Condensed interim consolidated financial statements of

Eastern Platinum Limited

For the three months ended March 31, 2021
(Unaudited)

Eastern Platinum Limited

For the three months ended March 31, 2021

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Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Professional Chartered Accountants for a review of interim financial statements by an entity's auditor.

Eastern Platinum Limited

Condensed interim consolidated statements of loss
(Expressed in thousands of U.S. dollars, except for per share amounts - unaudited)

		Three months ended March 31	
	Note	**2021**	2020
Revenue	10	**$ 16,683**	$ 14,179
Production costs		**(13,644)**	(11,796)
Production costs - depreciation		**(1,606)**	(953)
Mining operation income		**1,433**	1,430
Expenses			
General and administrative		**1,049**	715
Site services		**1,376**	1,216
Care and maintenance		**737**	690
Operating loss		**(1,729)**	(1,191)
Other income (expense)			
Gain on disposal of property, plant and equipment		**—**	167
Interest income		**515**	159
Other income		**1,720**	1,127
Finance costs		**(1,537)**	(1,240)
Foreign exchange loss		**(156)**	(8,683)
Loss before income taxes		**(1,187)**	(9,661)
Income tax recovery (expense)		**2**	(31)
Net loss for the period		**(1,185)**	(9,692)
Net loss attributable to			
Non-controlling interest		**(320)**	(1,508)
Equity shareholders of the Company		**(865)**	(8,184)
Net loss for the period		**$ (1,185)**	$ (9,692)
Loss per share			
Basic and diluted		**$ (0.01)**	$ (0.09)
Weighted average number of common shares outstanding in thousands			
Basic		**128,456**	92,599
Diluted		**128,456**	92,599

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

"George Dorin"
George Dorin, Director

"Mike Cosic"
Mike Cosic, Director

Eastern Platinum Limited

Condensed interim consolidated statements of comprehensive loss
(Expressed in thousands of U.S. dollars - unaudited)

		Three months ended March 31		
		2021		2020
Net loss for the period	**$**	**(1,185)**	$	(9,692)
Other comprehensive (loss) income				
Items that may subsequently be reclassified to loss or profit				
- Exchange differences on translating foreign operations		**(934)**		(29,518)
- Exchange differences on translating non-controlling interest		**274**		9,794
Comprehensive loss for the period		**(1,845)**		(29,416)
Comprehensive (loss) income attributable to				
Equity shareholders of the Company		**(1,799)**		(37,702)
Non-controlling interest		**(46)**		8,286
Comprehensive loss for the period	**$**	**(1,845)**	$	(29,416)

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

Eastern Platinum Limited

Condensed interim consolidated statements of financial position
(Expressed in thousands of U.S. dollars - unaudited)

	Note		**As at March 31 2021**		As at December 31 2020
Assets					
Current assets					
Cash and cash equivalents		**$**	**5,213**	$	1,772
Short-term investments			**3,981**		—
Trade and other receivables	10		**17,542**		12,635
Inventories			**1,360**		1,553
			28,096		15,960
Non-current assets					
Restricted cash			**91**		90
Inventories			**1,666**		1,676
Property, plant and equipment	3		**135,576**		136,579
Other assets			**6,795**		6,787
Assets held for sale	3(a)		**1,881**		1,893
		$	**174,105**	$	162,985
Liabilities					
Current liabilities					
Trade and other payables		**$**	**10,852**	$	7,491
Deferred revenue	4		**4,598**		3,124
Lease liabilities			**1,286**		1,265
			16,736		11,880
Non-current liabilities					
Deferred revenue	4		**11,458**		8,875
Contracts payable	4		**47,075**		50,576
Lease liabilities			**2,928**		3,292
Provision for environmental rehabilitation			**3,135**		3,060
Deferred tax liabilities			**3,460**		3,442
Liabilities associated with assets held for sale	3(a)		**526**		530
			85,318		81,655
Equity					
Issued capital	8		**1,241,031**		1,231,767
Treasury shares			**(204)**		(204)
Contributed surplus			**1,328**		1,290
Accumulated other comprehensive loss			**(300,192)**		(299,258)
Deficit			**(808,880)**		(808,015)
Total equity attributable to equity shareholders of the Company			**133,083**		125,580
Non-controlling interest			**(44,296)**		(44,250)
			88,787		81,330
		$	**174,105**	$	162,985

Contingencies (Note 12)

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

Eastern Platinum Limited

Condensed interim consolidated statements of changes in equity
(Expressed in thousands of U.S. dollars - unaudited)

	Issued capital	Treasury shares	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity attributable to equity shareholders of the company	Non-controlling interest	Equity
Balance, December 31, 2019	**$ 1,230,171**	**$ (204)**	**$ 501**	**$ (292,188)**	**$ (800,041)**	**$ 138,239**	**$ (44,738)**	**$ 93,501**
Net loss	—	—	—	—	(8,184)	(8,184)	(1,508)	(9,692)
Other comprehensive (loss) income	—	—	—	(29,518)	—	(29,518)	9,794	(19,724)
Total comprehensive (loss) income	—	—	—	(29,518)	(8,184)	(37,702)	8,286	(29,416)
Balance, March 31, 2020	**$ 1,230,171**	**(204)**	**501**	**(321,706)**	**(808,225)**	**100,537**	**(36,452)**	**64,085**
Net income	—	—	—	—	210	210	86	296
Other comprehensive income (loss)	—	—	—	22,448	—	22,448	(7,884)	14,564
Total comprehensive income (loss)	—	—	—	22,448	210	22,658	(7,798)	14,860
AlphaGlobal settlement for 8,000,000 common shares	1,702	—	564	—	—	2,266	—	2,266
AlphaGlobal settlement - share issuance cost	(106)	—	—	—	—	(106)	—	(106)
Share-based compensation	—	—	225	—	—	225	—	225
Balance, December 31, 2020	**$ 1,231,767**	**$ (204)**	**$ 1,290**	**$ (299,258)**	**$ (808,015)**	**$ 125,580**	**$ (44,250)**	**$ 81,330**
Net loss	—	—	—	—	(865)	(865)	(320)	(1,185)
Other comprehensive (loss) income	—	—	—	(934)	—	(934)	274	(660)
Total comprehensive loss	—	—	—	(934)	(865)	(1,799)	(46)	(1,845)
Rights offering for 36,841,741 common shares	9,307	—	—	—	—	9,307	—	9,307
Rights offering - share issuance cost	(55)	—	—	—	—	(55)	—	(55)
Warrants exercised for 40,000 common shares	12	—	(4)	—	—	8	—	8
Share-based compensation	—	—	42	—	—	42	—	42
Balance, March 31, 2021	**$ 1,241,031**	**$ (204)**	**$ 1,328**	**$ (300,192)**	**$ (808,880)**	**$ 133,083**	**$ (44,296)**	**$ 88,787**

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

Eastern Platinum Limited

Condensed interim consolidated statements of cash flows
(Expressed in thousands of U.S. dollars - unaudited)

	Three months ended March 31	
	2021	2020
Operating activities		
Loss before income taxes	**$ (1,187)**	$ (9,661)
Adjustments to net loss for non-cash items		
Depreciation and amortization	**1,647**	993
Stock based compensation	**42**	—
Gain on disposal of property, plant and equipment	**—**	(167)
Interest income	**(515)**	(159)
Finance costs	**1,537**	1,240
Foreign exchange loss	**156**	8,683
Net changes in non-cash working capital items		
Trade and other receivables	**(4,928)**	3,422
Inventories	**171**	51
Trade and other payables	**3,725**	3,429
Deferred revenue	**(702)**	(425)
Cash (used in) provided from operations	**(54)**	7,406
Adjustments to net loss for cash items		
Interest income received	**87**	156
Finance costs paid	**(6)**	(5)
Taxes recovery	**1**	—
Net operating cash flows	**28**	7,557
Financing activities		
Share issued, net of issuance cost	**9,260**	—
Contracts payable - credit facility	**—**	551
Lease payments	**(411)**	—
Net financing cash flows	**8,849**	551
Investing activities		
Purchases of short-term investments	**(3,952)**	—
Decrease of other assets	**(51)**	(40)
Property, plant and equipment additions	**(1,503)**	(551)
Disposal of property, plant and equipment	**—**	200
Net investing cash flows	**(5,506)**	(391)
Effect of exchange rate changes on cash and cash equivalents	**70**	(1,403)
Decrease in cash and cash equivalents	**3,441**	6,314
Cash and cash equivalents, beginning of period	**1,772**	1,957
Cash and cash equivalents, end of period	**$ 5,213**	$ 8,271

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

1. Nature of operations

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

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

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

These condensed interim consolidated financial statements were approved and authorized for issuance by the board of directors on May 13, 2021.

The Company and its subsidiary Barplats Mines (Pty) Limited ("Barplats") entered into an agreement (the "Framework agreement") with Union Goal Offshore Solution Limited ("Union Goal") on March 1, 2018 and subsequently various transactional agreements including equipment and chrome plant agreement, loan agreement, escrow agreement and offtake agreement were signed on August 31, 2018 under the Framework Agreement (collectively referred to as the "2018 Retreatment Project Agreements"). On March 10, 2021, the Company, Barplats and Union Goal executed updated Retreatment Project Agreements (the "2021 Updated Retreatment Project Agreements") (see Note 4). All of these agreements are collectively referred to as the Union Goal Contracts and provide for construction, re-mining and processing of the tailings resource, and the subsequent offtake of chrome concentrate from the Barplats Zandfontein UG2 tailings facility ("Retreatment Project"). Operations from re-mining the tailings material have produced chrome concentrate since December 2018 and started to produce PGM concentrates in December 2020. Since August 2013, the Company's other existing projects have been either in care and maintenance or on hold.

Although the Retreatment Project and PGM production have generated cash flows, CRM underground remains in care and maintenance and all other properties and projects are not generating revenue. The projected cash flows for the next twelve months are sufficient to cover the Company's operating expenses, approved capital expenditures and all other care and maintenance expenses. However significant judgements and estimates are involved in projecting the future cash flows including the level of production and the global impact of the novel coronavirus ("COVID-19") (see below). The Retreatment Project is also dependent on its operating cash inflows from Union Goal, its sole off taker of chrome concentrate, in order to fund its current operating activities and eventually fulfil all obligations under the Union Goal Contracts. Lastly, in addition to cash inflows from current operations, additional funding will be required in the future to commence underground production at CRM, and to develop the Kennedy's Vale ("KV"), Spitzkop PGM ("Spitzkop") and Mareesburg PGM Project ("Mareesburg") (together the "Eastern Limb Projects") and to bring them into production. For more information, refer to Financial risk management - liquidity risk (Note 9(c)(v)).

1. Nature of operations (continued)

The Company cannot accurately predict the impact COVID-19 will have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration and or reoccurrence of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions to the Optimization Program or other objectives and targets and other factors that will depend on future developments beyond the Company's control. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital, in 2021 or the future. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's anticipated activities, and operations, cannot be reasonably estimated at this time.

2. Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The preparation of these unaudited condensed interim consolidated financial statements is based on accounting principles and methods consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2020 except for below (b). The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020. The Company's interim results are not necessarily indicative of its results for a full year.

(a) Judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The Company's primary operation is in South Africa. On December 31, 2020, South Africa increased its restrictions by moving up the alert level to stage 3 to fight COVID-19. The alert level was subsequently reduced back to alert level 1 on March 1, 2021. The Company's operation continues with precautions and follows the health guidelines of the Government of South Africa. The effects of COVID-19 are evolving and changing and the consequences of a further increase in the alert level in South Africa, temporary shutdown of any operations or other related issues cannot be reasonably estimated at this time, but could potentially have material adverse effects on the Company's business, operations, liquidity and cashflows.

2. Basis of preparation (continued)

(a) Judgments and estimates (continued)

As discussed in Note 4, the Company signed the 2021 Updated Retreatment Project Agreements on March 10, 2021. The assessment of the accounting effect of the 2021 Updated Retreatment Project Agreements requires significant judgement. Other areas of significant judgement and estimates made by management for the three months ended March 31, 2021 in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(u) and 4(v) of the Company's audited consolidated financial statements for the year ended December 31, 2020.

(b) PGM revenue recognition

During the three months ended March 31, 2021, the Company started to generate Retreatment Project PGM concentrate revenue based on the agreement with Impala Platinum Limited ("Impala") dated September 18, 2020. PGM concentrate revenue is recognized when control is transferred to the offtake party which is upon the PGM concentrates are physically transported, assayed and accepted at the site of the offtake party.

The sale of PGM is provisionally priced at the date of sale based on the Company's assay results for the metal contents. The final selling price for metal contents in concentrate is based on prevailing spot price on a specific future date after shipment to Impala which is approximately five-month period (the "Final Price"). Revenue on these sales is measured at the amount to which the Company expects to be entitled, being the estimated of the price to be received and a corresponding trade receivable is recognized. The provision price adjustments refer to the sales price occur based on movements in quoted market prices up to the Final Price. The trade receivables subject to provision price adjustments are measured at fair value through profit or loss ("FVTPL") from initial recognition and until the date of settlement. The provision price adjustments are recorded in the statement of income (loss) each period and presented separately from PGM revenue. The Company does not have significant performance obligations for freight and shipping service.

(Unaudited - expressed in thousands of U.S. dollars, except for per share amounts)

3. Property, plant and equipment

	Right-of-use assets $	Plant and equipment owned $	Mineral properties previously depleted $	Mineral properties not being depleted $	Properties and land $	Total $
Cost						
Balance as at December 31, 2019	**66**	**389,066**	**72,438**	**295,938**	**13,704**	**771,212**
Additions	4,268	7,243	—	—	—	11,511
Environmental provision change in estimate	—	(394)	—	(97)	—	(491)
Disposals	—	(339)	—	—	(168)	(507)
Foreign exchange movement	272	(16,339)	(3,260)	(13,326)	(630)	(33,283)
Balance as at December 31, 2020	**4,606**	**379,237**	**69,178**	**282,515**	**12,906**	**748,442**
Additions	—	1,497	—	6	—	1,503
Foreign exchange movement	(28)	(2,363)	(436)	(1,781)	(81)	(4,689)
Balance as at March 31, 2021	**4,578**	**378,371**	**68,742**	**280,740**	**12,825**	**745,256**
Accumulated depreciation and impairment						
Balance as at December 31, 2019	**—**	**308,574**	**59,310**	**265,708**	**2,223**	**635,815**
Depreciation	329	3,982	—	—	89	4,400
Depreciation of disposed assets	—	(98)	—	—	(74)	(172)
Foreign exchange movement	21	(13,521)	(2,625)	(11,959)	(96)	(28,180)
Balance as at December 31, 2020	**350**	**298,937**	**56,685**	**253,749**	**2,142**	**611,863**
Depreciation	324	1,324	—	—	—	1,648
Foreign exchange movement	3	(1,869)	(351)	(1,600)	(14)	(3,831)
Balance as at March 31, 2021	**677**	**298,392**	**56,334**	**252,149**	**2,128**	**609,680**
Carrying amounts						
At December 31, 2019	66	80,492	13,128	30,230	11,481	135,397
At December 31, 2020	4,256	80,300	12,493	28,766	10,764	136,579
At March 31, 2021	**3,901**	**79,979**	**12,408**	**28,591**	**10,697**	**135,576**

(Unaudited - expressed in thousands of U.S. dollars, except for per share amounts)

3. Property, plant and equipment (continued)

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

	Crocodile River Mine $	Mareesburg Project $	Kennedy's Vale and Concentrator $	Spitzkop PGM Project $	Other property plant and equipment $	Total $
Cost						
Balance as at December 31, 2019	**388,433**	**17,861**	**297,788**	**66,894**	**236**	**771,212**
Additions	11,511	—	—	—	—	11,511
Environmental provision change in estimate	(169)	(81)	(225)	(16)	—	(491)
Disposals	(507)	—	—	—	—	(507)
Foreign exchange movement	(16,051)	(809)	(13,417)	(3,011)	5	(33,283)
Balance as at December 31, 2020	**383,217**	**16,971**	**284,146**	**63,867**	**241**	**748,442**
Additions	1,492	6	—	—	5	1,503
Foreign exchange movement	(2,391)	(107)	(1,791)	(403)	3	(4,689)
Balance as at March 31, 2021	**382,318**	**16,870**	**282,355**	**63,464**	**249**	**745,256**
Accumulated depreciation and impairment						
Balance as at December 31, 2019	**279,152**	**7,544**	**286,223**	**62,746**	**150**	**635,815**
Depreciation	4,318	—	51	—	31	4,400
Depreciation of disposed assets	(172)	—	—	—	—	(172)
Foreign exchange movement	(12,145)	(339)	(12,876)	(2,825)	5	(28,180)
Balance as at December 31, 2020	**271,153**	**7,205**	**273,398**	**59,921**	**186**	**611,863**
Depreciation	1,626	—	14	—	8	1,648
Foreign exchange movement	(1,687)	(45)	(1,723)	(378)	2	(3,831)
Balance as at March 31, 2021	**271,092**	**7,160**	**271,689**	**59,543**	**196**	**609,680**
Carrying amounts						
At December 31, 2019	109,281	10,317	11,565	4,148	86	135,397
At December 31, 2020	112,064	9,766	10,748	3,946	55	136,579
At March 31, 2021	**111,226**	**9,710**	**10,666**	**3,921**	**53**	**135,576**

3. Property, plant and equipment (continued)

(a) Assets held for sale

On October 24, 2019, the Company and its subsidiary Barplats entered into a sales agreement (the "Sale Agreement") with Eland Platinum (Pty) Limited ("Eland"). The Sales Agreement provides for sale of the mining rights, immovable property, infrastructure and equipment of the Maroelabult resource property (collectively referred as the "Maroelabult Assets") located near Brits in South Africa. The consideration to be received is ZAR20,000 (approximately $1,355), the assumption of the rehabilitation obligation and immediate assumption of the care and maintenance costs (the "Purchase Price") subject to representations and warranties by both parties. The Purchase Price is payable and enforceable on closing the transaction following the transfer of legal title and the completion of the various legal and regulatory obligations required in South Africa.

As at March 31, 2021, the sale of Maroelabult Assets has not been completed. The carrying value of the Maroelabult Assets of $1,881 (ZAR27,768) (December 31, 2020 – $1,893 (ZAR27,768)) have been presented as assets held for sale and the related rehabilitation obligation in the amount of $526 (ZAR7,768) (December 31, 2020 – $530 (ZAR7,768)) has been presented as liabilities associated with the assets held for sale.

(b) Impairment of property, plant and equipment

(i) Three months ended March 31, 2021

The Company assesses the carrying values of its mineral properties for indication of impairment at each quarter end. Based on its assessment, the Company concluded that there were no indicators of impairment as at March 31, 2021.

(ii) Year ended December 31, 2020

As at December 31, 2020, there were no impairment indicators for the CRM, Spitzkop and Mareesburg CGUs. However, in the first quarter of 2020, management determined that there were indicators of impairment due to the significant fluctuation in the then forecasted metal prices, the decline in the forecasted platinum prices, the decline in the market price of the Company's common shares at the end of the first quarter of 2020 and the uncertainty globally as a result of the COVID-19 pandemic. As a result, management performed impairment assessments of CRM, Spitzkop and Mareesburg based on fair value less cost to disposal (level 3 in the fair value hierarchy). For the purpose of the impairment assessment performed in the first quarter of 2020, the Company considered CRM, KV, Spitzkop and Mareesburg each as separate CGUs which is consistent with the approach and method from prior years. As a result of the impairment analysis, the recoverable amount of CRM and Spitzkop approximated the carrying amount and the recoverable amount of Mareesburg exceeded the carrying amount, and no impairment was recorded for the CRM, Spitzkop and Mareesburg projects.

(Unaudited - expressed in thousands of U.S. dollars, except for per share amounts)

4. Union Goal Contracts

The continuity of Union Goal Contracts is presented below:

	March 31 2021 $	December 31 2020 $
Deferred revenue		
Balance, beginning of period	**11,999**	**12,539**
Additions		
- Advance payment of mining equipment	**—**	1,010
- Adjustments of contracts payable (a)	**4,821**	954
- Discounting effect from Chrome Circuit equipment payable	**—**	385
- Discounting effect from Credit Facility	**—**	164
	4,821	2,513
Recognized as revenue	**(702)**	(2,663)
Foreign exchange	**(62)**	(390)
Balance, end of period	**16,056**	11,999
Deferred revenue - current	**4,598**	3,124
Deferred revenue - non-current	**11,458**	8,875

	March 31 2021 $	December 31 2020 $
Contracts payable - Chrome Circuit equipment payable		
Carrying value, beginning of period	**43,686**	36,979
Changes during the period		
- Adjustments of contracts payable (a)	**(4,167)**	(934)
- Face value of additions	**—**	3,782
- Discounting effect	**—**	(385)
- Net present value	**(4,167)**	2,463
- Accretion	**1,143**	4,244
Carrying value, end of period	**40,662**	43,686
Contracts payable - Credit Facility		
Carrying value, beginning of period	**6,890**	5,328
Changes during the period		
- Adjustments of contracts payable (a)	**(654)**	(20)
- Face value of additions	**—**	1,077
- Discounting effect	**—**	(164)
Net present value	**(654)**	893
- Accretion	**195**	712
- Foreign exchange	**(18)**	(43)
Carrying value, end of period	**6,413**	6,890
Contracts payable, carrying value - total	**47,075**	50,576

4. Union Goal Contracts (continued)

(a) The 2021 Updated Retreatment Project Agreements were signed on March 10, 2021 and includes the following:

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

Significant changes included in the 2021 Updated Retreatment Project Agreements are, among other things:

(i) An upward adjustment of the overhead per tonnage charge rate and recognition of the total capital recovery of the project required by Barplats;
(ii) Incorporation of the optimization equipment purchase on the same updated terms as the original equipment;
(iii) Remove the entire interest charge on Chrome Circuit equipment payable and Credit Facility from day one to the due date;
(iv) Extending the due date from January 14, 2022 to 210 days after the date of issuing the plant commissioning certificate on the optimization equipment, which is estimated to be the mid of May 2022;
(v) Cancellation of $2 million escrow fund that Union Goal was required to deposit according to the 2018 Escrow Agreement; and
(vi) Increased the Credit Facility from ZAR50,000 (approximately $3,387) to ZAR130,000 (approximately $8,806).

The 2021 Updated Retreatment Project Agreements is an adjustment and refinement of the 2018 Retreatment Project Agreements based on two-years of operational history. The effect of the change the Contracts payable is considered as a change of accounting estimate and is recognized prospectively. The present value of the Chrome Circuit equipment payable and the Credit Facility is adjusted based on the revised future payments discounted by the estimated market rate of 9%. The difference of $4,821 between the revised present value of the Chrome Circuit equipment payable and the Credit Facility, and their carry values was credited to the deferred revenue in line with the treatment of the 2018 Retreatment Project Agreements, and will be recognized as revenue based on the material re-mined from the tailings and made available on a per ton basis to the chrome plant over the remaining operations of the Retreatment Project.

5. Commitment

The Company has committed to capital expenditures in South Africa of approximately $1,521 (ZAR22,452) as at March 31, 2021, all of which are expected to be incurred during the next 12 months.

(Unaudited - expressed in thousands of U.S. dollars, except for per share amounts)

6. Related party transactions

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

(a) Trading transactions

The Company's related parties consist of private companies owned by current executive officers and directors. The Company incurred the following fees and expenses in the normal course of operations:

	Three months ended March 31	
	2021	2020
	$	$
Director fees	**36**	36
Management fees	**151**	57
Share-based payments	**42**	—
	229	93

(i) The Company has a consulting agreement with Oriental Fortune Consulting Services Limited ("Oriental Fortune") which is controlled by the Company's Chief Operating Officer ("COO"). The Company agreed to pay $21 (Cdn$27) per month to Oriental Fortune for management consulting services rendered. During the three months ended March 31, 2021, Oriental Fortune also received a bonus payment of $88 (Cdn$112) (three months ended March 31, 2020 - $Nil).

(b) Compensation of key management personnel

The Company's key management includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), COO, and the General Manager of South Africa ("GM"). The total remuneration to the key management for the three months ended March 31, 2021 was $609 (including share-based compensation of $28) (three months ended March 31, 2020 - $165 ($Nil for share-based compensation)), respectively for management salaries, bonuses, and consulting fees. Key management personnel were not paid post-employment benefits or other long-term benefits during the three months ended March 31, 2021 and 2020.

(Unaudited - expressed in thousands of U.S. dollars, except for per share amounts)

7. Segmented Information

(a) *Operating segments* - The Company's operations are primarily directed towards the mining exploration and development of platinum group metals and chrome in South Africa. The Company has three reportable segments – CRM, Eastern Limb and corporate. Eastern Limb consists of Kennedy's Vale, Spitzkop and Mareesburg projects. Barbados, British Virgin Islands ("BVI") and Canada, collectively is the corporate segment.

(b) *Geographic segments* - The Company's operations by geographic areas for the three months ended March 31, 2021 and 2020, and assets by geographic areas as at March 31, 2021 and December 31, 2020, are as follows:

Three months ended March 31, 2021	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Property, plant and equipment additions	1,492	6	1,498	5	1,503
Revenue	16,683	—	16,683	—	16,683
Production costs - depreciation	(1,601)	—	(1,601)	(5)	(1,606)
(Loss) income before income taxes	(1,709)	1,066	(643)	(544)	(1,187)
Income tax recovery (expense)	2	12	14	(12)	2
Net (loss) income	(1,707)	1,078	(629)	(556)	(1,185)

Three months ended March 31, 2020	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Property, plant and equipment additions	551	—	551	—	551
Cost of property, plant and equipment disposals	(57)	—	(57)	—	(57)
Revenue	14,179	—	14,179	—	14,179
Production costs - depreciation	(948)	—	(948)	(5)	(953)
(Loss) income before income taxes	(10,432)	725	(9,707)	46	(9,661)
Income tax expense	—	(18)	(18)	(13)	(31)
Net (loss) income	(10,432)	707	(9,725)	33	(9,692)

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

7. Segmented Information (continued)

(b) Geographic segments (continued)

	March 31, 2021				
	CRM	Eastern Limb	Total South Africa	Canada, Barbados and BVI	Total
	$	$	$	$	$
Total assets	141,940	25,213	167,153	6,952	174,105
Total liabilities	72,424	2,054	74,478	10,840	85,318

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

(c) Revenue

96% of revenues generated during the three months ended March 31, 2021 and 100% of revenues during the comparable period in 2020 are related to the processing of chrome concentrate (Note 4). The remaining revenues generated during the three months ended March 31, 2021 are related to PGM sales.

8. Share capital

(a) Authorized

- Unlimited number of preferred redeemable, voting, non-participating shares without nominal or par value; and
- Unlimited number of common shares with no par value.

(b) Issued and outstanding

As at March 31, 2021, the Company had 137,520,773 common shares issued (December 31, 2020 – 100,639,032) and 137,481,051 common shares outstanding (December 31, 2020 - 100,599,310) (also see below (c)).

In January 2021, the Company issued 36,841,741 common shares at a price of Cdn$0.32 per share for rights exercised on the Toronto Stock Exchange (the "TSX") and ZAR3.77136 per share for rights exercised on the Johannesburg Stock Exchange (the "JSE"). The Company received total gross proceeds of $9,307 in connection with the rights offering.

In February 2021, 40,000 warrants were exercised at a price of Cdn$0.24 per share for total proceeds of $8.

During the three months ended March 31, 2021 and 2020, common share equivalents (including stock options and warrants) are not included in the computation of loss per share as such inclusion would be anti-dilutive.

(c) Treasury shares

As at March 31, 2021, the Company held 39,722 (December 31, 2020 – 39,722) treasury shares. There were no changes to the number of treasury shares during the three months ended March 31, 2021 and 2020.

(d) Warrants

As at March 31, 2021, the Company had 5,960,000 (December 31, 2020 – 6,000,000) warrants outstanding and each warrant entitles its holder to acquire one common share of the Company at an exercise price of Cdn$0.24 per share expiring two years from the date of issuance of June 26, 2020.

(e) Share options

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

There were no new stock options granted during the three months ended March 31, 2021 and 2020.

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

9. Financial instruments

(a) Categories of financial instruments

	March 31 2021 $	December 31 2020 $
Financial assets		
Amortized cost		
Cash and cash equivalents	**5,213**	1,772
Restricted cash	**91**	90
Trade and other receivables (excluding taxes receivable) (i)	**15,252**	10,830
Short-term investments (ii)	**3,981**	—
Other assets (ii)	**6,795**	6,787
	31,332	19,479
Financial liabilities		
Amortized cost		
Trade and other payables	**10,852**	7,491
Lease liabilities	**4,214**	4,557
Contracts payable	**47,075**	50,576
	62,141	62,624

(i) As at March 31, 2021, the trade receivable amount measured at FVTPL is not material.

(ii) Short-term investments and other assets are mainly GIC and money market funds.

(b) Fair value of financial instruments

(i) Fair value estimation of financial instruments

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

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

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

9. Financial instruments (continued)

(b) Fair value of financial instruments (continued)

(ii) Fair value measurements recognized in the statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at March 31, 2021 and December 31, 2020, the Company did not have financial assets or liabilities measured at fair value on a recurring basis. There were no transfers between levels during the three months ended March 31, 2021.

(c) Financial risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Company's exposure to these risks and its methods of managing the risks remain consistent.

(i) Currency risk

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

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

	March 31 2021 $	December 31 2020 $
Financial assets		
Denominated in USD at Canadian head office	**4**	–
Denominated in Rand at Canadian head office	**1**	7
Total	**5**	7
Financial liabilities		
Contracts payable denominated in Rand at Canadian head office	**6,413**	6,890
Contracts payable denominated in USD at South African subsidiaries	**40,662**	43,686
Total	**47,075**	50,576

9. Financial instruments (continued)

(c) Financial risk management (continued)

(i) Currency risk (continued)

As at March 31, 2021, with other variables unchanged, a 10% strengthening (weakening) of Canadian dollars against the South African Rand would have increased (decreased) net income by approximately $583; with other variables unchanged, a 10% strengthening (weakening) of the South African Rand against U.S dollars would have increased (decreased) net income by approximately $3,697.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not subject to significant interest rate risk.

(iii) Commodity price risk

The Company's PGM concentrate sales are exposed to commodity price risk with respect to fluctuations in the prices of platinum group metals going forward. Prior to January 1, 2021, the Company did not have material PGM concentrate sales. Chrome concentrate sales is structured based on the tonnage processed referenced to the long-term chrome concentrate commodity price according to the Union Goal contract.

(iv) Credit and concentration risk

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

There is both a credit risk and concentration risk associated with the collection of revenue from Union Goal. This risk is mitigated due to the contract structure and the significant outstanding contracts payable due to Union Goal (Note 4).

The trade and other receivable balances are monitored on an ongoing basis. The Company seeks to maintain strict control over its outstanding receivables to minimize credit risk. Provision for doubtful debts is calculated based on the payment history. With respect to credit risk arising from cash and cash equivalents and other assets, the Company limits its counterparty credit risk on these assets by dealing only with financial institutions with strong credit ratings.

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

9. Financial instruments (continued)

(c) Financial risk management (continued)

(v) Liquidity risk

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

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

The Company started generating revenue from its Retreatment Project in December 2018, and at consistent expected levels since May 1, 2019. Despite the Retreatment Project and the forecasted PGM production cash flows, CRM underground remains in care and maintenance and all other properties and projects are on hold. The Company also generated some income from interest and other income and sale of non-core properties, and although not expected to be significant, some of which will be recurring in 2021 and future years. The projected cash flows for the next 12 months are sufficient to cover the Company's operating expenses, capital expenditures and all other care and maintenance expenses. Also, in addition to cash inflows from current operations, additional funding will be required in the future to commence underground production at CRM, and to develop and bring the Eastern Limb Projects into commercial production.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments (undiscounted) and corresponding maturities as at March 31, 2021. The Company currently does not have expected payments of obligations and commitments beyond 3 years.

	<1 year $	1 - 3 years $	Total $
Trade and other payables	10,852	—	10,852
Contracts payable	—	52,321	52,321
Lease liabilties	1,664	3,359	5,023
	12,516	55,680	68,196

10. Revenue contracts with customers

During the three months ended March 31, 2021, 96% of the Company's revenue was from the processing of chrome concentrates and was generated from Union Goal (Note 4). The remaining 4% of the Company's revenue was from PGM concentrates sales and was generated from Impala.

As at March 31, 2021, 100% of the trade receivable balance in the amount of $13,728 (December 31, 2020 - $10,008) was attributed from Union Goal.

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

11. Headline and diluted headline loss per share

The Company's shares are also listed on the Johannesburg Stock Exchange which requires the Company to present headline and diluted headline loss per share. Headline loss per share is calculated by dividing headline loss attributable to equity shareholders of the Company by weighted average number of the common shares issued and outstanding during the period. Diluted headline loss per share is determined by adjusting the headline loss attributable to equity shareholders of the Company and the weighted average number of common shares issued and outstanding during the period after taking all potential dilutive effects. For the three months ended March 31, 2021 and 2020, the Company's diluted headline loss per share is identical to the headline loss per share as inclusion of stock options would be anti-dilutive.

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

	Three months ended March 31	
	2021	2020
	$	$
Loss attributable to shareholders of the Company	**(865)**	(8,184)
Adjusted for:		
Gain on disposal of property, plant and equipment	**—**	(146)
Headline loss attributable to shareholders of the Company	**(865)**	(8,330)
Headline loss and diluted headline loss per share	**(0.01)**	(0.09)

12. Contingencies

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

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

12. Contingencies (continued)

(b) On February 7, 2020 2538520 and its CEO, Rong Kai Hong, ("Plaintiffs") filed a further claim regarding various allegations, including that the Company was acting to oppress the Plaintiffs' rights among other claims. Several of these claims are similar to the derivative action that was dismissed by the Court (appeal denied). The Plaintiffs seek, among other relief, orders requiring a change to the Company share ownership, election of new Directors, several changes to senior management and damages of US$50,000 (or such greater amount as may be proven at trial) from the Company, certain present and former Directors and Officers, and separately seven other listed defendants.

The Company intends to apply to dismiss the lawsuit. No provision is made in the consolidated financial statements as the Company assessed the allegations have no merit.

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

The Company has filed a response opposing the granting of the petition and the claims and allegations made. No provision is made in the consolidated financial statements as the Company assessed the allegations have no merit.

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

As at March 31, 2021, the BEE Buyout Transactions have not been completed. However, the Company has been advised by some of its BEE partners of Gubevu and Lion's Head that they have purportedly relinquished their interests in those companies in varying amounts to either Serina or Ingwenya. This could give rise to non-compliance with the mining rights and certain provisions of the MPRDA in respect of black economic empowerment requirements in South Africa. Further, in September 2018 a new Mining Charter was issued in South Africa that includes new ownership and other new BEE requirements. In December 2018 additional implementation guidelines were published. The Company is reviewing the issues and monitoring ongoing disputes in relation to the new Mining Charter to determine the effect on its business and operations. Depending on the results of the review and other factors there may be a significant impact on the Company's future operations.

12. Contingencies (continued)

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

(f) On October 7, 2020, the Company filed an amended notice of civil claim (original notice filed on June 7, 2018) in the British Columbia Supreme Court against certain former officers and directors of the Company. It alleges that the former officers and directors purported to enter into agreements with Serina and Ingwenya on behalf of the Eastplats Companies pursuant to which $13,367 was transferred to Serina and Ingwenya without consideration, without conditions precedent for delivery of the funds being met, and without any apparent benefit to the Eastplats Companies. The Company is seeking damages from the former directors and officers on a number of legal grounds.

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

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

(h) The Company has received a notice from the DMR of an appeal launched with the DMR of its mineral license issued in 2012 relating to the Spitzkop property. The Company with the assistance of counsel are addressing and intend to defend this issue related to the validity of the issued mineral rights of Spitzkop.