	1.04	0.41	0.03	52,000
Subtotal	1,960,000	4.13	2.58	1.08	0.43	0.03	260,000
Probable							
Zandfontein	17,566,000	4.17	2.61	1.09	0.43	0.03	2,355,000
Maroelabult	1,069,000	3.98	2.49	1.04	0.41	0.03	137,000
Crocette	3,530,000	3.78	2.41	0.95	0.40	0.02	429,000
Subtotal	22,165,000	4.10	2.54	1.05	0.42	0.03	2,921,000
Total	24,125,000	4.10	2.65	1.09	0.44	0.03	3,181,000

There have been no significant changes to classified reserves as at December 31, 2014 and 2015.

CRM activities in 2016

CRM has been on care and maintenance since July 31, 2013, During the year ended December 31, 2016, CRM incurred \$6,156,841 in care and maintenance costs. Such costs consisted of maintenance, pumping to prevent flooding of the workings, underground inspections to ensure that the integrity of critical excavations is preserved, general and administrative expenses and other costs necessary to safeguard the assets of the project.

In 2016, CRM also sold certain of its property, plant and equipment assets for a net gain of \$734,300. These assets were not required during the care and maintenance phase.

Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets.

The rehabilitation provision is re-measured at the end of each reporting period for changes of estimates and circumstances.

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

Although the ultimate amount of the environmental rehabilitation provision is uncertain, the Company hired a qualified professional to prepare the estimate of these obligations based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs. At December 31, 2016, our estimate environmental rehabilitation was \$5,567,032 for the CRM.

As at December 31, 2016, cash in the amount of \$9,779,000 was pledged as security for the guarantee issued to the Department of Mineral Resources of South Africa in respect to total environmental rehabilitation of the Company which amounted to \$8,278,771. Furthermore, as at December 31, 2016,

certain of the Company's residential properties in the amount of \$1,547,000 was also pledged as security for the guarantee issued to the Department of Mineral Resources for the same reason. These guarantees will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine.

Social and Labour Plan

The Company first implemented its Social and Labour Plan during operations. It was last amended in 2015. The Company met its 2016 commitments and its 2017 commitments are still pending finalization with the communities. The Company is highly committed to developing the mining opportunities but ensuring that significant benefits accret to the employees, communities and South Africa. The Company ensures our employees are chosen from the local and regional labour pools when possible and endeavour to provide high levels of training and ensure promotion opportunities are available to all. The Company supports the various governmental initiatives and looks to develop a balanced workforce, management team and senior leaders from all areas of society and background. The Company engages in various community outreach, entrepreneurial development and opportunity and community educational programs, busarries and support.

The Company ensures consistent and regular communication and meetings occur to establish good information and high levels of education and trust on the Company's operations.

Communities engaged on this project include the following:

- Brits - Elandsrand
- Oukasie
- Damonsville
- Letlhabile
- Mmakau
- Mothutlung
- Bapong (including Majakaneng)
- Sonop
- Bokfontein

The Company has adjusted its plans due to care and maintenance but has not cancelled its activities in regards to community engagement.

KENNEDY'S VALE/ SPITZKOP

Introduction and Terms of Reference

The information that follows is summarized from a technical report entitled "Technical Report for the Kennedy's Vale Project," prepared by MSA Geoservices (Pty) Limited and Brian Montpellier, dated December 2010, that complies with NI 43-101 *Standards of Disclosure for Mineral Projects* and NI 43-101F1, and the CIM Standards. The report is also consistent with the JORC Code. For further details on the Kennedy's Vale/Spitzkop Project please refer to the complete report, filed on SEDAR on December 20, 2010. Information on exploration and project development, generated since the Technical Report was issued, has been included in this AIF.

Property Description and Location

The Kennedy's Vale/Spitzkop Project is situated on the eastern limb of the BCX. The closest towns are Steelpoort, Burgersfort (15 km and 30 km northeast respectively) and Lydenburg (70 km east). The project

is 350 km northeast from Johannesburg and comprises the farm Spitskop 333KT, Kennedy's Vale 361KT, De Goedeverwachting 332KT, Belvedere 362KT and portions of the farms Tweefontein 360KT and Boschkloof 331KT.

Accessibility

The Kennedy's Vale/Spitzkop Project area straddles the R555 provincial tar road between Middelburg and Burgersfort. A secondary tar road access route is from Lydenburg, through the Dwars River mountain pass.

Climate

The area experiences hot summers, with temperatures frequently in the upper 30 degrees Celsius, and receives average summer rainfall of between 550 mm and 600 mm. The operating season is 12 months of the year.

Local Resources, Infrastructure

The access routes are used as the primary means of chromite transport from the nearby mines by truck to smelters in Steelpoort, Middelburg and Lydenburg. There is a railhead in Steelpoort, primarily used as a secondary means of chromite transport.

Lydenburg is the nearest major town and, together with Burgersfort and to a lesser extent Steelpoort, provides the necessary support and infrastructure for mining and other industrial operations. Services and supplies not available locally are sourced from Witbank, 120 km to the southwest, and Middelburg, 150 km southwest.

Physiography

The project lies in the flat-lying Steelpoort River valley, which is bounded by units of the Bushveld Complex to the northwest, the Leolo Mountains, and to the southeast, the Dwars River range. The Leolo range reaches heights of 1,700 m above mean sea level (AMSL) from the Steelpoort River (approximately 750 m AMSL). Drainage comprises numerous tributaries to the northeast-flowing Steelpoort River, which feeds the river from the north and south via steeply incised valleys. The Dwars River joins the Steelpoort at the boundary between Belvedere and Kennedy's Vale.

History

The Steelpoort area was prospected during "Hans Merensky times," circa 1926–30, but outcrops of the economic horizons (Merensky Reef, UG2 chromitite and middle group chromitite seams) are rare and do not appear to have been discovered within the project area during this era. The recent exploration history on the Kennedy's Vale/Spitzkop Project dates back to the 1980s.

African Exploration Company Limited drilled the first exploration drillhole (KV01, later renumbered P01 by Rand Mines) on the farm Kennedy's Vale 361KT during 1981.

Vansa Vanadium SA Ltd. ("Vansa") carried out surface mapping and drilled a further five exploration drillholes on Kennedy's Vale 361KT and the southern portion of Boschkloof 331KT from 1982 to 1985.

A joint venture agreement between Vansa and Rand Mines led to the drilling of a further five drillholes on Kennedy's Vale from 1986 to 1987, followed by an economic feasibility study to establish a platinum mine

on the property. Rand Mines subsequently completed 37 drillholes, mainly on the adjacent farm De Goedeverwachting 332KT, between 1988 and 1989.

Rand Mines then announced that the UG2 extended from 700 m to 1,400 m below surface and issued a non-NI 43-101 compliant resource estimate of 84 Mt grading 5.3 g/t PGE (3PGE+Au). The Merensky Reef lies about 200 m above the UG2 but the grade was estimated to be only about 3 g/t PGM, which was not considered to be economic at the time. The decision was made to develop a UG2 mining operation with a life expectancy of 35 years and to form the company, Barplats, for this purpose. The plan was to mine the UG2 with an initial output of 180,000 tpm, increasing to 270,000 tpm at a later stage. Production was scheduled to begin in 1992 with an initial production of 150,000 ounces of PGE. Barplats later purchased the PGE rights to the farm De Goedeverwachting 332KT from the Lebowa government for ZAR10.5 million and, commencing in 1988, a further 27 drillholes were sunk on the farm.

During the period 1986 to 1989, Gencor (Genmin on behalf of Implats) drilled the adjacent farms Belvedere 362KT (five drillholes plus 49 deflections) and Tweefontein (four drillholes plus 18 deflections). The deepest intersection of the reefs occurred at 2,500 m below surface.

By 1990, a dual-purpose twin-shaft system, with stations cut on 9, 10, 11, 12 and 13 levels, was partially developed close to the boundary with Spitzkop. The primary service shaft and secondary shaft had been sunk to 886.8 m and 913.7 m, respectively. Both shafts intersected the Merensky Reef and UG2 chromitite but there was no production of ore. In early 1991, Barplats found itself in financial difficulties and all operations immediately ceased. In August 1991, Gencor (Implats) gained an effective 38% (later increased to over 83%) shareholding and management control of Barplats. Genmin subsequently agreed to incorporate Belvedere and Tweefontein into a combined Barplats-Kennedy's Vale mining venture.

In September 1991, Barplats published non-NI 43-101 ore reserve estimates, classified on the basis of the lithological variation of the UG2 layer. Overall tonnage was discounted by 25% for geological losses, and relative rock densities of 3.8 for the UG2 and 3.3 for the Merensky Reef were applied to the calculations. The dip of the reefs reportedly varied from 9° southwest on De Goedeverwachting to 16° southwest on Kennedy's Vale with dips of up to 40° to the west encountered on Tweefontein.

Between 1987 and 1988, Severin's Southern Sphere Mining (Pty) Ltd. drilled six drillholes on the deeper parts of Boschkloof 331KT.

Anglo American Exploration drilled 18 drillholes on Spitzkop 333KT between 1988 and 1989 as part of their exploration for chromium in the Burgersfort area. Only three of the 18 drillholes were drilled in the area underlain by the UG2 chromitite.

Samancor commissioned an airborne magnetic survey (50 m flight line spacing) in June 2000 that covered eastern parts of the project area. This data indicated the distribution of dolerite dykes and magnetite-bearing replacement bodies.

During the period 2001 to 2003, Impala and Angloplats entered into a joint venture to include Spitzkop in a renewed exploration program covering the Barplats farms. Angloplats contributed 50% of the prospecting costs. A total of 116 drillholes were drilled on the combined area and a pre-feasibility study completed.

A 3D seismic survey was fundamental to this phase of exploration. Structural and reef elevation data for the UG2 chromitite was delineated, with a 10 m elevation accuracy over the major central part of the project. The data so interpreted was extrapolated to the Merensky Reef elevation. The seismic interpretation was used to assess the reef continuity and likely mining constraints.

The results of the pre-feasibility study were to mothball the project on the basis of low metal prices which prevailed at that time. This led to the parties agreeing to a ground swap whereby Angloplats exchanged Spitzkop for a property adjacent to its Modikwa platinum mine.

The latest project phase, managed by Spitzkplats and Rhodium Reefs, spanned the period from June 2006 to December 2008. This included exploration drilling, the initiation on basic engineering for a mine to produce from the UG2 and Merensky reefs at Spitzkop and for a 180,000 t/month concentrator at Kennedy's Vale to treat the Spitzkop ore. Declines were sunk to both access the UG2 and Merensky reefs. Due to a downturn in PGM prices, the project was put on care and maintenance in December 2008.

The Company had planned to develop Spitzkop following the development and commencement of operations at the Mareesburg Project.

Geological Setting

The BCX, a layered igneous intrusion, was emplaced about 2,060 million years ago into rocks of the Transvaal Supergroup and comprises a basal mafic phase and an upper acidic phase, the latter being largely granites. The total estimated extent of the BCX is 66,000 km².

On the basis of the mafic phases, the entire complex is divided into five main limbs: western, far western, eastern, northern and far northern. The lower parts of the complex are not developed in the northern limb and far northern limb. Conversely, only the lower units of the complex are preserved in the far western limb.

Each limb is subdivided into compartments, bounded by structural discontinuities or by up-warps of floor-rocks. The overall stratigraphy is closely comparable between the western and eastern limbs and between compartments. Individual layers can be traced for hundreds of kilometres along strike, and persist across compartments and limbs.

The mafic rocks, collectively termed the Rustenburg Layered Suite (RLS) are divided into five zones, from the base upwards: the Marginal, Lower, Critical, Main and Upper Zones. These zones host layers rich in PGEs, as well as chromium and vanadium, and constitute the world's largest known repository of these metals.

Deposit Types

UG2 Reef

The UG2 interval comprises a basal 80 cm to 1.8 m thick massive chromitite layer, overlain by a pyroxenite, containing several thin chromitite layers often termed partings, stringers or leaders (namely the LC1, LC2 and LC3 leader chromitites). The LC1 and LC2 are usually around 10 cm thick whereas the LC3 is seldom thicker than a few millimetres. These leaders generally occur within the lowermost 1 m of the approximately 4 m thick hanging wall pyroxenite unit. The footwall to the main UG2 chromitite is a coarse-grained feldspathic pyroxenite, which contains chromitite stringers or patches near the top. This unit is often serpentinized after olivine.

The character of the UG2 chromitite interval is not uniform over the project. The U2H1 pyroxenite layer is absent in some areas, together with the LC1 chromitite. However, in some borehole intersections, an upper interval of the main UG2 chromitite, approximately 10 cm thick, is termed LC1 on the basis of it being split from the main layer by a thin (up to 2 m but usually less than 5 cm) pyroxenite parting. (The pyroxenite is

then termed U2H1.) It has not been possible to establish individual PGE ratios or PGE grade criteria to differentiate the LC1 from the main UG2 chromitite layer.

A broad differentiation of metal content is noted between the lower and upper portions of the main UG2 chromitite. The lower part often contains more interstitial silicate and has a lower Pt:Pd ratio, whereas the upper portion is purer chromitite with a higher Pt:Pd ratio. In terms of grade distribution, the highest sulphide concentrations are in the lower part of the main chromitite layer. This mineralization is composed of coarser-grained sulphide blebs, with associated higher Pd and base metal content.

The pyroxenite partings in the hanging wall of the UG2 chromitite have sharp, planar contacts and are usually barren of mineralization. The contacts with the chromitite leaders are also sharp and planar. The latter may contain up to 3 g/t combined 3PGE+Au, of which the majority is Pt. The close proximity of the leader chromitite layers presents a potential dilution factor as the hanging wall stability is compromised along their contacts. The basal contact of the UG2 chromitite with the coarse-grained feldspathic pyroxenite is invariably undulating. Where the latter contains chromitite stringers or patches, there are usually significant PGE grades and mining could therefore be planned to extend a few centimetres into the footwall.

Merensky Reef

The Merensky Reef outcrops along a 600 m strike length on central Spitzkop and dips at 12° to the southwest. It comprises a 2.5 m to 3 m thick pyroxenite layer, containing two to three thin (<1 cm thick) chromitite stringers. The uppermost stringer occurs 20 cm to 30 cm below the top contact of the pyroxenite unit and marks the onset of the bulk of the PGE and copper-nickel mineralization, which zone extends for about 1.5 m below the stringer. Below the stringer, erratic high-grade PGE values occur with occasional concentrations of grade at the footwall contact that is often marked by another chromitite stringer (of less than 1 cm in thickness).

Historically, the Merensky Reef has been a secondary target due to its grade of around 2.5 g/t (3PGE+Au) over an average width of approximately 2.5 m. Intersections from 2006–2007 drilling have confirmed these grades and widths. However, the Merensky reef remains an important potential resource, due to its bulk tonnage.

Other PGE-Bearing Horizons

The lower units of the Critical Zone, including the lower and middle group chromitite layers persist on the project at depth. These chromitite layers carry low- to moderate-tenor PGE mineralization, which represents a potential additional resource. The rights to chromite within these layers are currently held by third parties. This would restrict the potential to treat the tailings to recover PGE from any third party chrome mining operations. The middle group chromitites outcrop in the southeastern parts of Spitzkop. The 1988 to 1989 Anglo American drilling targeted these chromitites to the east of the Kalkfontein fault zone. Three of these drillholes were drilled to the west of the fault zone and also intersected the UG2 chromitite. No assay data is available for these intersections.

Mineralization

PGE mineralization occurs within the UG2 chromitite layer and the Merensky Reef. Strata-bound disseminated base metal sulphides with associated PGE mineralization occur within both these horizons. The pattern, distribution and tenor of sulphide mineralization generally conform to those found elsewhere in the southeastern BCX. In the UG2 chromitite, the sulphides occur mainly as interstitial grains, between silicates and chromite. The sulphides range between fine to coarse grain sizes.

Exploration

Exploration in the current phase was limited to diamond drilling and some reconnaissance mapping. This and information from previous work on the project by other exploration companies provided sufficient basis to confidently demonstrate geological and grade continuity of the reefs across the project area.

Historical geological databases in digital format were provided by Spitzkopfs and Rhodium Reefs over the combined project area. This included borehole logs, geological reports and GIS data. The borehole data included collar, lithology, sample, assay and downhole survey data.

The historical borehole information provided the basis for the planning of the 2006–2007 drilling programs (“06/07 Program”).

Drilling

The total drilling in the 06/07 Program amounted to 29,273.38 m in 86 drillholes. The 06/07 Program consisted of the following phases:

- Structural phase (S-series): a set of drillholes to define structural aspects not adequately explained from the historical drilling.
- High-density phase (H-series): a set of drillholes to delineate early-minable UG2 chromitite from sub-outcrop to 400 m below surface in the northeastern part of Spitzkopf. Resultant borehole spacing, encompassing all historical data, was planned to be 250 m to 300 m.
- Medium-density phase (M-series): a set of drillholes to delineate reefs in an intermediate depth area, at a resultant borehole spacing of 300 m.
- Low-density phase (L-series): a set of drillholes at the southern end of Spitzkopf, adjoining Kennedy’s Vale, to complete a grid on a borehole spacing of 400 m and above.
- A series of drillholes on the Merensky Reef, essentially for metallurgical purposes, and a program of drillholes along the line of a proposed decline for UG2 trial mining and future decline planning.

Sampling Methods and Approach

The planned methodology, with the minimum of drilling, was to sample the mother hole and two deflections for the UG2 chromitite and two intersections for the Merensky Reef, per borehole. Where drilling recovery was not considered adequate, additional deflections were drilled to achieve three representative UG2 chromitite and two representative Merensky Reef intersections per borehole.

No sampling was carried out until all representative intersections per reef were completed. This enabled comparative sampling of equivalent units and intervals between intersections. Cores were marked with individual sample depths, based on logging depth marks made at 1 m intervals. Sample recovery and breakage parameters were captured at this time. The cores were then cut longitudinally with a diamond saw, followed by transverse cuts with a manually operated guillotine.

Samples were bagged, tagged and sealed at the central core shed. A second sample number tag was inserted into the bag before sealing.

Sample Preparation, Analysis and Security

Sealed sample bags were collected at the Kennedy's Vale Project's mine core yard within one day's notice and taken to the sample preparation facility. From collection of the sealed bags the laboratory maintained sole custody of the samples throughout the analytical process. No client representative had access to any sample during the sampling and transport stages. Set Point Laboratories in Isando ("Set Point") conducted the analysis program. Set Point has obtained and retained ISO 17025 accreditation from the South African National Accreditation System (SANAS).

The entire sample was pulverized to minus 100 micron and a representative laboratory-determined aliquot was sent to Set Point's analyzing lab.. The analysis was completed by the standard fire assay technique, using lead and silver co-collectors for Pt, Pd and Au. This treatment was modified and augmented for Rh by using palladium as a co-collector in the place of silver. This is becoming industry standard in South Africa and is a result of an attempt to more accurately determine Rh due to its volatility under standard fire assay furnace temperatures.

The collection is thereafter followed by hydrochloric acid dissolution and reading by inductively coupled plasma ("ICP") using an optical emission spectroscopy ("OES") technique.

Base metals were three-acid-digested, and followed by reading by ICP using OES. The resultant pulp samples were retained at Set Point's laboratory until returned to their Mokopane sample preparation facility for consolidation with the remaining sample. All pulps are currently stored at Mokopane but will be returned to the Kennedy's Vale Project's core shed for ultimate storage upon acceptance of all analytical results.

Data Verification and Adjacent Properties

A comprehensive QA/QC program was conducted during the 06/07 Program to monitor accuracy and precision and contamination.

The program consisted of the insertion of standard reference materials and blank samples, coupled with feedback and required action to the assay laboratory, and a check assay program, again followed by feedback and action to the lab. The QA/QC exercise was augmented by Set Point, who supplied internal check assay data with each batch.

The UG2 chromitite and Merensky Reef persist onto the neighbouring properties of Kalkfontein 367KT and Steelpoort Park 366KT in the south, and also onto Mooimeisiesfontein 324KT and the down-dip parts of Boschkloof 331KT to the southwest. Implats controlled or had access to these properties from 2001 to 2003. No detailed data is available on these properties but they represent potential additions to the current project.

To the north, Boynton Investments (Pty) Ltd., a subsidiary of Platmin Limited, has been exploring the Merensky and UG2 reefs where these occur as isolated erosion outliers on the farms Grootboom 336KT and Annex Grootboom 335KT. The UG2 has also been traced by Boynton along strike northwards from Spitzkop onto Annex Grootboom and Grootboom, but the Merensky is thought to be absent. This absence may be due to severe structural disturbances (probably major faulting and disturbed stratigraphic successions) on the western boundary of these properties that also extend onto the farm Eerste Geluk 327KT (rights in favour of Nkwe Platinum Limited).

The effects of these structural disturbances are likely to occur on the northwestern portion of De Goedeverwachting where recent drilling by Eastplats reveals abnormal stratigraphic successions where one or the other, or both reefs, are absent. This, and the evidence that the reefs rotate through a change of strike

of 60° to 80° over a distance of 1–2 km on Eerste Geluk–De Goedeverwachting, geologically separates the project area from the Angloplats properties comprising the Modikwa platinum mine (farms Winterveld 293KT, Onverwacht 292KT, Hendriksplaats 281KT, Maandaagshoek 254KT and Driekop 253KT).

Mineral Resources and Mineral Reserve Estimates

The resources are reported without cut-off grades and have been classified as measured, indicated and inferred, in accordance with the CIM Standards on Mineral Resources and Mineral Reserves (CIM 21005) definitions, as listed below. There have been no mineral reserves calculated for the project to date.

Table 4: Resources for the Interval Base of the U2MC up to the Top of the LC2 Chromitite

LC2 To U2MC	Width	Specific Gravity	Million Tonnes	Ni	Cu	3PGE+Au	3PGE+Au Million Ounces	5PGE+Au	Pt	Pd	Rh	Au
	m		20% Geol Loss	g/t	g/t	g/t	20% Geol Loss	g/t	g/t	g/t	g/t	g/t
MEASURED												
Boschkloof	1.50	3.88	20.9	618	286	5.13	3.45	6.11	2.70	1.83	0.55	0.06
De Goedeverwachting	1.49	3.93	28.6	574	158	5.20	4.79	6.22	2.81	1.81	0.53	0.06
Kennedy's Vale	1.50	3.82	42.3	520	150	4.43	6.03	5.31	2.36	1.57	0.45	0.05
Spitzkop	1.48	3.81	41.8	481	158	5.21	7.00	6.26	2.83	1.83	0.48	0.07
Totals	1.49	3.85	133.6	535	175	4.95	21.3	5.93	2.65	1.75	0.49	0.06
INDICATED												
Belvedere	1.50	3.84	15.3	560	192	3.94	1.9	4.72	2.11	1.40	0.38	0.05
Boschkloof	1.50	3.86	13.8	560	213	4.84	2.2	5.81	2.59	1.71	0.49	0.06
Kennedy's Vale	1.50	3.83	21.5	494	146	4.15	2.9	5.00	2.26	1.41	0.43	0.05
Twefontein	1.48	3.85	3.1	614	148	4.43	0.4	5.27	2.36	1.56	0.47	0.05
Totals	1.50	3.84	53.8	537	177	4.28	7.4	5.15	2.31	1.50	0.43	0.05
Total Measured and Indicated	1.49	3.85	187.4	535	176	4.76	28.7	5.70	2.55	1.67	0.48	0.05
INFERRED												
Belvedere	1.50	3.84	51.3	543	142	4.71	7.8	5.59	2.43	1.73	0.49	0.05
Boschkloof	1.50	3.83	2.9	711	288	4.52	0.4	5.43	2.39	1.63	0.44	0.06
Twefontein	1.49	3.83	20.9	548	124	4.58	3.1	5.43	2.39	1.66	0.48	0.05
Totals	1.50	3.84	75.1	551	143	4.67	11.3	5.54	2.42	1.71	0.49	0.05

Table 5: Resources for the Entire Merensky Reef Pyroxenite

MERENSKY REEF	Width	Specific Gravity	Million Tonnes	Ni	Cu	3PGE+Au	3PGE+Au Million Ounces	5PGE+Au	Pt	Pd	Rh	Au
	m		25% Geol Loss	g/t	g/t	g/t	25% Geol. Loss	g/t	g/t	g/t	g/t	g/t
MEASURED												
Boschkloof	2.51	3.27	16.26	1,104	666	2.30	1.20	2.53	1.37	0.68	0.11	0.14
De Goedeverwachting	2.53	3.25	36.75	1,040	605	2.35	2.78	2.56	1.36	0.75	0.09	0.16
Kennedy's Vale	2.50	3.26	59.22	1,210	635	2.79	5.30	3.04	1.59	0.91	0.12	0.17
Spitzkop	2.49	3.21	48.92	1,147	670	2.53	3.98	2.77	1.44	0.80	0.11	0.19
Totals	2.50	3.25	161.15	1,141	642	2.56	13.26	2.79	1.47	0.82	0.11	0.17
INDICATED												
Belvedere	2.47	3.28	24.33	1,408	645	3.98	3.11	4.34	2.24	1.35	0.16	0.23
Boschkloof	2.51	3.28	30.89	1,283	659	2.65	2.63	2.90	1.49	0.89	0.12	0.15
De Goedeverwachting	2.48	3.30	0.98	1,092	654	2.42	0.08	2.62	1.37	0.79	0.09	0.17
Kennedy's Vale	2.49	3.27	25.91	1,192	612	3.62	3.01	3.95	2.00	1.25	0.15	0.21
Tweefontein	2.53	3.27	5.95	1,416	673	3.52	0.67	3.83	1.98	1.21	0.13	0.20
Totals	2.50	3.28	88.06	1,298	642	3.36	9.50	3.67	1.88	1.14	0.14	0.20
Total Measured and Indicated	2.50	3.26	249.21	1,197	642	2.84	22.8	3.10	1.61	0.93	0.12	0.18
INFERRED												
Belvedere	2.52	3.28	64.47	1,338	610	3.04	6.31	3.31	1.72	1.04	0.12	0.17
Boschkloof	2.61	3.27	3.33	1,416	569	3.07	0.33	3.35	1.71	1.06	0.12	0.18
Tweefontein	2.50	3.28	26.28	1,555	668	3.50	2.96	3.81	2.00	1.17	0.13	0.20
Totals	2.52	3.28	94.08	1,401	624	3.17	9.60	3.45	1.79	1.08	0.12	0.18

Kennedy's Vale activities in 2016

Development ceased in 2012. During the year ended December 31, 2016, Kennedy's Vale incurred \$840,089 in care and maintenance costs. Such costs consist of maintenance, general and administrative expenses and other costs necessary to safeguard the assets of the project.

In 2016, Kennedy's Vale also sold certain of its property, plant and equipment assets for a net gain of \$155,700. These assets were not required during the current phase.

Spitzkop activities in 2016

Development ceased in 2012. During the year ended December 31, 2016, Spitzkop incurred \$47,715 in various fees and other costs during the year. As access is restricted by the surface rights owner, security is not a significant issue.

Environmental Rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets.

The rehabilitation provision is re-measured at the end of each reporting period for changes of estimates and circumstances.

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

Although the ultimate amount of the environmental rehabilitation provision is uncertain, the Company hired a qualified professional to prepare the estimate of these obligations based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs. At December 31, 2016, our estimated environmental rehabilitation was \$2,398,315 for the Kennedy Vale project and \$313,424 for the Spitzkop project.

As at December 31, 2016, cash in the amount of \$9,779,000 was pledged as security for the guarantee issued to the Department of Mineral Resources of South Africa in respect to total environmental rehabilitation of the Company which amounted to \$8,278,771. Furthermore, as at December 31, 2016, certain of the Company's residential properties in the amount of \$1,547,000 was also pledged as security for the guarantee issued to the Department of Mineral Resources for the same reason. These guarantees will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine.

Social and Labour Plan

The Company first implemented its Social and Labour Plan during the development phase of 2008. It was last amended in December 2016 for 2017 commitments. As both Kennedy Vale and Spitzkop are relatively close the plan has been combined. The Company is highly committed to developing the mining opportunities but ensuring that significant benefits accrete to the employees, communities and South Africa. The Company ensures our employees are chosen from the local and regional labour pools when possible and endeavour to provide high levels of training and ensure promotion opportunities are available

to all. The Company supports the various governmental initiatives and looks to develop a balanced workforce, management team and senior leaders from all areas of society and background. The Company engages in various community outreach, entrepreneurial development and opportunity and community educational programs, busarries and support.

The Company ensures consistent and regular communication and meetings occur with the various communities to establish good inforamtion and high levels of education and trust on the Company's operations.

Communities engaged on this project include the following:

- Dithamaga Community
- Ga – Mapodile Community
- Ga – Mampuru Community
- Ga – Malekane Community
- Ga – Phasha Community
- Bengwenyama Ya Maswazi
- Kgoshi Magolego (Dithamaga)
- Cnlr Makina
- Kgoshi Mampuru
- Kgoshi Malekane
- Kgoshi Phasha

The Company has adjusted our plans due to the ceasation of development in 2012 but has not cancelled our activity.

MAREESBURG PGM PROJECT

Introduction and Terms of Reference

The information that follows is summarized from a technical report by Al Maynard & Associates, Consulting Geologists (AMA), dated December 6, 2010, that complies with NI43-101*Standards of Disclosure for Mineral Projects* and NI 43-101F1, and CIM Standards. The report is also consistent with the JORC Code. For further details on the Mareesburg project, please refer to the complete report, filed on SEDAR on December 20, 2010. Information on exploration and project development, obtained since the Technical Report was issued, has been included in this AIF.

Property Description and Location

The 2,129 ha Mareesburg property lies in the southern part of the eastern limb of the BCX. The farm Mareesburg 8JT is located 50 km to the west of the town of Lydenburg in the Lydenburg Magisterial District, Limpopo Province, in the Republic of South Africa. The nearest railhead is situated at the town of Steelpoort, about 35 km to the northeast of the property, which is some 350 km to the north-northeast of Johannesburg.

Mareesburg is adjacent to both Angloplats's Der Brochen Project, and Northam's Everest North Project. Access to the property is good, high-voltage power lines traverse the area and water sources exist on the property.

Accessibility

Access to the site from Johannesburg or Pretoria is via the N12 or N4 highways to Witbank and Middleburg. From Middleburg, the R555 is taken through Stoffberg and Roosenekal to about 24 km south of Steelpoort, where the road to Lydenburg is taken for 13 km to the turnoff to Glencore's Thorncliff chrome mine. From here, an all-weather gravel road past the mine is taken south for 7 km to the proposed new platinum mines (Helena and Der Brochen) under study by Angloplats. Within Mareesburg, numerous well-maintained tracks provide easy access for four-wheel drive vehicles.

Climate

Climate in the area is warm to hot in summer, with dry, mild, generally frost-free winters. The local area can be described as sub-humid, with a mean annual rainfall of 462 mm per annum as measured at the Lydenburg weather station. Rainfall is almost exclusively restricted to the summer months between October and March. The mean annual temperature is 21.5°C, but rare minimum temperatures of -1.5°C and occasional maximum temperatures of 44.5°C are experienced. The winds are predominantly in a northwest direction at about 4.1 m per second, with the windiest period being from August to September.

Local Resources, Infrastructure

The area is currently undergoing significant mine development. Three large-scale operating chrome mines and two ferrochrome smelters are nearby, and several new platinum mines are under development. Significant urban developments are taking place at the town of Burgersfort, about 16 km beyond Steelpoort. Local infrastructure in terms of airports (Lydenburg), road, rail, power and water is excellent, with a knowledgeable and skilled local labour force. Facilities are available at Lydenburg, Steelpoort and Burgersfort for most aspects of mining and exploration support such as light and heavy engineering, spare parts, personnel, medical facilities and schools.

Physiography

The farm is bounded to the west by the Groot Dwarsrivier, and the northern and western portions are within the river valley and generally low-lying (<1000 m). In the central portion of the farm, a large hill rises to 1,617 m. The eastern portion rises towards the Steenkampsberge range. The topography is generally rugged with steep narrow valleys. Numerous streams flow west to the perennial Groot Dwarsrivier. Perennial springs provide small amounts of water for livestock.

History

The Mareesburg property and the general area were first prospected during the 1920s "platinum rush" by individuals and a host of small-and medium-sized companies. However, almost all the early work was confined to the Merensky Reef with scant attention paid to the underlying UG2 chromitite layer. Numerous pits, trenches and exploration adits were excavated to expose the Merensky Reef over a continuous 35 km strike length on the Dwarsrivier, Richmond, Thorncliff, Helena, Der Brochen, Booyensdal and Button's Hope farms. The Mareesburg UG2 deposit is situated north of Der Brochen and is roughly central to this group of farms, which represents the southernmost exposure of the eastern limb of BCX.

In recent decades, Mareesburg was initially only explored for chrome, firstly by African Metals Corporation and then in the late 1960s and 1988 by Samancor Limited. Gencor Limited (Implats) conducted the first recorded investigation of the UG2 in 1989–1990.

Although the occurrence of the PGE-rich UG2 deposit on Mareesburg was known for some time, no records are available of any earlier prospecting until Gencor (Implats) drilled 12 diamond drillholes with 29 deflections to test the UG2 chromitite layer. Latter (June to August 2003), Samancor completed a limited 7-hole diamond drilling program to intersect the UG2, thus providing multiple reef intersections and assay data.

Geological Setting

The Mareesburg platinum project comprises the farm Mareesburg 8JT, which measures 2,129 ha and contains deposits of PGM associated with the UG2 chromitite horizon as well as the Merensky Reef. The property is situated in the southern part of the eastern limb of the BCX.

The Mareesburg deposit is interpreted as an isolated structural “down-warp” of the Merensky and UG2 reefs that has been partially preserved from erosion and which now occurs in an isolated “outlier” detached from the main outcrops of the reefs lying and dipping to the west. It is one of several such unique but important occurrences peripheral to the main outcrop trace of the Merensky and UG2 found elsewhere in the BCX.

As such, the Mareesburg outlier is situated immediately east of Angloplats’s Der Brochen–Booysendal Project where a series of large platinum mines on the UG2 is planned on the Helena, Booysendal and Der Brochen farms. The property also lies south along strike of the Kennedy’s Vale Platinum Project and the Two Rivers Platinum Project on Dwarsrivier (Implats and Avmin JV). The Mareesburg UG2 deposit has a very similar geological setting to the Everest South outlier deposit that occurs about 12 km south of Mareesburg and which is presently owned by Northam. A similar outlier also occurs on the farms Annex Grootboom 335KT and Grootboom 336KT, about 27 km to the north of Mareesburg.

Deposit Types

The UG2 Reef

The characteristics of the UG2 chromitite layer, although broadly similar to the “normal” UG2, as developed on Der Brochen and adjoining farms to the west, differs in important respects.

Of significance is the fact that over most of the peripheral area of the basin, the UG2A lies directly on top of the UG2, which results in a far thicker chromitite layer being developed (i.e., a “composite reef”) with no pyroxenite parting. This composite reef is well developed and in some areas the reef widths are in the order of 1.35 m. In these cases, the tenor is that of the combined UG2 and UG2A at about 4.2 g/t. This development of a composite reef will have a positive effect for opencast mining in the western and southern areas of the deposit.

Towards the centre of the basin, the composite UG2 splits into two chromitite layers — an upper UG2A and lower UG2. The limits of composite UG2 have been extended to a position where the pyroxenite parting between UG2 and UG2A is 0.5 m. It should be noted that due to the existence of only one borehole in the composite reef region along the northern flank of the basin, the extent of the composite reef in this area has been extrapolated and is schematic.

The so-called “main layer” generally comprises a massive chromitite varying in thickness from 69 to 109 cm with an average grade of 5.38 g/t over 98 cm. As the pyroxenite parting thickens, the UG2A also increases in thickness up to about 95 cm. The main UG2 layer averages about 70 cm in this area and stabilizes at a thickness of between 80 and 100 cm for much of the central part of the basin.

The main UG2 layer is variously underlain by a relatively thin (± 10 – 20 cm), sulphide-rich feldspathic pegmatoidal pyroxenite, but often this horizon is poorly developed and the chromitite lies in sharp contact with a thin (± 4 cm) mottled anorthosite which grades downward into pyroxenitic norite and a thick sequence of leuconorite. Occasionally, a thick footwall anorthosite is developed and in these instances the tenor of the reef is poor. It is interpreted that this abnormally thick footwall anorthosite succession may be due to potholing or slumping and these holes have been removed from the resource calculation.

The footwall leuconorite contains several layers of mottled anorthosite and becomes distinctly more melanocratic (darker and more pyroxene-rich) with depth. Ultimately, the sequence grades into feldspathic pyroxenite and pyroxenite which is the host to the UG1 chromitite sequence. The UG1 occurs about 200 m below the UG2 and it comprises an upper chromitite (± 70 cm thick) associated with several thin chromitite layers in the immediate hanging and footwall pyroxenite. The main chromitite layer (± 75 cm thick) is encountered about 2.5 m below the upper unit, which has a footwall of massive anorthosite containing the classic “zebra striping” caused by the complexly interlayered chromitites for which the UG1 is well known.

The hanging wall to the main UG2 is generally pyroxenite with occasional chromite disseminations and irregular chromite stringers. These give way upwards to an irregular sequence of “streaky” pyroxenite, with thin norite and anorthosite interlayers. Several of the anorthosite layers are quite distinctive markers only a few centimetres thick, but invariably exhibiting very persistent and fine chromite stringers at their top and bottom contacts. The increasing thickness of this hanging wall sequence causes a steady divergence between the UG2 and UG2A units into the basin.

Mineralization

The broad stratigraphy of the UG2 sequence comprises three mineralized chromitite layers, referenced (from bottom to top) as the main UG2, the UG2A and the UG2B units, which vary quite significantly in their chromite content and separation distance between one another. This separation distance will be important in any future mining operation as it will determine the underground mining cut/stoping width and the inclusion or otherwise of low-grade waste. All the chromitite layers often contain a variable amount of inter-reef pyroxenite, which is the cause of dilution of grade in some drill intersections. In an opencast mining situation it is likely that these chromitites could be mined separately or bulked together to provide a thick composite mining width.

The lowermost main chromitite layer is the UG2 as identified elsewhere in the BCX, whereas the UG2A and UG2B are probably manifestations of the UG2 leader seams. The UG2A, which immediately overlies the UG2, is particularly well defined but the uppermost UG2B horizon appears to be less well developed in some holes to the extent that in many of the drill logs it has been afforded little recognition.

PGM and base metal sulphide mineralization is typically bimodal in its distribution within the main UG2 chromite with the higher PGE and Cu-Ni values being found close to the upper and lower portions of the reef, with a distinct “bottom loading.” The central part tends to be moderately lower grade. The average grade of the main UG2 on Mareesburg is 5.38 g/t (3PGE+Au) over an average width of 100 cm with an average Pt:Pd ratio of 1.21. However, the PGE composition is highly variable between holes and in some instances it is locally even reversed.

Exploration

No further exploratory work has been done on the property since acquisition.

Drilling

No further drilling has been done on the property since the work described under “History section” above.

Sampling Methods and Approach

Sampling of the core has been undertaken by at least three entities, namely Gencor (Implats), Samancor and AMA. No information on the sampling methodology conducted by Implats is available but a review of the drill logs, sample intervals and presentation of data clearly shows it was undertaken in an efficient and professional manner typical of a large mining house with many years of experience in PGM exploration and mining.

Sample Preparation, Analysis and Security

AMA visited Samancor’s core yard at their Eastern Chrome mines. In preparation for the visit, the entire core had been laid out in the yard, which was well organized in accordance with most of the standard facilities. The core was then inspected in detail and photographed, after which certain boxes of core were selected for sawing and additional sampling. AMA remeasured the reef intersections and recorded no discrepancies of any significance. AMA is satisfied that 100% core recovery was achieved in the reef intercepts. Owing to a temporary closure of the Eastern Chrome mine, the core selected had to be transported by private contractor to Angloplats’s Der Brochen mine site for sawing. AMA supervised the loading and travelled with the core to Der Brochen where it was unloaded and sawn in a most efficient and acceptable manner using an “automated” core saw. The core was then returned to Eastern Chrome’s yard where it was logged, measured and sampled into high-strength plastic bags. Under constant supervision by AMA, the samples (93 in total) were loaded and transported to Johannesburg and submitted by AMA to Set Point for analysis.

Data Verification and Adjacent Properties

No Implats assay certificates were available but AMA reviewed the Samancor and Implats databases for consistency and accuracy with the Samancor-derived computer-generated core logs and sample sheets. Original SGS-Lakefield Research Africa (Pty) Ltd. (“SG Lakefield”) signed assay certificates were available for Samancor’s drillholes. Only minor discrepancies in sample thickness were identified in the combined databases, which in AMA’s opinion have no material impact on the value of the data.

During AMA’s period of involvement, AMA visited and inspected the laboratories of SGS Lakefield and Set Point for QA/QC purposes regarding assay work completed, or to be undertaken, for inclusion in this report. Although AMA is not expert in assessing the facilities and techniques of sophisticated analytical laboratories, both were found to be exceptionally tidy, dust-free, and well organized, and staffed by personnel with considerable industry experience. Both laboratories are ISO 17025 accredited.

While at SGS Lakefield, AMA collected all the sample pulps left over from Samancor’s batch of assays and 15 were then selected ranging from high to low values and delivered to Set Point for check assay. In summary, SGS Lakefield’s results for 3PGE+Au are invariably lower than those assayed by Set Point. However, the reverse is the case for Cu and Ni. Despite this variation, AMA is of the opinion that the differences are not material enough to impact on the conclusions of this report because the apparent low bias of SGS-Lakefield leans toward the grade of the Mareesburg resource being under- rather than over-estimated.

The Implats database refers to analysis by both lead and nickel-sulphide collection fire assay. Implats assays were conducted at the Implats in-house laboratory at Springs, near Johannesburg, while the Samancor

assays were carried out at SGS-Lakefield Africa (Pty) Ltd. SGS-Lakefield used a standard fire assay fusion with lead collector and inductively coupled plasma optical emission spectrography (OES) finish for the determination of Au, Pt, Pd and Rh. Rh is determined in a separate Pd collector fire assay procedure. Blanks, two duplicates, and external and internal standards were used with all assay determinations.

Mineral Resources and Mineral Reserve Estimates

AMA has utilized the results of 15 holes (representing 36 assayed reef intercepts) and calculated an in situ resource estimate as follows:

	Tons	Grade (4E)	Contained 4E ounces	Cu	Ni
Measured Resources	8,940,000	5.26 g/t	1.51 million	0.035%	0.082%
Indicated Resources	6,950,000	2.19 g/t	0.49 million	0.015%	0.056%
Total M&I Resources	15,890,000	3.92 g/t	2.00 million	0.026%	0.070%

The Pt:Pd ratio of the UG2 averages 1.42, but the ratio is highly variable between holes and locally it may be reversed.

The Pt:Pd ratio of the UG2A averages 4.1 and is far more constant with Pt always dominating over Pd.

The above is a classified resource estimate (JORC Code) and conforms to the requirements of NI 43-101.

The continuity of the reefs, as shown by the drilling at Mareesburg and on adjacent and nearby properties (Der Brochen, Dwarsrivier and Everest South) as well as in the eastern BCX, has enabled sufficient confidence to classify about 73% of the estimated tonnages as measured and indicated resources. The balance of about 27% (5.3 Mt of low grade UG2B reef) would be classified as an “inferred resource” using the JORC Code guidelines.

Based on the mine design and project economics, a minable probable reserve has been developed for the Mareesburg open pit. This probable reserve will provide ore feed to the mill for approximately five years. The strip ratio is estimated at 5.73:1. These reserves are included in the resources outlined in the resource estimate table above.

	Tons	Grade g/t	4E ounces
Probable Reserve	4,557,810	4.00	586,213

Mareesburg activities in 2016

Development ceased in 2012. During the year ended December 31, 2016, Mareesburg incurred \$19,355 in cost associated with filing and other minor items as it remains largely an undeveloped ore body and access is restricted by the surface rights owner, therefore security is not an issue.

Environmental Rehabilitation

As only drilling has occurred and contemporaneous reclamation occurred after drilling, the Company does not have any future liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property. If development began the Company would estimate such liability and update it on a quarterly basis.

Social and Labour Plan

Due to the current status as an undeveloped property the Company does not have a Social and Labour Plan. The Company is highly committed to developing the mining opportunities but ensuring that significant benefits accret to the employees, communities and South Africa. The Company will ensure our employees are chosen from the local and regional labour pools when possible and endeavour to provide high levels of training and ensure promotion opportunities are available to all. The Company supports the various governmental initiatives and looks to develop a balanced workforce, management team and senior leaders from all areas of society and background. The Company will engaged in various community outreach.

- The specific communities for this project have yet to be fully identified.

DEVELOPMENT PROJECTS ON HOLD

CRM - CROCETTE AND KAREESPRUIT

Crocette

Mine development continued until November 2011 in the Crocette section at CRM, which is bounded by the producing Zandfontein section to the east and the Lonmin-Amplats Pandora JV on the west. This section of the CRM will provide incremental production without the requirement for significant capital expenditure, as the reefs can be accessed from surface and the ore will be processed at the existing CRM concentrator. Crocette will mine the UG2 reef which was exposed in a number of trenches and confirmed to over 200 m depth by exploration drilling. This drilling included 88 holes, totalling over 17,385 m, giving 79 UG2 intersections, between July 2007 and December 2008. Drillcore evaluation and assay results have established a UG2 reef width of over 1.3 m at an average grade of 4.4 g/t (3PGE+Au). The reef dips at approximately 18 degrees.

Conventional stoping methods are planned with the initial ore haulage using mechanized equipment. The reef is highly oxidized close to surface. Accordingly, no opencast mining is planned, since this would result in poor metallurgical recoveries. At full production, the Crocette section is expected to produce up to 40,000 tonnes of ore per month. However, volatility in the global financial markets and the recently decreasing PGM prices put the development on care and maintenance in early 2012. Restart of development work can be done quickly when economic conditions improve.

Kareespruit

At Kareespruit, the drilling program conducted between July 2007 and December 2008 comprised 38,346 m of drillcore with 89 UG2 reef intersections. The Kareespruit pre-feasibility study remains on hold.

SPITZKOP

Spitzkop is planned as a decline mining operation that will access high-grade PGM resources in the UG2 reef at relatively shallow depth without the requirement for high capital cost shaft infrastructure. Spitzkop is situated updip of, and adjacent to, the Kennedy's Vale Project. Kennedy's Vale and the deeper sections of both properties could utilize the existing twin vertical shafts. This infrastructure would provide a significant reduction in capital costs for the development of the deeper sections of both properties.

A 29,000 m drill program was completed in 2006/2007 and all assays have been received and reported on SEDAR.

Work on the basic engineering for trial mining is completed and two declines were driven to intersect the UG2 reef. However, the Company has decided to initiate development of the Mareesburg open-pit mine first, with Spitzkop mining planned to follow afterwards, depending on PGM prices and economic conditions. A new order mining right was granted in October 2009.

MAREESBURG

A new order mining right was issued in September 2010, and shortly afterward the Company approved the development of the Mareesburg Project which was to consist of a 90,000 tpm open-pit mine feeding a new 90,000 tpm concentrator to be built on the Kennedy's Vale property, about 30 km from the mine site. The concentrator was to be designed for expansion to 180,000 tpm to handle future ore from the other eastern limb properties. In May 2012, the Company decided to halt the project (estimated to be about 43% complete) until such time as PGM prices improve. All long-lead items such as mills and mining equipment had been purchased and delivered. Concrete work was almost complete and most of the structural steel is on site. The Company believes that once a decision to restart the project is given, construction can be rapidly ramped up, subject to adequate funding being available.

KENNEDY'S VALE

A report on accessing the vertical shafts to conduct trial mining has been reviewed and forms part of longer-term planning for the eastern limb.

RISK FACTORS

The business of exploring for minerals, including the mining and processing of those minerals, involves a high degree of risk. These activities involve significant risks which careful evaluation, experience and knowledge may not, in some cases, eliminate. These risks include risks associated with the mining industry, the financial markets, metals prices and foreign operations.

Economic Uncertainty Risk

The global economy has been volatile due to significant political uncertainty, declining confidence in financial markets, failure of financial institutions and concerns over the availability of credit. This impacts both commodity prices, including PGM and other metals, as well as the share value of mining companies.

These factors may impact the Company's ability to obtain equity or debt financing in the future, and if obtained, on terms that are favourable to the Company. If market volatility and uncertainty continue or worsen, the Company's decision to resume mining operations and project development might be delayed. This may have an impact on the value of the Company's Common Shares, making accessibility to public financing difficult.

PGM Fluctuation Risk

Since 2011, demand and industrial consumption of PGM has been negatively impacted by the volatility of the Eurozone financial markets, global economy, strength of the U.S. dollar and weakening of gold prices. PGM prices have generally declined and there can be no assurances that these prices will return to previous highs in the future.

Low PGM prices may render ore reserves containing relatively low grades of mineralization uneconomical and may in certain circumstances result in a restatement of reserves. While out of the control of the Company, low PGM prices have a direct impact on Eastplats' business as they impact whether it is

economical to restart certain of its Projects that are currently on care and maintenance. As such, there can be no assurance that PGM prices will rise to a level to support a decision by Eastplats to take certain of its Projects off care and maintenance. This may have a material adverse effect on Eastplats' financial and cash-flow position as well as the future growth of the Company.

Currency Fluctuation Risk

Mining in South Africa, including the Company's eastern limb projects, is predominately conducted in Rand while PGM prices are based on U.S. dollars. Eastplats currently uses the Rand and the Canadian dollar as its functional currencies and U.S. dollars as its reporting currency. This creates certain currency fluctuation risks that may have a material adverse effect on its business and reporting of operating results of its financial condition.

Eastplats cannot predict the effect of the exchange rate fluctuations upon future operating results and has no current plans to hedge or sell forward any of its PGM production in an effort minimize this risk.

As Eastplats' operations are currently in care and maintenance and such costs are paid in Rand, Eastplats is significantly exposed to currency fluctuation risk as a result of its limited cash flows. Eastplats also reports its financial results in U.S. dollars and as such fluctuations in the exchange rate between the U.S. dollars, Canadian dollars and Rand may have a significant impact on the Company's reported financial position and cash flows. This impact on reporting may impact the Company's ability to access public financing.

Capital Risk

PGM mining is capital intensive. Large amounts of capital are required to build production facilities and the long-term viability of a PGM company is capital intensive with respect to exploration and production. The mining and extraction of PGM is a complex and expensive process.

Eastplats has expended significant funds on the acquisition of mineral interests and exploration and expects to continue to do so in the future. There can be no assurance that material factors that impact the profitability of PGM mining will not affect a determination of whether the amount of capital required by the Company to maintain or expand its Projects is justified. This may have a materially adverse impact on the Company's business.

Trading of Common Share Risk

The market price of Eastplats' Common Shares may be subject to wide fluctuations in response to many factors, including the completion, termination or other resolution of material agreements, variations in the operating results of Eastplats, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, legislative changes in Eastplats' sector and other events and factors outside the control of Eastplats.

In addition, stock markets, and in particular the market for shares of resource companies, have from time to time experienced extreme price and volume fluctuations which, as well as general economic and political conditions, could adversely affect the market price for Eastplats' Common Shares. There can be no assurances that this risk will not materially impact Eastplats' funding or ability to conduct business.

Funding Risk

As a result of Eastplats suspending certain of its Projects, the Company terminated certain credit facility agreements that were used to partly fund the development costs of such Projects.

Additional funding will be required to bring the Company's Projects to production, if industry conditions support such a decision. There can be no assurance that a new or restructured debt financing package will be available to Eastplats or, if available, that such debt funding will be on acceptable terms. There can also be no assurance that equity funding will be available to Eastplats or, if available, that such equity funding will be on acceptable terms to Eastplats or its shareholders.

If adequate funds are not available, Eastplats may be required to delay or reduce the scope of certain of its Projects which may have a materially adverse impact on its business.

Foreign Operations Risk

Eastplats' investment in countries other than Canada carries certain risks associated with unfamiliar political economic environments. For example, the majority of Eastplats' projects are located in South Africa which has undergone major changes including regulatory, political and legal changes that could have a materially adverse impact on Eastplats' Projects. Many of these recent changes may result in risks such as possible misinterpretation of new laws, unilateral modification of mining or exploration risk, operating restrictions, increased taxes, environmental regulation, mine safety and other risks arising out of a new sovereignty over mining.

Eastplats' foreign mining, exploration and development activities require certain permits from various governmental authorities, and such operations are, and will, be governed by laws and regulations regarding prospecting, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. There can be no assurances that all permits which Eastplats may require for exploration will be obtained on reasonable terms, on a timely basis or at all, or that such laws and regulations would not have a material adverse impact on any project that Eastplats may undertake. Further, a substantial portion of the assets of the Company are located in a jurisdiction outside of Canada. As a result, it may be difficult for investors in Canada to enforce judgments obtained against the Company in Canada.

There can be no assurances that Eastplats will adequately react to political, regulatory or legal changes in the foreign jurisdictions in which it conducts business which may materially impact the Company's operations or its future profitability.

South African Risk

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

There can be no assurances that Eastplats will be able to comply strictly with all applicable laws, regulations and local practices relating to mineral right applications and tenure and therefore is exposed to certain risks including the loss, reduction or expropriation of South African entitlements.

South African Government Empowerment Initiative Risk

The regulatory process entails a public comment process, which makes the outcome of the legislation uncertain and may cause delays in the regulatory process. A number of significant matters have not been finalized, including legislation dealing with beneficiation. The Company cannot predict the outcome or

timing of any amendments or modifications to applicable regulations or the interpretation thereof, the release of new regulations or their impact on its business.

Certain recently enacted policies and regulations require that black people (as such phrase is used in such policies and regulations) hold a minimum of 26% ownership per mining right. The 26% percent must be apportioned such that a minimum of: (i) 5% is provided to workers; (ii) 5% is provided to a community having rights in the land being mined; and (iii) 5% is provided to black entrepreneurs. A special purpose vehicle must be created to manage each of the 26% BEE stakes.

These changes are not yet effective but in the event that they become effective, the Company will be required to complete certain transactions to comply. There can be no assurances that such transactions will be completed within the periods provided under applicable policy, regulation or legislation and as such the Company is exposed to the risk that they will not be in compliance with such policies, regulations and legislation.

BEE Buyout Transaction Risk

All the transactions under the BEE Buyout Agreements have not been completed as of the date hereof. If the Company completes the BEE Buyout Transaction, it may lose its BEE Partners, and the Company may be in breach of the provisions of its mining rights and certain provisions of applicable legislation, unless steps are taken to rectify those requirements. The Company is working proactively to resolve these issues in anticipation of the completion of the transactions contemplated in the BEE Buyout Agreements. If required to do so, there is no guarantee that the Company will be able to successfully rectify those requirements within the required timeframe. Failure to rectify any non-compliance with the obligations under applicable legislation may negatively impact the Company's operations and value of its assets.

There is a possibility that the Company may not be able to recover some or all of the pre-payment made in the amount of \$13,366,609 in the event that the transactions contemplated under the BEE Buyout Agreements cannot be completed.

Reserve Risk

The data regarding mineral reserves and mineral resources are estimates generated by qualified persons, and no assurance can be given that the anticipated tonnage and grades will be achieved, or in the case of reserves, that the indicated level of metallurgical recovery will be realized. The actual reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of PGM recovered may be below estimated levels.

There are numerous uncertainties inherent in estimating quantities of mineral resources and mineral reserves, including many factors that are beyond the Company's control. The estimates prepared by the Company are based on various assumptions relating to metal prices and exchange rates during the expected life of production, mineralization and mineralogy of the area and material to be mined, the projected cost of mining including costs of fuel and other critical operating consumables, and the results of additional planned development work. Actual future production rates and amounts, revenues, taxes, operating expenses, environmental and regulatory compliance expenditures, development expenditures and recovery rates may vary substantially from those assumed in the estimates. Any significant change in these assumptions, including changes that result from variances between projected and actual results or any assumptions in the historical resource estimates that turn out to be incorrect, incomplete or flawed in any respect or the methodologies and models used to prepare the resource and reserve estimates either underestimate or overestimate the resources or reserves due to hidden or unknown conditions, could result in material downward or upward revision of current estimates.

Future Reserve Risk

The reference to mineral resources included in this document are estimates and there can be no assurance that proven or probable reserves will be discovered in the amounts estimated or that any particular level of recovery of minerals will in fact be realized or that an identified reserve or resource will ever be commercially minable (or viable) or that any such deposit can be legally and economically extracted.

Mineral exploration is by its very nature a speculative activity and there can be no assurance that any mineralization discovered will result in an increase in the Company's proven and probable reserves. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated resources described in this document should not be interpreted as assurances of commercial viability or the potential profitability of any future operations.

Should economically recoverable volumes of minerals or metal be identified, it can take a number of years from the initial phases of drilling and identification of mineralization until production is possible. During this time, the economic feasibility of production may change. Substantial expenditure is required to establish reserves through drilling, to develop metallurgical processes, and to develop the mining and processing facilities and infrastructure at any site selected for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities or have sufficient grade to justify commercial operations, or that funds required for development can be obtained on a timely basis.

Project Risk

The business of exploring for minerals and mining involves a high degree of risk. Only a small proportion of the properties that are explored are ultimately developed into producing mines.

The mining areas presently being assessed by the Company may not contain economically recoverable volumes of minerals or metals. The operations of the Company may be disrupted by a variety of factors and hazards which are beyond the control of the Company, including but not limited to geological and geotechnical uncertainties, seismic events, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, industrial and mechanical accidents, equipment or labour difficulties, environmental events (including discharge of metals, pollutants or hazardous chemicals) and other risks involved in the operation of mines and the conduct of exploration programs.

Should economically recoverable volumes of minerals or metal be identified, it can take a number of years from the initial phases of drilling and identification of mineralization until production is possible. During this time, the economic feasibility of production may change. Substantial expenditure is required to establish reserves through drilling, to develop metallurgical processes, and to develop the mining and processing facilities and infrastructure at any site selected for mining. Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities or have sufficient grade to justify commercial operations, or that funds required for development can be obtained on a timely basis.

The economics of developing platinum and other mineral properties is affected by many factors including, but not limited to, the cost of operations, variations in the grade of ore mined, fluctuations in the price of PGM or other minerals produced, currency exchange rates, costs of processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production,

importing and exporting of minerals, and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

Short-term factors, such as the need for the orderly development of minerals or the processing of new or different grades, may have a material and adverse effect on mining operations and on the results of operations.

There can be no assurance that minerals recovered in laboratory test work will be recoverable economically in large scale tests under on-site conditions or in production scale operations, and material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Project Development Risk

The Company plans to continue to develop its operations and new projects. There can be no assurance that the Company's projects will be fully developed in accordance with the Company's current plans or completed on time or on budget.

In 2011, the Company's decision to carry out the development of the Mareesburg Project was based on internal scoping studies and cash flow models. The Company did not commission an independent economic analysis in respect of its decision to proceed with this development. In June 2012, the Company's decision to suspend funding for the development of the Mareesburg Project was based on its assessment of the global economic environment and the operating environment in South Africa. If conditions improve significantly, the development of the Project can be restarted, subject to adequate funding being available. However, if the Company's internal scoping studies or cash flow models prove to be inaccurate or incomplete, the expected returns from the Mareesburg Project could be lower or even negative, and the Company's financial condition and results of operations could be materially adversely affected.

Geotechnical Risk

Eastplats and the mining industry are facing continued geotechnical challenges associated with the aging of certain mines and the need to mine deeper puts and more complex deposits. This leads to higher pit walls, more complex underground operations and increased exposure to geotechnical instability. As Eastplats' operations mature, the open pits and underground operations at certain sites are getting deeper. No assurances can be given that unanticipated adverse geotechnical conditions, such as pit wall failures, underground cave-ins and other ground-related instability, will not occur in the future or that such events will be detected in advance.

Geotechnical instabilities can be difficult to predict and are often affected by risks beyond Eastplats control, such as severe weather, higher than average rainfall and seismic events. Geotechnical failures can result in limited access to mine sites, suspension of operations, production delays, government investigations and increased costs, as well as injuries and deaths in the most extreme cases. All of these could adversely impact Eastplats' results of operations and financial position.

Infrastructure Risk

Eastplats' mining, processing, development and exploration activities depend on adequate infrastructure and dependable information technology systems. Reliable power sources, water supply, roads and other infrastructure are important for Eastplats' operations. Water shortages, power outages, sabotage, community, government or other interferences in the maintenance or provision of such infrastructure could adversely affect Eastplats' business, financial condition and results of operations.

Regulatory Risk

The business of mineral exploration, development, mining and processing is subject to various national and local laws and plans relating to permitting and maintenance of title, environmental consents, taxation, employee relations, health and safety, royalties, land acquisitions, land use, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Although Eastplats believes that it currently complies with all material rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that may impact production or development. New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment in which the Company operates could have a material adverse effect on the Company's business.

Any failure to comply with applicable laws and regulations or approvals, licences or permits, even if inadvertent, may result in interruption or closure of exploration, development or mining operations or enforcement actions or corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Eastplats may also be required to compensate any parties suffering loss or damage by reason of our mining activities and may have civil or criminal fines or penalties imposed against the Company for violations of applicable laws or regulations.

Environmental Risk

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations which would result in environmental pollution. A breach of such regulations may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner requiring stricter standards. Enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a greater degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Any failure to comply with applicable environmental regulation, even if inadvertent, may have a materially adverse impact on the Company's business and ability to operate its Projects.

Title Risk

The Company cannot guarantee that title to its mineral properties will not be challenged. The Company may not have, or may not be able to obtain, all necessary surface rights to develop its projects. Title insurance generally is not available for mineral properties, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions comprising the projects may be severely constrained. The mineral property may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Eastplats has not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful challenge to the precise area and location of these claims could result in our being unable to operate on all or part of the property as permitted or being unable to enforce our rights with respect to all or part of the property. This could result in Eastplats not being compensated for its prior expenditures relating to the property. In addition, Eastplats' ability to continue to explore and develop the property may be subject to agreements with other third parties.

The Company has investigated title to its mineral properties, and to the best of its knowledge, title to all of its properties and properties in which it has a right to acquire or earn an interest are in good standing. However, the properties may be subject to prior unregistered agreements or transfers that have not been recorded or detected through title research. The Company was recently made aware of land claims that were lodged against some of its properties.

There can be no assurances that the investigations conducted by the Company have yielded accurate results and that the land claims will not result in a material adverse impact on the Company's assets.

Licence Risk

The government of South Africa exercises control over such matters as exploration and mining licensing, permitting, exporting and taxation, which may adversely impact on the Company's ability to carry out exploration, development and mining activities. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company's exploration and mining activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be granted for a defined period of time, or may not be granted, or may be withdrawn or made subject to limitations. There can be no assurance that such authorizations will be renewed following expiry or granted (as the case may be) or as to the terms of such grants or renewals. There is also no assurance that the issue of a reconnaissance, prospecting or exploration licence will ensure the subsequent issue of a mining licence.

Insurance Risk

In the course of exploration, development and production of mineral properties, certain unforeseen and unpredictable events may occur, including but not limited to unexpected or unusual geological conditions, rock bursts, cave-ins, power disruptions, fire, flooding and earthquakes, as well as environmental pollution. It is not always possible to fully insure against such risks as a result of high premiums or other commercial reasons. Should such events occur, they could result in increased costs, reduction or elimination of future profitability, or a material adverse effect on the Company's results and a decline in the value of the securities of the Company. On at least an annual basis, the directors have taken practical steps to ensure that the Company's business is, where possible, covered by appropriate insurance arrangements. There can be no assurance that the Company will be able to acquire insurance that will cover all risk to which it is exposed and should an uninsured risk materialize the result could materially impact the Company's business adversely.

Third Party Risk

Eastplats' business and technology systems and platforms depend on products and services provided by third parties including contractors, surveyors and consultants. If there is any interruption to products or services provided by third parties or those products or services are not as adaptable to Eastplats' needs as anticipated, or there are problems in upgrading such products or services, Eastplats' business may be adversely affected, and Eastplats may be unable to fund adequate replacement products or services on a timely basis or at all.

Joint Venture Risk

Both Eastplats and its subsidiaries hold interests in joint ventures that are materially important to the Company's business.

Joint ventures may involve special risks associated with the possibility that the joint venture partners may: (a) have economic or business interests or targets that are inconsistent with those of the Company; (b) take action contrary to the Company's policies or objectives with respect to their investments, for instance by veto of proposals in respect of joint venture operations; (c) be unable or unwilling to fulfill their obligations under the joint venture or other agreements; or (d) experience financial or other difficulties.

Any of the foregoing may have a material adverse effect on the results of operations or financial condition of the Company. In addition, the termination of certain of these joint venture agreements, if not replaced on similar terms, could have a material adverse effect on the results of operations or financial condition of the Company.

Competition Risk

The mining industry is highly competitive throughout all of its phases. There is competition for mineral properties and for the funding necessary for their development. The PGM industry, in particular, is highly competitive, with most of the known assets concentrated in South Africa and controlled by a small number of large companies. For this reason, the barriers to entry are very high, and the Company will be competing for mineral properties, staff and financing with companies that are much larger and better capitalized, and have substantially greater technical and operational resources and staff. There can be no assurance that the Company will be able to acquire additional properties on terms that are acceptable to it or that it will be able to raise the necessary funds to complete any of its projected work.

Employee Risk

The Company has changed all of its key employees during 2016. It continues to be dependent on a relatively small number of key employees, the loss of any of whom could have a material adverse effect on the Company. As a result of the current economic environment of PGM and the portability of many key and skilled individuals, Eastplats is vulnerable to losing key persons to alternative opportunities.

HIV/AIDS is prevalent in Southern Africa. Employees or contractors of the Company may have contracted or could contract this virus. In recent years, there has been a steady emigration of skilled personnel from Southern Africa. Generally, the prevalence of HIV/AIDS could cause lost employee man-hours and the emigration of skilled employees could adversely affect the Company's ability to retain employees with appropriate skill sets.

Conflict of Interest Risk

Directors of the Company are or may become directors of other companies or have significant shareholdings in other mineral resource companies, and to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its directors attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

In accordance with the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms

to deal with conflicts of interest. No assurance can be given that the directors will not have material conflicts of interest that may adversely impact the Company's business.

Material Transaction Risk

As a result of shareholder votes of the Company and BIL, in which they rejected the CRM Purchase Agreement, the CRM Transaction has not been completed. It is uncertain whether the conditions for completion under the CRM Purchase Agreement will be satisfied, or if the transactions under the CRM Purchase Agreement will be completed, terminated or otherwise resolved.

If the CRM Purchase Agreement is terminated as a result of the Company's failure to fulfill certain conditions and obligations under the agreement, HZT would be entitled to receive a break fee in the amount of \$5,000,000.

Further, as a result of the civil claim in the British Columbia Supreme Court against the Company and several of its subsidiaries with respect to an alleged repudiation and breach of the CRM Transaction entered into with HZT by Former Management, the Company is at risk of specific performance of the Purchase Agreement or damages in lieu thereof and costs.

Liquidation risk

As a result of a claim by Alpha Global, they are seeking relief under a unique provision of South African company legislation contemplating that a South African court may make an order to wind up an "external company" registered in South Africa on the basis that it is just and equitable to do so or that it is unable to pay its debts. If the Courts find against the Company a liquidation order for the South African registered external Company of Eastern Platinum Limited could be ordered. In the context of winding-up, an "external company" registered in South Africa may be liquidated as if it were an independent entity even if the foreign company to which it is related (Eastern Platinum Limited) is not liquidated.

Litigation Risk

Eastplats is subject to legal proceedings, and may be subject to new proceedings, initiated by or against it related to the development of its projects, operations, titles to its properties, environmental issues, resolution of the CRM Transaction and the BEE Buyout Agreements, shareholder, regulatory or other proceedings. Given the uncertain nature of these actions, despite Eastplats' diligence in obtaining information and results of its investigations, Eastplats cannot reasonably predict the likelihood of further legal proceedings or the outcome thereof. In the event Eastplats is unable to be successfully resolve any such legal proceeding, this may have a material adverse effect on its business, financial conditions or prospects.

DIVIDENDS

The Company does not have a current dividend policy and does not expect to declare a dividend on the Company's common shares in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares without par value, of which 92,639,032 are issued, 92,599,310 are outstanding and 37,722 are held as Treasury Shares as at June 13, 2017. Each Common Share is entitled to one vote. All Common Shares of the Company, rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or

assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender, sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia).

MARKET FOR SECURITIES

The Company's Common Shares are listed and posted for trading on TSX under the symbol "ELR" and are also listed on the JSE under the symbol "EPS."

The following chart sets out the high and low trading prices, and volume of shares traded on the TSX, for the period January 1, 2016, to December 31, 2016:

Share Price (Cdn\$)			
Period	Low	High	Volume
January	\$0.71	\$0.80	305,965
February	\$0.70	\$0.80	691,701
March	\$0.72	\$0.89	1,703,986
April	\$0.74	\$0.99	2,427,806
May	\$0.85	\$1.15	6,815,186
June	\$0.96	\$1.14	1,173,794
July	\$0.85	\$1.06	4,453,248
August	\$0.62	\$0.84	2,056,061
September	\$0.68	\$0.85	2,874,784
October	\$0.48	\$0.74	2,908,068
November	\$0.431	\$0.48	1,926,588
December	\$0.43	\$0.465	5,042,850

The price of the Company's common shares as reported by the TSX at the close of business on December 30, 2016, was Cdn\$0.44 per share.

OUTSTANDING OPTIONS

The following table contains detailed information regarding each class of securities of the Company that is outstanding, as at the financial year end, but not listed or quoted on a marketplace during the most recent completed financial year:

Type of Security	Number of Shares	Exercise Price (Cdn\$)	Grant Date	Expiry Date
Incentive Stock Options	9,000	\$23.10	October 4, 2007	October 5, 2017
Incentive Stock Options	2,500	\$6.00	March 12, 2012	March 12, 2017
Incentive Stock Options	232,500	\$1.90	January 8, 2013	January 8, 2018
Incentive Stock Options	400,000	\$1.05	July 5, 2016	July 4, 2021
Incentive Stock Options	400,000	\$1.05	August 15, 2016	August 14, 2021
Incentive Stock Options	100,000	\$1.05	September 21, 2016	September 20, 2021

DIRECTORS AND OFFICERS

As of December 31, 2016, the names, municipalities of residence, positions with or offices held with the Company, and principal occupation of the directors and officers of the Company are as follows:

Name and Municipality of Residence	Position	Principal Occupation	Number of Common Shares Held
GEORGE G. DORIN Surrey, BC, Canada	Chairman and Director (July 5, 2016)	President, CANUS Capital Corporation since 2008.	Nil
DIANA HU Richmond, BC, Canada	Chief Executive Officer (July 27, 2016) and Director (August 15, 2016)	Chief Executive Officer of the Company, since 2016; President of CGH Industries Limited, since 2004; General Manager, Nyrstar Hing Kong Co. Ltd. (2014 – 2015) and Head of Commercial, MRI Trading Ltd. (20012 – 2014)	Nil
MICHAEL COSIC Toronto, ON, Canada	Director (July 5, 2016)	VP Finance BridgePoint Financial Group since 2016 and CFO, Lithium Americas Corp. (2012 – 2015).	Nil

Name and Municipality of Residence	Position	Principal Occupation	Number of Common Shares Held
DOUGLAS G, PERKINS Ouagadougou, Burkina Faso	Director (July 5, 2016)	Executive Director, Riverstone Karma SA since (2015-2016); President and CEO, Legend Gold Corporation (2011 – 2014); CFO Canadian Royalties Inc. 2011; CEO & Director GMA Resources plc (2005-2010); CFO Orezone Resources Inc. (2002 – 2005).	Nil
SAM WANG Richmond, BC, Canada	Director (July 5, 2016)	Director of Cadillac Ventures Inc. since Nov. 2016; Chief Financial Officer, Corporate Secretary and Director of Oriental Non-Ferrous Resources Development Inc. since Oct. 2015; Chief Financial Officer and Director of Bard Ventures Ltd. since Aug. 2015; Chief Financial Officer and Corporate Secretary of 3TL Technologies Corp. since Jul. 2015; Chief Financial Officer of Julian Resources Inc. since Apr.2013; and founder and president of Canadian Regal International Finance Inc. since Sept. 2004.	Nil

Name and Municipality of Residence	Position	Principal Occupation	Number of Common Shares Held
BIELIN SHI , Perth, Australia	Director (September 5, 2016)	Chief Geologist, Pei Si International (Beijing) Co. Ltd., (Since 2015); Principal Geologist, CSA Global, Perth, Australia, (2009 – 2015); Principal Geologist, Citic Pacific Mining Management, Australia (2008 – 2009); General Manager, Golder Associates Consulting Ltd., Beijing, China (2004 – 2008).	Nil
ANDREA ZHANG Beijing, China	Chief Operating Officer (July 15, 2016)	Chief Operating Officer of the Company, since 2016; General manager assistant and General manager of business development, China Taurus International. (2011 – 2015).	Nil
ANTON LUBBE Cape Town, South Africa	VP South Africa Operations (July 5, 2016)	VP South Africa Operations of the Company since 2016; Senior Consultant, Arrow Creek Consulting and Investment (Pty) (2015-2016); COO Vendanta Zinc International (2013 – 2015) and Mining Consultant, DRA Projects SA (Pty) Ltd. (2012 – 2013).	Nil
ROWLAND WALLENUS White Rock, BC, Canada	Chief Financial Officer and Corporate Secretary (November 23, 2016)	Chief Financial Officer and Corporate Secretary of the Company since 2016; Senior Consultant, CLEE Consulting (2014 – 2016); CFO and Executive VP, Minera y Metalurgica del Boleo (2012 – 2014)	Nil

Committees of the Board

As at December 31, 2016, the members of the Audit Committee are Michael Cosic (Chairman), Sam Wang and George Dorin.

As at December 31, 2016, the members of the Compensation and Corporate Governance Committee are Sam Wang (Chairman), George Dorin and Bielin Shi.

As at December 31, 2016, the members of the Safety, Health and Environmental Committee are Douglas Perkins (Chairman), Michael Cosic and Bielin Shi.

The term of office for the Company’s directors expires at the next annual general meeting which will be held approximately 3 months after filing the 2016 Audit financial statements. Immediately following the annual general meeting, the Board will appoint or reappoint members of the existing committees and any other committees deemed necessary by the Board for the ensuing year.

As at December 31, 2016, the Company’s directors and senior officers, as a group do not hold any common shares.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Except as disclosed below, to the knowledge of the Company, none of the directors or officers of the Company is, or during the ten years preceding the date of this AIF has been, a director or officer of any company that:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Dorin was a director of Huaxing Machinery Corp (“HUA”), which had a cease trade order issued against it on February 26, 2015. Due to its declining financial position, HUA’s subsidiary operating company in China was unable to fund HUA, a reporting issuer that traded on the TSX Venture Exchange (TSXV : HUA), and provide the ongoing regulatory and financial reporting required by the British Columbia Securities Commission. HUA was thus unable to complete an audit of its financial statements for the fiscal year ended December 31, 2014, which was to include restated financial statements for the prior year. HUA was moved to the NEX during May 2016.

Mr. Dorin is also a director of China Keli Electric Co. Ltd (TSXV : ZKL) (“ZKL”), which had a cease trade order issued against it by the British Columbia Securities Commission on September 8, 2014 for failure to timely file its audited consolidated financial statements for the year ended April 30, 2014. ZKL filed its audited consolidated financial statements for the year ended April 30, 2014 and the cease trade order was revoked by the British Columbia Securities Commission on July 15, 2015. ZKL is currently pursuing a going private transaction.

On April 4, 2017, the British Columbia Securities Commission (“BCSC”) issued a Management Cease Trade Order (“MCTO”) as requested by the Company, as it was unable to file its required annual filings including its December 31, 2016 audited consolidated financial statements by the deadline of March 31, 2017. During the MCTO, the general investing public continues to be able to trade in the Company's listed common shares. However, Diana Hu (CEO), Rowland Wallenius (CFO) and such other directors, officers and persons as determined by the applicable regulatory authorities, are not able to trade the Company's shares. This will not change until the MCTO is lifted by the BCSC.

The Company was unable to file its audited annual financial statements by the prescribed deadline because the Company’s Auditor has advised that it will not be able to deliver its audit report until the previously disclosed investigation into certain transactions entered into by Former Management of the Company is further advanced.

PERSONAL BANKRUPTCIES

During the ten years preceding the date of this AIF, no director or officer has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

CONFLICTS OF INTEREST

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the *Business Corporations Act (British Columbia)* and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The directors and officers of the Company are not aware of any such conflicts of interests.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In June 2011, the Company became aware that the law firm of Siskinds LLP of London, Ontario had filed a "Notice of Application" under the Class Action Proceedings Act, 1992, in the Ontario Superior Court of Justice against the Company and three of its then directors and officers. The Notice of Application seeks permission of the Court to grant leave or permission to commence a lawsuit under the Securities Act of Ontario in respect to certain alleged breaches of disclosure obligations. In July 2011, the Company and its officers and directors were served with court documents.

On June 18, 2012, the Company was served with the Plaintiff's Application Record and Amended Notice of Application. The Amended Notice of Application was no longer being brought on behalf of a class, and instead, was being brought by Brian Bradley in his individual capacity. The affidavits filed in support of the application state that should the applicant be successful in obtaining leave to file the statement of claim, the plaintiff would move for the certification of the action as a class proceeding. The Company filed materials in response to the Application Record and Amended Notice of Application in March 2013. A hearing of the application was heard in September 2015.

On March 31, 2016, the Ontario Superior Court of Justice issued a decision dismissing the application for leave to commence a proposed securities class action brought by the law firm Siskinds LLP. The Superior Court concluded that there was no reasonable possibility that the applicant would succeed at trial and accordingly the proposed class action has been dismissed. All applications and proceeding have been terminated.

On December 9, 2016, the Company announced that HZT had filed a notice of civil claim in the British Columbia Supreme Court against the Company and several of its subsidiaries with respect to an alleged repudiation and breach of the CRM Agreement. That action seeks, among other relief, specific performance of the CRM Purchase Agreement or damages in lieu thereof and costs. On January 24, 2017, the Company filed its response to the notice of civil claim filed by HZT. In its response, the Company is seeking to have the HZT claim dismissed with costs against HZT. Further, on March 20, 2017, the Company amended its response asserting that in light of the failure to obtain approval of the Shareholders of BIL, the CRM

Purchase Agreement is at an end as the conditions precedent to completion cannot be met, and that the Company has no continuing obligations under the CRM Purchase Agreement and the claim dismissed with costs against HZT. The Company views the \$5,000,000 break-fee deposited into escrow as refundable as the conditions precedents of the CRM Purchase Agreement cannot be met, but the Company is unable to have the funds released without the consent of HZT or court direction.

On March 14, 2017, the Company was served with a claim by Alpha Global Capital Inc. (“Alpha Global”) an entity registered in British Virgin Islands. On May 12, 2017, the Company served its response to the claim filed by Alpha Global, in the High Court of South Africa. In its claim, Alpha Global is seeking relief under a unique provision of South African company legislation contemplating that a South African court may make an order to wind up an “external company” registered in South Africa on the basis that it is just and equitable to do so or that it is unable to pay its debts. Alpha Global has asserted that it is entitled to bring its action on the basis that an alleged default occurred under a promissory note originally issued in 2007 and that it is now entitled to approximately ZAR30,797 (\$2,250) plus default interest (the “Promissory Note”).

In its response, the Company has denied Alpha Global’s allegations, in particular as to the Company’s solvency or the state of its business. The Company also refuted that Alpha Global has legal standing to bring its action under the above provision since, even based on the facts as asserted by Alpha Global, the claim under the Promissory Note has prescribed (or not been made within the limitation period) and no amount is currently owing to it. The Company has also asserted that if there is any dispute as to Alpha Global’s status as a creditor of the Company to whom money is owed, that this is a matter for the Courts of the British Virgin Island to decide, being the law under which the parties agreed the Promissory Note was to be governed and interpreted. The Company has asked in its legal papers for Alpha Global’s claim to be dismissed with costs however the Company notes that a court could determine that it may have potential future obligations related to this matter.

The Promissory Note is pursuant to an agreement dated April 25, 2007 (the “Alpha Global Agreement”) between Eastplats International Inc. (“EII”), a wholly-owned subsidiary of the Company and Alpha Global. The Alpha Global Agreement states Alpha Global is to receive ZAR30,797 (\$2,250) (the “Promissory Note”) upon the closing of a fundamental transaction defined in the Alpha Global Agreement as the sale of 40% or more of the assets (as determined on a fair market value basis) of the combined or separate assets of the Company, EII, their subsidiaries and/or additional 5% of BIL which indirectly holds the CRM.

The Company is also subject to claims and legal proceedings arising in the ordinary course of business activities, each of which is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably to the Company. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its financial statements.

When evaluating legal proceedings that are pending against the Company, the Company and its legal counsel assess the perceived merits of the legal proceedings along with the perceived merits of the amount of relief sought. It is management’s opinion that there are currently no other claims expected to have a material effect on the results of operations or financial condition of the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of New Management, no current director, officer or insider of the Company had any interest in any material transactions within the three most recently completed financial years, or has any interest in any material transaction in the current year except as herein disclosed. Further, New Management is unable to determine if the disclosure of the Former Management for the three prior years is accurate or complete.

Directors and officers of the Company may from time to time serve as directors of and have an interest, either directly or indirectly, in other companies involved in natural resource exploration and development. As a result, a director of the Company may be presented, from time to time, with situations which give rise to an apparent conflict of interest. On any conflict situation, a director may abstain from voting on resolutions of the board of directors that evoke such conflict in order to have the matter resolved by an independent board, or the situation may be presented to the shareholders of the Company for ratification. In any event, the directors of the Company must, in accordance with the laws of British Columbia, act honestly and in good faith and in the best interests of the Company, and must exercise the care, diligence and skill of a reasonably prudent person in dealing with the affairs of the Company.

During July 2016, Peter Clausi was appointed interim CEO but he resigned the same month as interim CEO and the following month as a director of the Company and was paid a termination fee in the amount of Cdn\$100,000. No further contractual arrangement remains.

On July 27, 2016, the Company entered into a consulting agreement with CGH Industries Ltd., pursuant to which the Company has agreed to pay Cdn\$25,000 per month to CGH for the management consulting services rendered related to the CEO of the Company and Diana Hu. The consulting agreement has an initial term of one year and is renewable annually.

On July 5, 2016, the Company entered into a consulting agreement with Oriental Fortune Consulting Services Limited, pursuant to which the Company has agreed to pay Cdn\$23,000 per month to Oriental Fortune for the management consulting services rendered related to the COO and Andrea Zhang. The consulting agreement has an initial term of one year and is renewable annually.

The Company entered into a consulting agreement with Redfield Management Services Limited on July 15, 2016, pursuant to which the Company has agreed to pay Cdn\$12,000 per month to Redfield for the management consulting services rendered for the CFO and David Li. The consulting agreement has an initial term of three months and is renewable every three months. The interim CFO resigned effective November 23, 2016.

Pursuant to a management agreement dated (the "Management Agreement") effective January 1, 2006, as amended July 14, 2006, Buccaneer Management Inc. ("Buccaneer"), a private British Columbia company controlled by Ian Rozier, was paid a fee of Cdn\$33,333 per month for Mr. Rozier's capacity as acting as President. The agreement was in effect until December 31, 2007, subject to termination by the Company giving not less than 30 days' notice in writing at any time. In addition, pursuant to a further agreement dated effective January 1, 2006, Buccaneer Management Inc. is granted the right to terminate the Management Agreement within 24 months of a "Change of Control" by giving at least 30 days' written notice (the "Change in Control Agreement"). However, if notice was given pursuant to this Change of Control Agreement, the Management Agreement would terminate on the date given in the notice and Buccaneer would be entitled to a termination payment from the Company. In addition, on such termination, any restrictions on purchasing common shares contained in options granted to Buccaneer shall be waived. For the purposes of the Change of Control Agreement, "change of control" includes where a person or combination of persons has the rights to 20% or more of the voting rights attaching to the shares; a consolidation, merger or amalgamation where all outstanding shares which had voting rights were changed in any way or acquired for shares of any other person, other than transactions approved by a majority of directors holding office as at January 1, 2006; a change in the majority of the Board of Directors; or the majority of the Board of Directors resign.

On December 7, 2007, Buccaneer exercised its right to terminate the Management Agreement following a change in control which occurred in May 2006. As part of the termination, Buccaneer received Cdn\$2,279,000 calculated in accordance with the Change of Control Agreement.

From December 7, 2007, the services of Ian Rozier were provided pursuant to a new management services contract with Buccaneer Management Inc. dated December 7, 2007 which contract was reviewed by the Compensation Committee, a committee of independent directors of the Company, and approved by the Board of Directors. Under the terms of the new contract, as amended since 2007, Buccaneer was paid a fee of Cdn\$55,000 per month during 2015. On January 31, 2016, Ian Rozier stepped down as President and Chief Executive Officer (“CEO”) of the Company and David Cohen, Chairman of the Company, assumed the role of President and CEO. Mr. Rozier remains a director of the Company until July 5, 2016. In accordance with the new contract, Buccaneer was paid a termination amount of Cdn\$1,960,000 (US\$1,400,000) on January 31, 2016. The termination amount is equal to three times the annual base fee plus an additional amount equal to three times the average annual bonus percentage for the prior two years (in this case, \$nil), applied to the highest base fee in effect during the 12-month period immediately preceding the termination.

Buccaneer is also party to a Success Fee Agreement dated September 1, 2007, whereby Buccaneer will receive, as a trustee for members of the management of the Company, a success fee upon the completion of a transaction or series of transactions. For the purposes of this agreement, a “Transaction” is defined as (a) any merger, consolidation, reorganization, recapitalization, restructuring, leveraged buyout, business combination, or any transaction pursuant to which the Company is acquired by or combined with a third party; or (b) the acquisition by a third party of any assets or operations of the Company, or any outstanding shares of the Company; or (c) a sale or spin-off of any material assets, of 5% or more of the capital stock of any subsidiary of the Company; or (d) any transaction which has the effect of altering the capitalization of the Company. Where a change in control accompanies the Transaction, the success fee will be equal to 1% of the aggregate transaction value as defined in the Success Fee Agreement. If the Transaction involves the acquisition of less than 50% of the voting power of the then outstanding Company’s shares, then the success fee will be equal to 0.5% of the aggregate transaction value. Buccaneer, in consultation with the Company’s Compensation Committee, will allocate the success fee amongst the members of the management of the Company as it deems appropriate. The Success Fee Agreement has been reviewed by the Compensation Committee, a committee of independent directors of the Company, and approved by the Board of Directors. The Success Fee Agreement is concurrently terminated with the stepping down of Ian Rozier as President and CEO of the Company on January 31, 2016, but any success fee payable on a qualifying transaction would remain payable for a further two years (through January 31, 2018).

David Cohen, assumed the role of President and CEO of the Company effective February 1, 2016. The Compensation Committee recorded an agreed amount in the minutes and paid a monthly consulting fee of Cdn\$20,000. to Maluti Services Limited (“Maluti”) but no contract was ever located. Mr. Cohn resigned as the CEO on July 5, 2016.

The services of Horng Dih Lee are provided pursuant to a management services contract dated November 15, 2007 with Jazz Financial Ltd. (“Jazz”), a private British Columbia company controlled by Mr. Lee. Under the terms of the contract, as amended since 2007, Jazz is paid a fee of Cdn\$28,750 per month. Jazz and Mr. Lee are also entitled to receive cash bonuses and stock options, respectively. In the event of termination or resignation within six months following a change of control or a change in the majority of the members of the Board, Jazz is entitled to receive a payment equal to two times its annual base fee plus an additional amount equal to two times its average annual bonus percentage for the prior two years, applied to the highest base fee in effect during the 12-month period immediately preceding the termination. The current management contract was reviewed by the Compensation Committee, a committee of independent directors of the Company, and approved by the Board of Directors.

Concurrently with the change in the board of directors, the CEO and CFO who provided services through their respective privately owned entities namely, David Cohen through Maluti Services Limited, Horng Dih Lee through Jazz Financial Ltd. (“Jazz”) and Sterling West Management Ltd. (“Sterling”), terminated their

services agreements with the Company and authorized the payment and released amounts totaling Cdn\$1,590,000, which Cdn\$480,000 was paid to Maluti, Cdn\$690,000 was paid to Jazz, and Cdn\$420,000 was paid to Sterling (collectively the “Termination Fees”).

The services of Willem Byleveld are provided pursuant to a management services contract dated August 1, 2013 and renewed on August 1, 2014 and August 1, 2015 with WHB Consulting Services (“WHB”), a South African service provider controlled by Mr. Byleveld, Vice-President of the Company’s Western Limb Operations. Under the terms of the contract, WHB is paid a monthly fee of ZAR100,000 (US\$7,846 using the 2015 average exchange rate of ZAR12.75:US\$1.00) and is also entitled to an additional payment of ZAR12,000 per day (\$942) for every day of services exceeding the first 10 days of services provided per month. During the year ended December 31, 2015, Mr. Byleveld was paid a total of R1,428,000 (US\$112,044) under the contract. If the WHB management services contract is terminated prior to July 31, 2016, WHB is entitled to receive its monthly retainer of ZAR100,000 as though the contract terminated on July 31, 2016. Mr. Byleveld is also a director of a number of the Company’s South African subsidiaries and was paid a monthly fee of US\$3,500, or US\$42,000 for the year ended December 31, 2015. The current management contract was reviewed and approved by previous members of the Company’s Executive Committee and was terminated by Mr. Bylevelds on July 18, 2016 .

TRANSFER AGENTS AND REGISTRAR

The transfer agents and registrars for the Company are Computershare Investor Services Inc., Vancouver, B.C., Canada, and Link Market Services South Africa (Pty) Ltd., Johannesburg, South Africa.

MATERIAL CONTRACTS

Other than as set out in this AIF or described below, the Company has no material contracts outside those entered into in the ordinary course of business. (All contracts described below are filed on SEDAR)

- Scheme of Arrangement dated May 9, 2007, among Barplats and the Barplats ordinary shareholders;
- Sale of Shares Agreement among the Company, Gubevu Consortium Investment Holdings (Pty) Limited, Gubevu Resources (Pty) Limited, Emseni Resources (Pty) Limited and Nasidima Investment Holdings (Pty) Limited dated Feb. 8, 2007; then amended Feb. 26, 2007; April 20, 2007; and May 3, 2007;
- Shareholders Agreement among the Company, Gubevu Resources (Pty) Ltd., Emseni Resources (Pty) Ltd., Nasidima Investment Holdings (Pty) Ltd. and Gubevu Consortium Holdings (Pty) Ltd.;
- Subscription Agreement among Eastplats Acquisition Co. Ltd. and Gubevu Consortium Investment Holdings (Pty) Ltd.;
- Subscription Agreement among Eastplats Acquisition Co. Ltd. and Barplats Investments Ltd.;
- Underwriting Agreement dated November 22, 2010, among the Company, Canaccord Genuity Corporation, GMP Securitates LP, UBS Securities Canada Inc., Raymond James Ltd. and Paradigm Capital Inc;
- On June 28, 2016, Former Management of the Company entered into a share purchase agreement with Hebei Zhongheng Tianda Platinum Co. Limited, a company incorporated in the People’s

Republic of China, whereby HZT would acquire a 100% equity interest in Barplats Mines Limited and associated intercorporate investments and loans for total consideration of \$50,000,000. This agreement has not yet closed and as discussed in the AIF may not close;

- On June 30, 2016, Former Management entered into share purchase agreements (the “BEE Buyout Agreements”) with Ingwenya Incorporated (“Ingwenya”) and Serina Service AG (“Serina”) (Ingwenya and Serina, collectively the “Vendors”) to acquire all of the Company’s black economic empowerment partners’ (the “BEE Partners”) interests in the Company’s South African projects, except for the 17.65% equity interest in Afriminerals Holdings (Pty) Ltd. (“Afriminerals”), for a total of \$13,366,609. These agreements have not yet closed and as discussed in the AIF may not close.

INTERESTS OF EXPERTS

CRM, KENNEDY’S VALE/SPITZKOP AND MAREESBURG PGM PROJECTS

Brian Montpellier, BSc., PEng: Technical Report Update on the Crocodile River Mine dated November 30, 2010; Technical Report for the Kennedy’s Vale Project dated December 2010; Technical Report Update on the Mareesburg Platinum Project dated December 6, 2010; and press release dated January 31, 2013 entitled “Eastplats Update on Reserve Statement at Crocodile River Mine”. Mr. Montpellier’s interests in the common shares of the Company, directly or indirectly, or through stock options, are not material and represent less than 1% of the Company’s outstanding share capital.

AUDITORS

Deloitte LLP are the independent auditors of the Company and are independent within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of British Columbia for the year ended December 31, 2016.

INFORMATION CONCERNING THE COMPANY’S AUDIT COMMITTEE AND EXTERNAL AUDITOR

The Company’s Audit Committee has various responsibilities as set forth in National Instrument 52-110 – Audit Committee (NI-52-110), among such responsibilities being a requirement that the audit committee establish a written charter that sets out its mandate and responsibilities.

THE AUDIT COMMITTEE’S CHARTER

The text of the Company’s Audit Committee Charter is set out in Schedule “A” to this AIF.

COMPOSITION OF THE AUDIT COMMITTEE

The following are the current members of the Committee:

Michael Cosic, CFA (Chairman)	Independent ⁽¹⁾	Financially literate
George Dorin, MSc(Econ), CPA, CA, CF, FCSI	Independent ⁽¹⁾	Financially literate
Sam Wang, MBA, CPA, CGA	Independent ⁽¹⁾	Financially literate

⁽¹⁾As defined by NI 52-110.

RELEVANT EXPERIENCE

For information on the experience of the members of the Audit Committee please refer to details under the heading “Directors and Officers” referred to above.

PRE-APPROVAL POLICIES AND PROCEDURES

All services to be performed by the Company’s independent auditor must be approved in advance by the Audit Committee. The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors’ independence and has adopted a policy governing the provision of these services. This policy requires the pre-approval by the Audit Committee of all audit and non-audit services provided by the external auditor, other than any de minimis non-audit services allowed by applicable law or regulation.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees billed by the Company’s independent external auditors, Deloitte LLP, are as follows :

Financial Year Ended	Audit Fees (Cdn)	Audit-Related Fees (Cdn)	Tax Fees (Cdn)	All Other Fees (Cdn)
December 31, 2016	\$682,344	\$0	\$5,110	\$2,719
December 31, 2015	\$423,041	\$0	\$215,812	\$15,150
December 31, 2014	\$498,024	\$0	\$211,972	\$3,372

AUDIT FEES

Audit fees were paid for professional services rendered by the auditors for the audit of the Company’s annual consolidated financial statements, reviews of the Company’s interim financial statements and attestation services provided in connection with statutory and regulatory filings or engagements. Increased audit fees in 2016 mostly related to the additional work and scope regarding the two transactions initiated in June, 2016 by Former Management just prior to the Change of Control of the Company.

AUDIT-RELATED FEES

Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under the Audit Fees item above.

TAX FEES

Tax fees were paid for tax compliance, tax advice and tax planning professional services. During the years ended December 31, 2014 and 2015, services included advice related to South African thin capitalization issues, and income tax and VAT assessments. During 2016 tax was only related to compliance.

ALL OTHER FEES

Other fees were paid for miscellaneous accounting advisory and consulting services, including the Company’s whistleblower management service.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional financial information is available in the Company's comparative audited consolidated financial statements together with the auditor's report thereon for its most recently completed fiscal year and its management's discussion and analysis in relation thereto. The Company is expected to file a Management Proxy Circular when appropriate which will include additional information about the new directors and officers or proposed directors, remuneration, indebtedness, principal holdings of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable.

SCHEDULE “A”
EASTERN PLATINUM LIMITED
AUDIT COMMITTEE CHARTER

Purpose and Mandate of the Committee

This Charter sets out the authority and responsibilities of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Eastern Platinum Limited (the “**Company**”).

The primary function and mandate of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the preparation, integrity and dissemination of the financial and related information of the Company, including corporate accounting, financial statements, financial reporting practices and systems of internal financial controls, by among other things:

reviewing the integrity and effectiveness of the Company's financial reporting processes, system of internal financial controls, accounting practices and audit process;

reviewing the quality and integrity of the Company’s financial statements and related financial disclosure;

monitoring management’s identification of principal risks of the Company’s business and processes to manage these risks;

reviewing qualifications and independence of the Company’s independent external Auditor (the “**Auditor**”);

oversee the performance of the Company's independent Auditor;

reviewing and settling the terms of engagement of the Auditor; and

monitoring the Company’s compliance with legal and regulatory requirements relating to the foregoing,

all in a manner which is in the best interests of the Company, consistent with the Company’s long term goals and objectives and applicable laws.

Committee Membership

Number of Members. The Committee shall consist of not fewer than three directors.

Appointment of Members. Members of the Committee will be appointed by the Board, after considering the recommendation of the Corporate Governance and Compensation Committee of the Board. The Board may at any time and from time to time terminate the appointment of any member, change the membership or appoint additional members to the

Committee to fill any vacancy or to increase the size of the Committee, after considering the recommendation of the Corporate Governance and Compensation Committee.

Resignation and Removal of Members. Members of the Committee hold office until the earliest of their ceasing to be a director or their resignation or removal from the Committee.

Qualifications of the Committee Members.

All members of the Committee must: (i) have no material relationship with the Company and be “independent” within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) as adopted and amended from time to time by the Canadian securities regulatory authorities; and (ii) be “financially literate” as defined in NI 52-110.

Each director proposed for nomination to the Committee shall provide such information or other records of their education, experience and qualifications to allow the Board to assess whether the director satisfies the qualifications for membership on the Committee.

Consequences of Committee Failing to Satisfy Requirements. In the event the Committee, for any reasons, ceases to satisfy the requirements of Sections 2.1 or 2.4, the Board shall as soon as practicable reconstitute the Committee to satisfy those requirements and until such time, the Committee shall not exercise any of the powers or authority contemplated herein.

Member’s Role with other Issuers. In the event a member of the Committee is or becomes a senior officer or a director of another issuer or any committee thereof, the Board shall consider whether any such appointment would interfere with the ability of the member to effectively carry out their duties as a member of this Committee and if so take such steps as the Board may consider appropriate.

Director’s Fees, Compensation and Expenses. Members of the Committee will be entitled to receive such fees, retainers or other payments for acting as Committee members and to reimbursement for their reasonable communications, travel and accommodation expenses for their attendance at or participation in meetings of the Committee as the Board may from time to time determine. Members of the Committee may not receive any compensation from the Company (whether as an employee, contractor consultant or otherwise), except for remuneration for their Board or Committee service.

Committee Structure, Operations and Reporting

Chair. The Board, after considering the recommendation of the Corporate Governance and Compensation Committee, will appoint a member of the Committee to be the Chair of the Committee. The Chair shall carry out such duties and responsibilities as prescribed by the Board from time to time.

Meetings. The Committee shall meet for the conduct of its business, adjourn and otherwise govern itself as it thinks proper to carry out its duties and responsibilities, subject to the terms of

this Charter and applicable law. The Committee will meet at least quarterly at the call of the Chair, and as many times as is necessary for the conduct of its business.

Absence of Chair. Should the Chair not attend any meeting or portion of any meeting, the members then in attendance shall designate another member of the Committee to act as chair of that meeting or portion of the meeting.

Secretary. The Chair at each meeting of the Committee will designate a person to act as secretary or recording secretary of the meeting (who need not be a member of the Committee or the Company's Corporate Secretary) to keep minutes at that meeting.

Calling Meetings. Meetings of the Committee may be called:

by or on behalf of the Chair or by any member of the Committee; or

by or on behalf of the Chief Executive Officer or the Chief Financial Officer of the Company;
or

by the external Auditors of the Company.

Notice of Meetings.

Notice of the place, day and time of meetings of the Committee shall be given by the person calling the meeting to each member of the Committee and to the Auditor not less than 48 hours before the time the meeting is to be held, unless all of the members consent to a shorter period or waive notice of any meeting.

Notice of any meeting may be given orally in person or by telephone or in writing and delivered by physical delivery, by facsimile to such number or by e-mail to such address as provided by the member for such use and notice will be deemed to have been given on the date and time on which it was so given or delivered.

The Committee may establish a fixed place, day or time or schedule for the holding of meetings, in which case no further notice of any meeting to be held at such place or time or schedule need be given to any Committee member in advance of any previously scheduled meeting.

No notice is required to be given for a meeting of the Committee immediately following the annual general meeting of the shareholders of the Company.

Unless a director attends solely for the purposes of objecting to the calling of or the business to be conducted at a meeting, a director who participates in a meeting will be deemed to have acknowledged or waived notice of and have agreed to participate in the meeting.

Notice of any meeting will include an agenda or summary of the items of business to be dealt with at the meeting.

Place or Means of Holding Meetings. Meetings will be held at the time and at such place and by such means as the person calling the meeting may so determine, including meeting in person, by telephone, video-conference or other communications medium or by any combination of the foregoing, provided all of the directors participating in the meeting, whether in person or by other means are able to communicate with each other and all of the directors who wish to participate in the meeting agree to such participation. Unless a director attends solely for the purposes of objecting to the means by which a meeting will be conducted, a director who participates in a meeting in a manner contemplated herein will be deemed for all purposes to be present at the meeting and to have agreed to participate in that manner.

Information for Meetings. The person calling a meeting of the Committee will, to the extent possible, provide such information or other documents along with the notice of or in advance of any meeting in order to permit the members to understand the purposes for which the meeting has been called and if necessary to permit the members to form a reasoned decision on the matters to be considered.

Access to and Inspection of Records. The members of the Committee shall have the right to inspect and make copies, extracts or summaries of any relevant records of the Company and its subsidiaries or to request such information or assistance from the officers, employees and advisors of the Company and its subsidiaries, as the Committee may consider necessary in order to carry out its duties and responsibilities and such persons shall be directed to cooperate with and provide such records or information as requested.

Auditor Attendance. The external Auditors of the Company shall be entitled to attend all meetings of the Committee.

Officers and Others Required Attendance at Committee Meetings. If requested to do so by the Chair of the Committee or the person calling a meeting of the Committee, the Chair of the Board, any other director of the Company, the Chief Executive Officer, Chief Financial Officer and any other officer or employee of the Company or any of its subsidiaries shall attend as a non-voting observer or attendee of a meeting of the Committee or any portion thereof at which their attendance is required, provided that for greater certainty, such persons shall not otherwise have the right to attend any meeting or subsequent meeting of the Committee.

Other Participants Permitted Attendance at Committee Meetings. The Committee may consent to the attendance of any other person invited by a member of the Committee to attend at a meeting of the Committee as a non-voting observer or attendee, including the attendance of any officer or employee of the Company or any of its subsidiaries, any professional advisor or consultant to the Company, the Committee or any member thereof, provided that for greater certainty such persons shall not have the right to attend any meeting or subsequent meeting of the Committee.

Quorum. A majority of the members of the Committee constitute a quorum of the Committee, and notwithstanding any vacancy on the Committee, a quorum of the Committee may exercise all of the powers and authority of the Committee. If the number of members of the

Committee is an even number, one-half of the number of members plus one shall constitute quorum. Where a quorum for a meeting is established at the commencement of the meeting but is subsequently lost, the meeting will be adjourned or terminated and no further business conducted at that meeting.

Majority Vote Governs. Any resolution of the Committee will be decided by a majority vote of the Committee members entitled to vote on that matter, where each member attending or participating in a meeting of the Committee is entitled to one vote unless they are required to abstain from voting under applicable law. In the event of an equality of votes, the Chair will not have a second or casting vote.

Consent Resolutions in Writing in Lieu of a Meeting. The powers of the Committee may be exercised by resolution in writing signed by all members of the Committee who would be entitled to vote on that resolution at a meeting of the Committee.

Minutes and Other Records. The Committee shall keep or cause to be kept the minutes and other records of its activities in which shall be recorded all actions, decisions and resolutions taken by the Committee.

Reports of the Committee.

The Committee Chair will from time to time or at the request of the Board report to the Board regarding the Committee's activities and will provide or cause to be provided copies of the minutes or other resolutions of the Committee to the Company's Corporate Secretary.

The Committee will be entitled to determine the content, manner and timing of any report on its activities or of the minutes or records to be provided and in doing so may take such steps as the Committee may consider necessary to preserve any confidentiality or privilege over any of its records or deliberations.

Attendance at Meetings of Shareholders. The Chair of the Committee, or in his or her absence, another designated member of the Committee shall attend any annual meetings of shareholders of the Company and, if required, be available to respond to questions regarding the activities of the Committee.

Delegation. The Committee may from time to time authorize and delegate to a subcommittee of its members (including a single member) such of its duties and responsibilities as the Committee may from time to time determine provided that the Committee shall not delegate any power or authority which must by law be exercised by the Committee as a whole.

Execution of Instruments. The Committee may from time to time authorize any member of the Committee, or any officer or other director of the Company, to certify, or execute and deliver, all such statements, forms, instruments, certificates, notices, acknowledgements and other documents, and to do all such acts and things as the Committee may consider necessary or desirable in connection with the discharge of the duties and responsibilities of the Committee.

Duties and Responsibilities of the Committee

General Power and Authority. The Committee will have such power and authority as required by applicable law or as otherwise necessary to assist the Board in fulfilling its oversight responsibilities and to carry out the duties and responsibilities imposed or delegated to the Committee under this Charter.

Oversight with respect to the External Auditors. The Committee shall have authority to approve or make recommendations to the Board in relation to the selection, appointment, oversight, direction, evaluation, remuneration and, where appropriate, the replacement or removal of the external auditors of the Company, and in connection therewith will:

subject to confirmation by the Auditor of its compliance with Canadian and other applicable regulatory requirements, recommend to the Board the appointment of the external Auditor for the purpose of preparing or issuing any audit report or performing other audit, review or attest services for the Company;

approve of the terms of engagement of the Auditor in connection with its audit services, including fees and expenses to be paid for or in connection with those services, and for pre-approval of the retention of the Auditor for any permitted non-audit services and serve as the principal avenue for reporting by the Auditor;

approve the retention, replacement or termination of the appointment of the Auditor for the purpose of preparing or issuing any report or performing any other audit, review or attest services for the Company including the terms and conditions thereof;

approve of the resolution of disagreements between management (as defined below for the purposes of this Charter) and the Auditor regarding financial reporting, if any;

review at least annually the independence of the Auditor, including the Auditor's formal written statement of independence delineating all relationships between itself and the Company that may reasonably be thought to bear on the independence of the Auditor with respect to the Company, including the matters set forth in any applicable independence standards or practices of any regulatory or professional body, review any reported relationships or services that may impact the objectivity and independence of the Auditor, take appropriate action to oversee the independence of the Auditor;

ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by applicable law;

review at least annually the Auditor's written report on its internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review, of the Auditor, or by any inquiry or investigation by regulatory or professional authorities, within the preceding five years respecting one or more independent audits carried out by the Auditor, and any steps taken to address these issues;

- review and evaluate the experience, qualifications and performance of the senior members of the Auditor involved in audits of the Company;
- evaluate at least annually the performance of the Auditor, including the lead partner, taking into account the opinions of management, and reporting to the Board on its conclusions regarding the Auditor and its recommendation for appointment of the Auditor for the purpose of preparing or issuing any report or performing other audit, review or attest services for the Company;
- meet with the Auditor prior to the annual audit to review the planning, staffing and timing of the annual audit or with respect to any other audit, review or attest engagement;
- as appropriate, implement direct communication channels and procedures between the Auditors and the Committee and with the Board;
- review with the Auditor the adequacy and appropriateness of the accounting policies used in preparation of the Company's financial statements;
- periodically meet separately with the Auditor without management to review any problems or difficulties that the Auditor may have encountered and management's response, specifically:
 - any difficulties encountered during the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management;
 - any changes required in the planned scope of the audit or audit plan; and
 - any proposed report to the Board on such meetings;
- when applicable, review the annual post-audit or management representation letter from the Auditor and management's response and follow-up in respect of any identified deficiencies, weaknesses or recommendations;
- on an annual basis review and discuss with the Auditor all significant relationships it or its audit personnel has with the Company that could impair the Auditor's independence or objectivity;
- when there is a proposed change of Auditor, discuss such change in advance with the incumbent Auditor, review any significant issues with respect to any disagreement or unresolved issues with management and settle any required documentation related to the change, as required under applicable laws;
- inquire regularly of management and the Auditor whether there have been any significant issues between them regarding financial reporting or other matters and how they have been resolved, and if necessary, intervene or oversee in the resolution thereof;

- review all reportable events, including disagreements, unresolved issues and consultations on a routine basis, whether or not there is a change of Auditor;
- receive and review annually the Auditor's report on management's evaluation of internal controls and procedures for financial reporting;
- confirm through discussions with management and the Auditor that generally accepted accounting principles and all applicable laws or regulations related to financial reporting and disclosure have been complied with;
- review the background, experience, authority and organizational reporting lines and the appointment and compensation of the principal financial and accounting personnel of the Company; and
- review and approve the Company's hiring policies regarding partners and employees and former partners and employees of the present and former Auditor (as more particularly described in any written hiring policy established by the Committee as the same may be amended by from time to time), including those policies that may have a material impact on the preparation of the financial statements, pre-approve the hiring of any partner or employee or former partner or employee of the Auditor who was involved in audits of the Company during the preceding three fiscal years and, in addition, pre-approve the hiring of any partner or employee or former partner or employee of the Auditor (within the preceding three fiscal years) for senior positions within the Company, regardless whether that person was involved in audits of the Company.

Accounting Practices and Financial Controls and Financial Statements and Reports. The Committee will be responsible for oversight with respect to the Company's accounting practices, systems, financial controls and the preparation and dissemination of the financial statements and financial disclosures by the Company, and in connection therewith will:

- a) meet and discuss with the Chief Executive Officer, Chief Financial Officer, Controller and principal financial and accounting personnel for the Company and its subsidiaries (in this Charter, "**management**") and, as necessary, the Auditor to review and discuss, and to recommend to the Board for approval prior to public disclosure, the audited annual financial statements and unaudited quarterly financial statements, including the notes thereto and the disclosures in the Company's annual and interim management's discussion and analysis of financial condition and results of operations;
- b) review, discuss with management and, to the extent necessary, the Auditor, and recommend to the Board for approval prior to filing with any applicable securities or corporate regulatory authority or stock exchange, the relevant disclosure by the Company in:

the annual information form;

the portions of any management information circular for any annual general or special meeting of securityholders of the Company containing information within the Committee's mandate;

all financial statements, extracts or summaries included in any prospectus or other offering document prepared by the Company;

documents which may be incorporated by reference in a prospectus, management information circular or offering document; and

any significant financial information respecting the Company contained in a material change report, business acquisition report or other similar report required to be filed.

- c) review and discuss with management and, as necessary, the Auditor and recommend to the Board prior to filing or public disclosure of:

each press release that contains financial information respecting the Company or contains estimates or information regarding the Company's financial condition, performance or prospects;

the type and presentation of information to be included in any such press releases, in particular, the use of "pro forma", "adjusted" or other non-GAAP information or measures; and

any future oriented financial information or earnings guidance.

- d) receive and review reports from the Company's disclosure committee, if any, or under such other processes adopted by the Company with respect to its disclosure obligations;
- e) review the audited annual financial statements and related documents in conjunction with the report of the Auditor and obtain an explanation from management of all significant variances between comparative reporting periods;
- f) review with management and the Auditor material issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and issues as to the adequacy of the Company's internal controls and any special audit steps or procedures recommended or adopted in light of material control deficiencies;
- g) based on its review with management and the Auditor, satisfy itself as to the adequacy of the Company's procedures that are in place for the review of the Company's public disclosure of financial information that is extracted or derived from the Company's financial statements, and periodically assess the adequacy of those procedures;

- h) review with management and the Auditor (including those of the following that are contained in any report of the Auditor): (1) any analyses prepared by management or the Auditor setting out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting practices, treatment or methods on the financial statements; (2) all critical accounting policies and practices to be used by the Company in preparing its financial statements; (3) all material alternative practices or treatments of financial information within GAAP that have been discussed with management, ramifications of the use of these alternative treatments, and the treatment preferred by the Auditor and adopted by management; and (4) other material communications between the Auditor and management, such as any management representations letter or schedule of unadjusted differences;
- review with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures and transactions on the Company's financial statements;
- review with management and the Auditor significant reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
- review the plans of management or the Auditor regarding any significant changes in accounting practices or policies and the financial and accounting impact thereof;
- discuss with management and the Auditor any proposed changes in major accounting policies, standards or principles, the presentation and impact of significant risks and uncertainties, key estimates and judgments of management and any significant adjustments proposed by the Auditor that may be material to financial reporting or the financial statements;
- review with management, the Auditor and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect on the financial position of the Company or the financial results, and the way these matters have been accounted for and disclosed in the financial statements;
- review the certifications proposed to be provided by the Company's Chief Executive Officer and Chief Financial Officer and any disclosures proposed to be regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any possible fraud or illegality relating to the Company's finances involving management or other employees who have a material role in the Company's internal controls;
- in consultation with management and the Auditor, consider the integrity of the Company's financial reporting processes and controls, discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures;

monitor the quality and integrity of the Company's system of internal controls, disclosure controls and management information systems through discussions with management and the Auditor;

be responsible for monitoring any changes in the Company's internal controls over financial reporting and for ensuring that any change that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting is disclosed in the Company's most recent annual or interim management's discussion and analysis;

oversee investigations of alleged fraud and illegality relating to the Company's finances and any resulting actions or steps taken or proposed to be taken in connection therewith;

discuss with management the Company's material financial risk exposures and the steps management has taken to monitor and control these exposures, including the Company's financial risk assessment and financial risk management policies;

meet separately, as often as the Committee may see fit, with management and with the Auditor to discuss matters within the Committee's purview;

report regularly to the Board, both with respect to the activities of the Committee generally and with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, or the performance and independence of the Auditor; and

as required by any applicable legal, regulatory or stock exchange requirement, prepare such reports or other disclosure from the Committee to shareholders or others as may be required concerning the scope of the Committee's duties and responsibilities and the work of the Committee in carrying out its duties and responsibilities.

Risk Management. To the extent not otherwise dealt with by another Committee of the Board or in conjunction with any such committee, the Committee will be responsible for developing and reviewing guidelines and policies with respect to the Company's overall risk assessment and risk management systems and practices, and in connection therewith will:

review with management, identify, assess and monitor the material risks and uncertainties inherent in the business of the Company and its subsidiaries and establish and monitor compliance with policies and procedures developed by the Company to address, as much as is reasonably possible, those identified risks;

review and assess the adequacy of the Company's risk management policies, systems, controls and procedures with respect to the Company and its subsidiaries principal business risks and report regularly to the Board thereon;

monitor the integrity of the Company's financial reporting process and system of internal controls regarding risks with respect to financial reporting and accounting compliance;

- in conjunction with management, review on an annual basis all aspects of the Company's risk management program, including insurance coverage, disaster recovery and business continuity plans;
- review with management the disclosures concerning significant risks and uncertainties associated with the business of the Company and their impact on the business, financial condition and results of the Company;
- review with management and to the extent appropriate bring to the attention of the Auditors any correspondence with regulatory authorities or government agencies, material press coverage or other publications (including blogs, bulletin board posts or social media), employee or "whistleblower" complaints or financial analyst reports or publications that raise material issues regarding the Company's financial statements or accounting policies;
- review with management any litigation, claim or other contingency or any proposed settlement thereof, including tax assessments, or any other material matter, transaction or event, including treasury functions, hedging or trading activities, off-balance sheet structures, derivative transactions, foreign currency matters or insurance any of which could have a material effect on the financial position or operating results, and the manner in which these matters have been recorded and disclosed in the financial statements or other disclosure documents;
- discuss with management, at least annually, the guidelines and policies utilized by management with respect to financial risk assessment and management, and the major financial risk exposures and the procedures to monitor and control such exposures in order to assist the Committee to assess the completeness, adequacy and appropriateness of financial risk disclosure in management's discussion and analysis of financial condition and results of operations and in the Company's annual and quarterly financial statements; and
- as directed by the Board or the Corporate Governance and Compensation Committee or as otherwise within the mandate of the Committee, oversee the investigation of alleged fraud, illegal acts and conflicts of interest.

Oversight in Respect of Audit and Non-Audit Services. The Committee will have oversight and approval with respect to the retention of the Auditor for audit and non-audit services, and in connection therewith, will:

- monitor compliance with the Company's Audit and Non-Audit Services Pre-Approval Policy as may be developed by the committee and amended from time to time;
- adopt and periodically consider necessary amendments to the Company's Audit and Non-Audit Services Pre-Approval Policy; and
- have the sole authority to pre-approve all audit services (which may entail providing comfort letters in connection with securities underwritings) and all permitted non-audit

services to be provided to the Company by the Auditor, subject to any exceptions provided under applicable law.

Oversight with respect to Legal and Regulatory Compliance. The Committee will oversee and monitor the Company's systems and practices with respect to legal and regulatory compliance, and in connection therewith will:

ensure the preparation and filing of each annual and interim certificate to be signed by each of the Chief Executive Officer and Chief Financial Officer of the Company in accordance with applicable securities laws;

oversee the establishment of any procedures adopted by the Company to ensure the accuracy of the matters certified by the Company's certifying officers as required under applicable securities laws;

make reasonable inquiries to ensure that interim and annual filings are true and accurate and contain all such information as may be required under applicable laws in all material respects and do not contain any misrepresentation;

review with the General Counsel or the Company's principal external legal advisor or advisors the Company's compliance policies, legal matters, and any reports or inquiries received from regulatory authorities or governmental agencies that could have a material effect on the financial position of the Company and that are not subject to the oversight of another committee of the Board;

administer the Company's Whistleblower Policy for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, disclosure controls or auditing matters and any alleged violation of the Company's Code of Conduct involving the Chief Executive Officer, Chief Financial Officer or other designated officers and the confidential, anonymous submission of concerns by employees of the Company regarding any of these matters;

develop, maintain, monitor and recommend any changes with respect to the Company's Code of Conduct; and

periodically review and make any recommendations with respect to any recommended changes to any disclosure policy adopted by the Company.

Oversight in Respect of Other Related Matters. The Committee, to the extent required by applicable laws or rules, or otherwise considered by the Committee to be necessary or appropriate, will have general oversight responsibilities for other matters ancillary to the foregoing, and in connection therewith will:

review with management at least annually the financing strategy and financial plans of the Company:

enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Company, the Auditor or management;

on at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulatory authorities or governmental agencies with respect to the Company's financial practices or disclosures;

monitor compliance with and propose to the Board any recommended changes with respect to the Company's policy regarding transactions with related parties or other transaction which are required to be referred to the Committee for review and approval under the Company's Code of Conduct or other policies or procedures adopted by the Company;

be responsible for the review and if necessary approval of all material related-party transactions or other transactions which are required to be referred to the Committee;

review and monitor policies and procedures with respect to review of officers' expenses, disbursements and perquisites, including use of corporate assets or opportunities, sponsorships, donations, gifts and political contributions ensure that appropriate processes are in place for approval; and

review and approve the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer, Controller or other senior financial personnel of the Company or its subsidiaries.

Acknowledgements regarding Management and Auditor Responsibilities and Limitations on the Committee's Oversight Functions.

While the Committee has the duties, responsibilities and authority set forth in this Charter, the Board and the members of the Committee acknowledge and confirm that management of the Company is responsible for the preparation, presentation and integrity of the interim and annual financial statements of the Company and the design and maintenance of effective systems of internal financial controls and to maintain appropriate accounting and financial reporting principles, policies and procedures to provide reasonable assurance that assets are safeguarded and that transactions are authorized, executed, recorded and reported properly and provide for compliance with accounting standards and applicable laws and regulations and that the Committee is not responsible for such matters or to plan or conduct audits, to guarantee the quality of the Company's accounting practices or to determine that the Company's financial statements are complete and accurate or are in accordance with GAAP, which are the responsibilities of management and the Auditor.

To the extent that procedures included in this Charter exceed what is required of an Audit Committee under existing law and regulation, such procedures are meant to serve as

guidelines rather than proscriptive rules and the Committee may adopt such different or additional procedures as it deems necessary from time to time.

The Committee, its Chair, and any of its members who have accounting or related financial management experience or expertise are appointed to the Committee to provide oversight of the financial risk and control related activities of the Company, and are specifically not accountable nor responsible for the day-to-day operation or performance of these activities. A member having accounting or related financial management experience or expertise is not to have imposed upon him or her a higher duty of care or degree of individual responsibility or obligation than that imposed on other directors generally.

Each member of the Committee shall be entitled to rely, without further investigation or confirmation, on the accuracy and integrity of any information, report or statement provided to them by the applicable officers of the Company and its subsidiaries and of any professional or other experts (including the Company's Auditor), in either case acting within their scope of their authority, duty or expertise and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided by such person to the Committee.

Resources and Outside Advisors

Access to Resources and Personnel.

The Company shall provide the Committee with such resources as may be necessary for the Committee to discharge its responsibilities hereunder without any further requirement for approval of the Board.

The Committee may make recommendations to the Board and shall approve the compensation payable to the Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services, and administrative expenses necessary or appropriate to carrying out the Committee's duties.

The Committee may request and the Company shall use its best efforts to cause any of its or its subsidiaries directors, officers, employees, accountants, controller, external legal, financial or other professional advisors, or other contractors or consultants, to provide such information or assistance, attend any meeting of the Committee or to meet with any members of, or advisors to, the Committee as the Committee may reasonably request to carry out its duties and responsibilities.

Advisors to the Committee. The Committee may, without the prior approval or consent of the Board, conduct or authorize such investigations into or studies of matters within the scope of the authority and responsibilities of the Committee on such terms and conditions as the Committee may so determine, including as to the confidentiality of such investigations or studies or to preserve any privilege over any advice received. The Committee shall have the authority to retain such consultants, legal counsel and other advisors of the Committee's choice and at the Company's expense, as the Committee may consider necessary to assist

it in carrying out its duties and responsibilities. Any such advisor may be any of the firms or persons who presently or in the past have represented the Company. The Company shall pay all fees and disbursements of any person or firm retained by the Committee.

Committee Evaluations

Committee Review. The effectiveness of the Committee and its members in carrying out their duties and responsibilities will be assessed, not less frequently than annually, in accordance with such procedures as developed by the Corporate Governance and Compensation Committee and the results of that assessment will be reported to that committee and to the Board.

Review of Charter. The Committee shall review and assess the adequacy of this Charter on a regular basis and consider whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall report to the Corporate Governance and Compensation Committee regarding such review and assessment and, where appropriate, make recommendations to that committee for the alteration, modification or amendment of this Charter.

Amendments of Charter. This Charter may, at any time, and from time to time, be altered, modified or amended in such manner as may be approved by the Board.

Effective Date: June 13, 2017