Consolidated financial statements of

Eastern Platinum Limited

December 31, 2021 and 2020

Eastern Platinum Limited
December 31, 2021 and 2020
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Independent auditor's report

To the Shareholders of Eastern Platinum Limited

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Eastern Platinum Limited and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of loss for the years ended December 31, 2021 and 2020;
- the consolidated statements of comprehensive loss for the years ended December 31, 2021 and 2020;
- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of changes in equity for the years ended December 31, 2021 and December 31, 2020;
- the consolidated statements of cash flows for the years ended December 31, 2021 and December 31, 2020; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment (PP&E), including the mineral property related to the Crocodile River Mine *Refer to the Note 4(h)(vi) – Summary of significant accounting policies, Property, plant and equipment - Impairment, note 4(u)(i) – Summary of significant accounting policies, Critical accounting estimates, Impairment of property, plant and equipment, and note 6(f) – Property, plant and equipment, Impairment of property, plant and equipment to the consolidated financial statements.* As at December 31, 2021, the total net book value of PP&E amounted to $124.2 million, of which $102.6 million related to the Crocodile River Mine cash generating unit (CGU). Management reviews the Company's PPE for indicators of impairment at each statement of financial position reporting date. When impairment indicators of PP&E exist, an impairment assessment is conducted at the level of the CGU (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) and the recoverable amount of the CGU is estimated. An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. During the year ended December 31, 2021, management determined that the continued weakness in the Company's share price during 2021, resulting in the Company's market capitalization being below the carrying amount of	Our approach to addressing the matter included the following procedures, among others: ● Tested how management determined the recoverable amount of the Crocodile River Mine CGU, which included the following: – Tested the appropriateness of the method used by management. – Tested underlying data used in the discounted cash flow model. – Evaluated the reasonableness of significant assumptions by (i) comparing future metal prices with external market and industry data, (ii) comparing operating and capital costs to actual operating and capital expenditures incurred in the past, and (iii) assessing whether the assumptions related to future production timing and production levels were consistent with evidence obtained in other areas of the audit. – The work of management's experts was used in performing the procedures to evaluate the reasonableness of the estimates associated with the quantity and grade of recoverable resources. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures

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

Other information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
March 24, 2022

Eastern Platinum Limited

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

	Note	Years ended December 31 2021	2020
Revenue		**$ 68,198**	$ 56,143
Production costs		**(51,655)**	(46,337)
Production costs - depreciation		**(6,925)**	(4,251)
Mine operating income		**9,618**	5,555
Expenses			
General and administrative		**2,846**	2,864
Site services		**4,757**	4,575
Care and maintenance		**3,240**	1,852
Operating loss		**(1,225)**	(3,736)
Other income (expense)			
Gain on disposal of property, plant and equipment		**791**	657
Interest income		**367**	487
Other income		**2,871**	2,613
Finance costs	9	**(5,457)**	(5,677)
Settlement gain (loss)	7	**3,258**	(2,787)
Foreign exchange loss		**(3,191)**	(775)
Loss before income taxes		**(2,586)**	(9,218)
Income tax expense	10	**(125)**	(178)
Net loss for the year		**(2,711)**	(9,396)
Net loss attributable to			
Non-controlling interest		**(1,561)**	(1,422)
Equity shareholders of the Company		**(1,150)**	(7,974)
Net loss for the year		**$ (2,711)**	$ (9,396)
Loss per share attributable to equity shareholders of the Company			
Basic and diluted		**$ (0.01)**	$ (0.08)
Weighted average number of common shares outstanding in thousands			
Basic		**135,422**	96,748
Diluted		**135,422**	96,748

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

"George Dorin"
George Dorin, Director

"Mike Cosic"
Mike Cosic, Director

Eastern Platinum Limited

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

	Years ended December 31	
	2021	2020
Net loss for the year	**$ (2,711)**	$ (9,396)
Other comprehensive (loss) income		
Items that may subsequently be reclassified to loss or profit		
- Exchange differences on translating foreign operations	**(11,484)**	(7,070)
- Exchange differences on translating non-controlling interest	**3,687**	1,910
Comprehensive loss for the year	**(10,508)**	(14,556)
Comprehensive (loss) income attributable to		
Equity shareholders of the Company	**(12,634)**	(15,044)
Non-controlling interest	**2,126**	488
Comprehensive loss for the year	**$ (10,508)**	$ (14,556)

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

Eastern Platinum Limited

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

	Note		**As at December 31 2021**		As at December 31 2020
Assets					
Current assets					
Cash and cash equivalents	12	**$**	**2,203**	$	1,772
Short-term investments			**3,944**		—
Trade and other receivables	13		**21,355**		12,635
Inventories			**1,792**		1,553
Assets held for sale	6(e)		**1,739**		—
			31,033		15,960
Non-current assets					
Restricted cash			**91**		90
Inventories			**940**		1,676
Property, plant and equipment	6		**124,226**		136,579
Other assets	14		**6,493**		6,787
Assets held for sale	6(e)		**—**		1,893
		$	**162,783**	$	162,985
Liabilities					
Current liabilities					
Trade and other payables		**$**	**10,078**	$	7,491
Deferred revenue	15		**4,424**		3,124
Lease liabilities	18		**1,448**		1,265
Liabilities associated with assets held for sale	6(e)		**487**		—
			16,437		11,880
Non-current liabilities					
Deferred revenue	15		**7,382**		8,875
Contracts payable	15		**49,914**		50,576
Lease liabilities	18		**2,216**		3,292
Provision for environmental rehabilitation	16		**3,114**		3,060
Deferred tax liabilities	10		**3,367**		3,442
Liabilities associated with assets held for sale	6(e)		**—**		530
			82,430		81,655
Equity					
Issued capital	8		**1,240,890**		1,231,563
Contributed surplus			**1,175**		1,290
Accumulated other comprehensive loss			**(310,742)**		(299,258)
Deficit			**(808,846)**		(808,015)
Total equity attributable to equity shareholders of the Company			**122,477**		125,580
Non-controlling interest	11		**(42,124)**		(44,250)
			80,353		81,330
		$	**162,783**	$	162,985

Contingencies (Note 22)
Subsequent events (Note 24)

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

Eastern Platinum Limited

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

	Issued capital	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	**$ 1,229,967**	**$ 501**	**$ (292,188)**	**$ (800,041)**	**$ 138,239**	**$ (44,738)**	**$ 93,501**
Net loss	—	—	—	(7,974)	(7,974)	(1,422)	(9,396)
Other comprehensive (loss) income	—	—	(7,070)	—	(7,070)	1,910	(5,160)
Total comprehensive (loss) income	—	—	(7,070)	(7,974)	(15,044)	488	(14,556)
AlphaGlobal settlement	1,702	564	—	—	2,266	—	2,266
AlphaGlobal settlement - share issuance cost	(106)	—	—	—	(106)	—	(106)
Share-based compensation	—	225	—	—	225	—	225
Balance, December 31, 2020	**$ 1,231,563**	**$ 1,290**	**$ (299,258)**	**$ (808,015)**	**$ 125,580**	**$ (44,250)**	**$ 81,330**
Net loss	—	—	—	(1,150)	(1,150)	(1,561)	(2,711)
Other comprehensive loss	—	—	(11,484)	—	(11,484)	3,687	(7,797)
Total comprehensive (loss) income	—	—	(11,484)	(1,150)	(12,634)	2,126	(10,508)
Rights offering for 36,841,741 common shares (Note 8)	9,307	—	—	—	9,307	—	9,307
Rights offering - share issuance cost	(62)	—	—	—	(62)	—	(62)
Warrants exercised for 40,000 common shares	12	(4)	—	—	8	—	8
Stock options exercised for 300,000 common shares	70	(20)			50	—	50
Share-based compensation	—	228	—	—	228	—	228
Transfer contributed surplus relating to expired options	—	(319)	—	319	—	—	—
Balance, December 31, 2021	**$ 1,240,890**	**$ 1,175**	**$ (310,742)**	**$ (808,846)**	**$ 122,477**	**$ (42,124)**	**$ 80,353**

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

Eastern Platinum Limited

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

	Note	Years ended December 31 2021	2020
Operating activities			
Loss before income taxes		**$ (2,586)**	$ (9,218)
Adjustments to net loss for non-cash items			
Depreciation and amortization	6	**7,089**	4,400
Stock based compensation		**228**	225
Shares and warrants issued for AlphaGlobal settlement	7	**—**	2,266
Gain on disposal of property, plant and equipment		**(791)**	(657)
Interest income		**(367)**	(487)
Finance costs	9	**5,457**	5,677
Foreign exchange loss		**3,191**	775
Net changes in non-cash working capital items			—
Trade and other receivables	13	**(9,887)**	2,440
Inventories		**342**	(470)
Trade and other payables		**2,527**	(1,099)
Deferred revenue	15	**(4,156)**	(2,664)
		1,047	1,188
Adjustments to net loss for cash items			
Taxes paid		**(157)**	(96)
Net operating cash flows		**890**	1,092
Financing activities			
Shares issued, net of issuance cost	8	**9,303**	(106)
Contracts payable - credit facility		**47**	1,077
Finance costs paid		**(30)**	(14)
Lease payments		**(1,706)**	(431)
Net financing cash flows		**7,614**	526
Investing activities			
Purchases of short-term investments		**(5,174)**	—
Interest income received		**363**	481
Redemptions of short-term investments		**1,190**	—
Increase of other assets		**(278)**	(267)
Property, plant and equipment additions	6	**(6,006)**	(2,471)
Disposal of property, plant and equipment	6	**1,788**	992
Net investing cash flows		**(8,117)**	(1,265)
Effect of exchange rate changes on cash and cash equivalents		**44**	(538)
Increase in cash and cash equivalents		**431**	(185)
Cash and cash equivalents, beginning of year		**1,772**	1,957
Cash and cash equivalents, end of year		**$ 2,203**	$ 1,772

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

1. Nature of operations

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

The Company is a platinum group metal ("PGM") and chrome producing company engaged in re-mining and processing of tailings at the Crocodile River Mine ("CRM") and the exploration and development of other PGM and chrome properties located in various provinces in South Africa. Operations from re-mining the tailings material have produced chrome concentrate since December 2018 and PGM concentrates since December 2020. Since August 2013, the Company's other existing projects have been either in care and maintenance or on hold from further evaluation or development.

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

2. Basis of preparation

(a) Statement of compliance

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

The consolidated financial statements were authorized for issue by the Board of Directors on March 24, 2022.

(b) Judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may materially differ from these estimates.

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

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

(c) Basis of measurement

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

3. Accounting standards issued but not yet effective

The following new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2021 and have not been applied in preparing these consolidated financial statements. As at December 31, 2020 there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 7, Financial Instruments: Disclosures, IFRS 9, Financial Instruments, IFRS 16, Leases, and IAS 39, Financial Instruments: Recognition and Measurement)

The Interest Rate Benchmark Reform Phase 2 amendments to IFRS 7, IFRS 9, IFRS 16, and IAS 39 address specific hedge accounting requirements and permit a practical expedient for modifications of financial assets, financial liabilities and lease liabilities required by the IBOR (interbank offered rate) reform. The amendments also require additional disclosures for users to understand the nature and extent of risks arising from the IBOR reform and how the entity manages those risks.

IAS 16 Property, plant and equipment - Proceeds before Intended Use

On May 14, 2020, the International Accounting Standards Board published an amendment to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use. The amendments prohibit deducting from the cost of property, plant and equipment any proceeds received from selling items produced while bringing that asset for its intended use. Instead, proceeds received will be recognized as sales proceeds and related cost in profit or loss. The effective date is for annual periods beginning on or after January 1, 2022, with early adoption permissible. The Company is assessing the effect of this amendment on its consolidated financial statements.

4. Summary of significant accounting policies

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

(a) Basis of consolidation

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

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

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

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

(b) Investments in associates

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

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

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

(c) Presentation currency and foreign currency translation

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

(d) Foreign currency transactions

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

(e) *Cash and cash equivalents*

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

(f) *Short-term investments*

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

(g) *Inventories*

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

(h) *Property, plant and equipment*

(i) *Mining assets*

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

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

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

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

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

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

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

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

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

(iii) Assets held for sale

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

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

(iv) Depreciation

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

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

(v) Subsequent costs

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

(vi) Impairment

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

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

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

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

(vii) Reversal of impairment

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

(i) Financial instruments

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

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

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

(i) Initial recognition

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

(ii) Subsequent measurement of financial assets

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

As at years ended December 31, 2021 and 2020, the Company does not have any financial assets that are classified as FVTOCI.

(iii) Impairment of financial assets carried at amortized cost

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

(iv) Subsequent measurement of financial liabilities

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

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

(v) Derecognition of financial assets and financial liabilities

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

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

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

(vi) Fair value of financial instruments

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

(j) Leases

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

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

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

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

(k) Provisions

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

(l) Environmental rehabilitation

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

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

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are added to the carrying value of the rehabilitation provision and to the corresponding mining asset, or are expensed directly when no carrying value of the related asset remains.

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.

(m) Employee benefits

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

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

(ii) *Leave pay*

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

(n) *Revenue recognition*

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

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

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

PGM concentrate revenue is recognized from processing tailings material based on an 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 being 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 (the "Final Price") for metal contents in PGM concentrate is based on the prevailing daily spot price averaged for the one month prior to the month of final payment with the final payment due in the fifth month following the delivery month. Revenue on these sales is measured at the amount to which the Company expects to be entitled, being the estimated price to be received and a corresponding trade receivable is recognized. The provisional price adjustments refer to the sales price based on movements in quoted market prices up to the Final Price. The trade receivables subject to provisional price adjustments are measured at fair value through profit or loss ("FVTPL") from initial recognition and until the date of settlement. The provisional 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.

Additionally, IFRS 15 requires entities to apportion the transaction price attributable to contracts from customers to distinct performance obligations on a relative standalone selling price basis. In accordance with the terms of the offtake agreement with Union Goal, the Company must contract for and pay certain logistic costs. Therefore, a portion of the revenue representing the obligation to fulfill these services that occur after the transfer of control, is deferred and recognized over time (although a very short period) as the obligations are fulfilled. Revenue relating to the logistic costs deferred is not material for the years ended December 31, 2021 and 2020.

(o) *Share-based payments*

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

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

(p) *Finance costs*

Finance costs primarily comprise accretion charges on provisions for environmental rehabilitation and contracts payable. Accretion charges on provisions for environmental rehabilitation and contracts payable are calculated using the effective interest method.

(q) *Income taxes*

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

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

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

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

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

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

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

(r) *Other income*

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

(s) Earnings (loss) per share

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

(t) Other comprehensive income (loss)

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit (loss) such as fair value movements in certain investments designated through other comprehensive income, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. As at December 31, 2021 and 2020, the Company's other comprehensive income (loss) was comprised of foreign currency translation gains and losses.

(u) Critical accounting estimates

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

(i) Impairment of property, plant and equipment

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

Since 2016, management reassessed how the Eastern Limb projects would be brought to further development and into production, and concluded to advance the three Eastern Limb properties (consisting of Kennedy's Vale ("KV"), Spitzkop PGM ("Spitzkop") and Mareesburg Project) separately rather than concurrently. Therefore, it was determined that the Eastern Limb Projects comprised three independent CGUs. As such, for the purposes of the Company's impairment testing from 2017 onwards, management identified CRM, KV, Spitzkop and Mareesburg each as separate CGUs. There are no changes to the Company's CGUs in 2021 and 2020. Determination of the CGUs requires significant estimates and judgements.

During the year ended December 31, 2021, management determined that the continued weakness in the Company's share price during 2021, resulting in the Company's market capitalization being below the carrying amount of the net assets of the Company, constituted an impairment indicator. As such, impairment tests were performed at December 31, 2021. Based on this analysis, the Company concluded its assets were not impaired. The significant assumptions utilized in the Company's impairment analysis are discussed in further detail in Note 6(f).

(ii) Environmental rehabilitation provision

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

(iii) Union Goal Contracts

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

(v) Critical accounting judgments

Critical accounting judgements relate to complex issues and subjective judgments or assessments, the outcome of which can have a material impact on the consolidated financial statements.

(i) Global pandemic

The Company's business could be significantly adversely affected by the continuing effects of the global pandemic of novel coronavirus ("COVID-19"). The Company's primary operation is in South Africa. On October 1, 2021, South Africa reduced the alert level to level 1. The Company's operation continues with precautions and following the health guidelines of the Government of South Africa.

The effects of COVID-19 are changing and are uncertain, 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, and could potentially have material adverse effects on the Company's business, operations, liquidity and cash flows.

(ii) *Determination of functional currency*

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

(iii) *Provision and contingencies*

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

(iv) *Liquidity risk*

The Company has been successful in obtaining significant equity and other financings since inception and intends to continue financing its future requirements through re-mining and processing of the tailings resource and through a combination of equity, debt and/or other arrangements. These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from December 31, 2021. However significant judgements and estimates are involved in projecting the future cash flows including the level of production of the Retreatment Project and PGM production. The Retreatment Project is also dependent on its operating cash inflows from Union Goal, its sole off taker of chrome concentrate (see Note 15(d)), in order to fund its current operating activities and eventually fulfill all obligations under the Framework Agreement. The Union Goal contract payable is estimated to be due in Q2 2023. Although management expects to fully meet its payment obligations, a further re-financing of the debt may be negotiated with Union Goal.

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

5. Subsidiaries and associates

(a) *Subsidiaries*

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held **December 31, 2021**	December 31, 2020
Eastern Platinum Holdings Limited	Holding company	BVI (i)	**100%**	100%
Eastplats Holdings Limited	Holding company	BVI (i)	**100%**	100%
Eastplats Acquisition Co. Ltd.	Holding company	BVI (i)	**100%**	100%
Eastplats International Incorporated	Holding company	Barbados	**100%**	100%
Royal Anthem Investments 134 (Pty) Ltd.	Holding company	South Africa	**100%**	100%
EPL Pellets (Pty) Limited	Holding company	South Africa	**100%**	—
Spitzkop Joint Venture	Mining	South Africa	**93.37%**	93.37%
Barplats Investments (Pty) Ltd.	Holding company	South Africa	**87.49%**	87.49%
Barplats Mines (Pty) Ltd.	Mining	South Africa	**87.49%**	87.49%
Rhodium Reefs (Pty) Ltd.	Mining	South Africa	**87.49%**	87.49%
Spitzkop Platinum (Pty) Ltd.	Mining	South Africa	**86.74%**	86.74%
Mareesburg Joint Venture	Mining	South Africa	**87%**	87%
Lion's Head Platinum (Pty) Ltd.	Holding company	South Africa	**74%**	74%
SA Victiria International Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%
Brilliant Bravo Science and Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%
SA Tian Jin Bo Yi Communications Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%
SA New Land Communication Technology Pty Ltd.	Mining	South Africa	**78.74%**	78.74%

(i) British Virgin Islands ("BVI")

(b) *Associates*

Details of the Company's associates are as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held **December 31, 2021**	December 31, 2020
Afrimineral Holdings (Pty) Ltd.	Holding company	South Africa	**49.00%**	49.00%
Gubevu Consortium Investment Holdings (Pty) Ltd.	Holding company	South Africa	**49.99%**	49.99%

During the year ended December 31, 2021 and 2020, these associates were inactive.

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

6. Property, plant and equipment

	Right-of-use assets $	Plant and equipment owned $	Mineral properties previously depleted $	Mineral properties not being depleted $	(Note 16) 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	707	5,979	—	28	—	6,714
Environmental provision change in estimate	—	(28)	—	(18)	—	(46)
Disposals	—	(876)	—	—	(172)	(1,048)
Foreign exchange movement	(392)	(31,093)	(5,608)	(22,905)	(1,037)	(61,035)
Balance as at December 31, 2021	**4,921**	**353,219**	**63,570**	**259,620**	**11,697**	**693,027**
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	1,378	5,667	—	—	44	7,089
Depreciation of disposed assets	—	—	—	—	(51)	(51)
Foreign exchange movement	(119)	(24,719)	(4,516)	(20,572)	(174)	(50,100)
Balance as at December 31, 2021	**1,609**	**279,885**	**52,169**	**233,177**	**1,961**	**568,801**
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 December 31, 2021	**3,312**	**73,334**	**11,401**	**26,443**	**9,736**	**124,226**

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

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

	Crocodile River Mine (a and e) $	Mareesburg Project (b) $	Kennedy's Vale and Concentrator (c) $	Spitzkop PGM Project (d) $	Other property plant and equipment $	Total $
Cost						
Balance as at December 31, 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	6,652	27	27	—	8	6,714
Environmental provision change in estimate	18	(18)	(46)	—	—	(46)
Disposals	(77)	—	(971)	—	—	(1,048)
Foreign exchange movement	(31,550)	(1,376)	(22,932)	(5,178)	1	(61,035)
Balance as at December 31, 2021	**358,260**	**15,604**	**260,224**	**58,689**	**250**	**693,027**
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	6,997	—	57	—	35	7,089
Depreciation of disposed assets	(34)	—	(17)	—	—	(51)
Foreign exchange movement	(22,489)	(584)	(22,169)	(4,858)	—	(50,100)
Balance as at December 31, 2021	**255,627**	**6,621**	**251,269**	**55,063**	**221**	**568,801**
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 December 31, 2021	**102,633**	**8,983**	**8,955**	**3,626**	**29**	**124,226**

(a) Crocodile River Mine ("CRM")

The Company holds directly and indirectly an 87.5% interest in CRM, through Barplats Investments (Pty) Ltd. ("Barplats Investment"), which is located on the eastern portion of the western limb of the Bushveld Complex. The Retreatment Project began providing material from re-mining the Zandfontein UG2 tailings in December 2018. Since December 2020, PGM production began utilizing the re-processed material of the Retreatment Project. The underground operations of the CRM have been placed on care and maintenance since 2013.

(b) Mareesburg Project

The Company holds directly and indirectly an 87% interest in the Mareesburg Project located on the eastern limb of the Bushveld Complex. The Company is currently working on an updated resource estimate and plant location trade-off study. The project is in its early stage and has not been in production.

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

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

(d) Spitzkop PGM Project ("Spitzkop")

The Company holds directly and indirectly a 93.4% interest in the Spitzkop PGM Project located on the eastern limb of the Bushveld Complex and next to KV. The early stage Spitzkop PGM Project has had limited further evaluation or development since it was put on hold in 2012.

(e) Assets held for sale

On October 24, 2019, the Company and its subsidiary Barplats entered into a sales agreement (the "Sale Agreement") with Eland Platinum (Pty) Limited ("Eland"). The Sales Agreement provides for sale of the mining rights, immovable property, infrastructure and equipment of the Maroelabult resource property (collectively referred as the "Maroelabult Assets") located near Brits in South Africa. The consideration to be received is ZAR20,000 (approximately $1,253), the assumption of the rehabilitation obligation and immediate assumption of the care and maintenance costs (the "Purchase Price") subject to representations and warranties by both parties. The Purchase Price is payable and enforceable on closing the transaction following the transfer of legal title and the completion of the various legal and regulatory obligations required in South Africa.

As at December 31, 2021, the sale of the Maroelabult Assets has not been completed. The carrying value of the Maroelabult Assets of $1,739 (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 $487 (ZAR7,768) (December 31, 2020 – $530 (ZAR7,768)) has been presented as liabilities associated with assets held for sale. The transaction closed subsequent to year-end (Note 24).

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

(f) Impairment of property, plant and equipment

(i) Year ended December 31, 2021

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

As at December 31, 2021, management assessed for possible indicators of impairment. At December 31, 2021, the Company's market capitalization continues to be significantly lower than the carrying value of its net assets. In light of this, the Company updated its internal model for its flagship assets, the CRM underground and chrome operations. The model continues to show the recoverable amount of these assets above their net book value. No impairment was therefore required.

Management utilized the following inputs and assumptions in projecting cash flows for the updated impairment model prepared as at December 31, 2021.

Assumptions	
Discount rate	14%
USD:ZAR exchange rate	ZAR14.77
Average 6E basket price	$1,858 - $2,609

The model also includes cash flows from continued chrome sales which are subject to the Framework Agreement with Union Goal and are currently set based on cost recovery at $115/ton (40% FOB). When management utilizes internal discounted cash flow economic models in determining the recoverable value of the Company's mineral properties, the key assumptions are quantity and grade of recoverable resources, future metal prices, operating and capital costs, foreign exchange rates, discount rates and the estimated future production timing and production levels. Significant events such as re-opening the CRM Zandfontein underground mine for production and executing the chrome optimization plan at the retreatment project were taken into account in the projections.

The results of the discounted cash flow economic models could change materially when these key assumptions change.

Consistent with the prior year, the KV and Spitzkop projects recoverable amounts were determined on a FVLCTD basis with reference to market transactions as well as recent expressions of interest or purchase offers received. The Mareesburg project recoverable amount was supported by updating the prior year's impairment models for changes in key inputs and cash flows, and by the use of other valuation techniques, as there have been no recent expressions of interest on the property. No impairment was determined necessary based on any of these assessments.

(ii) Year ended December 31, 2020

As at December 31, 2020, there were no new impairment indicators for the CRM, Kennedy's Vale ("KV"), 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, KV, Spitzkop and Mareesburg based on fair value less cost of 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, KV and Spitzkop approximated the carrying amount and the recoverable amount of Mareesburg exceeded the carrying amount, and no impairment was recorded for the CRM, KV, Spitzkop and Mareesburg projects.

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

7. Settlement gain (loss)

(a) Gain on settlement with the former officers and directors of the Company

On June 21, 2021, the Company reached a settlement with the former officers and directors of the Company concerning the claims filed against them in relation to the agreements entered with Ingwenya Incorporated ("Ingwenya") and Serina Service AG ("Serina") on behalf of Eastplats, together with its subsidiaries Eastplats Acquisition Co. Ltd. and Eastern Platinum Holdings Limited (collectively, along with Eastplats, the "Eastplats Companies") dated June 30, 2016, pursuant to which $13,367 was transferred to Serina and Ingwenya (see Note 22 (d)) and certain other related disputes. The settlements of the filed lawsuits provided for an amount of Cdn$4,000 (approximately $3,258) in cash, which was paid to the Company.

(b) Loss on settlement with AlphaGlobal Capital Inc.

On June 26, 2020 the Company reached a settlement agreement with AlphaGlobal Capital Inc. ("AlphaGlobal") to dismiss all claims against the Company and its subsidiaries and to release the Company from any and all claims that AlphaGlobal may have against the Company or its subsidiaries (the "Claims"), in exchange for the issuance of 8,000,000 common shares of the Company (the "Common Share") at a deemed subscription price of Cdn$0.235 per share, 6,000,000 common share purchase warrants exercisable at Cdn$0.24, each share purchase warrant entitling the holder to acquire one Common Share of the Company for a period of two years (the "Warrants"), and the payment of ZAR9,000 (approximately $518) (the "AlphaGlobal Settlement"). The 8,000,000 common shares were valued to be $1,702 based on the Company's stock trading price on the date of issuance and the 6 million warrants were valued to be $564 based on the Black-Scholes options pricing model. The Company recorded a settlement loss of $2,787 during the second quarter of 2020.

8. Issued capital

(a) Authorized

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

- Unlimited number of common shares with no par value.

(b) Issued and outstanding

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

As at December 31, 2021, the Company had 137,820,773 common shares issued and outstanding (December 31, 2020 - 100,639,032).

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.

In July 2021, 300,000 stock options were exercised at a price of Cdn$0.21 per share for total proceeds of $50.

During the years ended December 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*

During the year ended December 31, 2021, treasury shares of $204 were combined with issued capital of the Company in the consolidated statement of changes in equity for presentation purposes. Prior figures were adjusted to conform with the current year's presentation.

(d) *Warrants*

As at December 30, 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 on June 26, 2022.

(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. The 2016 Plan was renewed for another three years and approved by the Company's shareholders at its annual general meeting held on June 13, 2019.

During the year ended December 31, 2021, the Company granted 1,420,000 stock options to the directors and officers of the Company to acquire common shares of the Company at a weighted average exercise price of Cdn$0.34 per share expiring in five years from the date of grant. These stock options vested 90 days from the grant date.

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

The fair value of the options granted in 2021 and 2020 was estimated using the Black-Scholes options pricing model with the following assumptions:

	2021	2020
Fair value (Cdn$)	**0.34**	0.19
Risk-free interest rate	**0.25%**	0.50%
Dividend yield	**0%**	0%
Expected volatility	**59.24%**	60.98%
Expected life of options	**5**	5

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

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

During the year ended December 31, 2021, a total of $228 (2020 – $225) was recorded as share-based compensation expense relating to general and administrative services.

The following is a summary of stock option transactions:

	Number of options	Weighted average exercise price Cdn$
Balance, December 31, 2019	3,600,000	0.40
Granted	1,820,000	0.37
Balance, December 31, 2020	5,420,000	0.39
Granted	1,420,000	0.34
Exercised	(300,000)	0.21
Expired	(1,200,000)	0.71
Balance, December 31, 2021	**5,340,000**	**0.31**

The following table summarizes information concerning outstanding and exercisable options at December 31, 2021:

Number of options outstanding	Number of options exercisable	Exercise price Cdn$	Remaining contractual life (Years)	Expiry date
500,000	500,000	0.32	0.86	November 9, 2022
450,000	450,000	0.33	0.93	December 7, 2022
100,000	100,000	0.39	1.32	April 26, 2023
1,350,000	1,350,000	0.21	2.45	June 13, 2024
50,000	50,000	0.24	3.33	April 29, 2025
1,470,000	1,470,000	0.37	3.79	October 16, 2025
1,420,000	1,420,000	0.34	4.48	June 23, 2026
5,340,000	5,340,000			

9. Finance costs

	Year ended December 31	
	2021	2020
	$	$
Accretion of interest on contracts payable (Note 15)	**4,651**	4,956
Accretion on interest on lease liabilities (Note 18)	**401**	386
Interest on provision for environmental rehabilitation (Note 16)	**373**	326
Other interest	**32**	9
	5,457	5,677

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

10. Income tax

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

	December 31 2021 $	December 31 2020 $
Current tax expense	**110**	96
Deferred tax expense	**15**	82
Income tax expense	**125**	178

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

	December 31 2021 $	December 31 2020 $
Loss before income tax	**(2,586)**	(9,218)
Statutory tax rate	**27%**	27%
Expected tax recovery at the applicable tax rate	**(698)**	(2,489)
Difference in tax rates between foreign jurisdictions and Canada	**(28)**	(45)
Items not deductible for income tax purposes	**2,371**	2,763
Tax losses not recognized	**(807)**	1,047
Tax losses utilized	**(713)**	(1,098)
Income tax expense	**125**	178

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

	December 31 2021 $	December 31 2020 $
Deferred tax liabilities		
Property, plant and equipment	**(1,148)**	(1,282)
Other temporary difference	**(2,219)**	(2,160)
	(3,367)	(3,442)

At December 31, 2021, the Company has approximately Cdn$61,064 of non-capital losses available to offset future taxable income in Canada expiring in various amounts from 2026 to 2041. The Company has approximately Cdn$3,480 of capital losses available to offset future taxable capital gains (capital losses do not expire). In South Africa, the Company has unredeemed capital expenditures of approximately ZAR6,111,839 (approximately $382,837) and estimated tax losses of ZAR143,629 (approximately $8,997) available for utilization against future taxable income. The South African losses do not expire unless the Company's business activities cease.

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

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

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

11. Non-controlling interest

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

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

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

	$
Balance, December 31, 2019	(44,738)
Non-controlling interests' share of loss	(1,422)
Foreign exchange movement	1,910
Balance, December 31, 2020	(44,250)
Non-controlling interests' share of loss	(1,561)
Foreign exchange movement	3,687
Balance, December 31, 2021	**(42,124)**

(Also see Note 22 (d))

12. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	December 31 2021 $	December 31 2020 $
Cash in bank	**1,069**	836
Money market instruments	**1,134**	936
	2,203	1,772

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

13. Trade and other receivables

Trade and other receivables are comprised of:

	December 31 2021 $	December 31 2020 $
Trade receivables	**19,231**	10,008
VAT receivable	**750**	1,805
Other receivables	**1,655**	1,210
Allowance for doubtful debts for other receivables	**(281)**	(388)
	21,355	12,635

14. Other assets

Other assets consist of various money market fund investments that are classified as amortized cost and serve as security for a guarantee issued by the Company to the Department of Mineral Resources of South Africa in respect to environmental rehabilitation (Note 16). Changes to other assets for the years ended December 31, 2021 and 2020 are as follows:

	$
Balance, December 31, 2019	6,789
Service fees	(40)
Interest income	307
Foreign exchange movement	(269)
Balance, December 31, 2020	6,787
Service fees	(42)
Interest income	320
Foreign exchange movement	(572)
Balance, December 31, 2021	**6,493**

15. Union Goal Contracts

The continuity of the Union Goal Contracts and related balances are presented below:

	December 31 2021 $	December 31 2020 $
Deferred revenue		
Balance, beginning of year	**11,999**	**12,539**
Additions		
- Advance payment of mining equipment (b)	**—**	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	**(4,156)**	(2,663)
Foreign exchange	**(858)**	(390)
Balance, end of year	**11,806**	11,999
Deferred revenue - current	**4,424**	3,124
Deferred revenue - non-current	**7,382**	8,875

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

	December 31 2021 $	December 31 2020 $
Contracts payable - Chrome Circuit equipment payable		
Carrying value, beginning of year	**43,686**	36,979
Changes during the year		
- Adjustments of contracts payable (a)	**(4,167)**	(934)
- Face value of additions (c)	**47**	3,782
- Discounting effect	**—**	(385)
- Net present value	**(4,120)**	2,463
- Accretion (e)	**4,008**	4,244
Carrying value, end of year	**43,574**	43,686
Contracts payable - Credit Facility		
Carrying value, beginning of year	**6,890**	5,328
Changes during the year		
- Adjustments of contracts payable (a)	**(654)**	(20)
- Face value of additions (d)	**—**	1,077
- Discounting effect	**—**	(164)
Net present value	**(654)**	893
- Accretion (e)	**643**	712
- Foreign exchange	**(539)**	(43)
Carrying value, end of year	**6,340**	6,890
Contracts payable, carrying value - total	**49,914**	50,576

The Company and its subsidiary, Barplats Mines (Pty) Limited ("Barplats") entered into an agreement (the "Framework Agreement") with 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 the updated Retreatment Project Agreements (the "2021 Updated Retreatment Project Agreements"). 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 (the "Retreatment Project").

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

(i) The 2021 Revised and Restated Framework Agreement;
(ii) The 2021 Revised and Restated Offtake 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) Removal of the entire interest charge on Chrome Circuit equipment payable and Credit Facility from day one to the due date;
(iv) Extension of the due date from January 14, 2022 to 210 days after the date of issuing the plant commissioning certificate on the optimization equipment (the "Due Date");

(v) Cancellation of $2 million escrow fund that Union Goal was required to deposit according to the 2018 Escrow Agreement; and

(vi) Increase in the Credit Facility from ZAR50,000 (approximately $3,132) to ZAR130,000 (approximately $8,143).

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 on contracts payable is considered an accounting estimate change 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 deferred revenue in line with the treatment of the 2018 Retreatment Project Agreements, and 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.

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

(c) During the year ended December 31, 2020, the Company received Chrome Circuit equipment in relation to the Optimization Project totalling $3,782. The Company recognized a discounting effect of $385, based on an estimated market rate of 9% over the future payments of interest and principal. This discounting effect was credited to deferred revenue.

During the year ended December 31, 2021, the Company received $47 worth of Chrome Circuit equipment in relation to the Optimization Project. The related discounting is immaterial.

As at December 31, 2021, the total face value of Chrome Circuit equipment payable is $45,252 (December 31, 2020 - $45,205).

(d) During the year ended December 31, 2020, the Company drew down ZAR17,780 (approximately $1,077) from the Credit Facility. The Company recognized a discounting effect of $164 calculated by discounting the future payments of interest and principal using an estimated weighted average market rate of 10.83%. This discounting effect was credited to deferred revenue. As at December 31, 2020, total drawdown from the Credit Facility was ZAR105,069 (approximately $7,162).

The Company did not make a drawdown on the Credit Facility during the year ended December 31, 2021.

(e) Included in finance cost, total contract payable accretion was $4,651 (2020 - $4,956) for the year ended December 31, 2021.

(f) Pursuant to the offtake agreement, Union Goal agreed to acquire all the chrome concentrate produced by Barplats from the Retreatment Project on the basis of the number of tons of material re-mined from the tailings and made available to the plant at a price equivalent to the aggregate of all the qualifying operating costs in the mining process and the logistics cost, plus other additional amount as agreed in the Framework Agreement (Notes 17(b) and 20(c)).

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

16. Provision for environmental rehabilitation

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

Future changes to environmental laws and regulations, life-of-mine estimates and discount rates can affect the carrying amount of this provision. In particular, from November 20, 2015 in South Africa, regulations governing financial provisions for asset retirement obligations were transitioned from the MPRDA to the National Environmental Management ("NEMA"). These regulations were amended in October 2016. There is currently uncertainty regarding the revised requirements for financial provisions and funding thereof pursuant to NEMA and their actual implementation for the Company. The introduction of the new NEMA provisioning has again been deferred until June 2022. Once effective NEMA may require changes to the estimate of the liabilities and the way in which the entity funds the obligation.

The provision for environmental rehabilitation including $487 (ZAR7,768) (December 31, 2020 - $530 (ZAR7,768)) relating to Maroelabult which is presented as liabilities associated with the assets held for sale (Note 6(e), Note 24) at December 31, 2021 is $3,601 (ZAR57,485) (December 31, 2020 - $3,590 (ZAR52,665)). The provision was determined using the following assumptions:

	2021	2020
Inflation rate	**4.50%**	4.20%
Weighted average discount rate	**10.78%**	10.75%
Estimated life of mine		
- Zandfontein (yrs)	**23**	23
- Maroelabult (yrs)	**12**	12
- Crocette (yrs)	**27**	27
- Kennedy's Vale (yrs)	**21**	21
- Spitzkop (yrs)	**24**	24
- Mareesburg (yrs)	**7**	7

As at December 31, 2021, cash in the amount of $6,493 (ZAR103,661) (December 31, 2020 - $6,787 (ZAR99,562)) was pledged as security for the guarantee issued to the Department of Mineral Resources of South Africa in respect to environmental rehabilitation (Note 14). Furthermore, certain of the Company's residential properties in the amount of $1,328 (ZAR21,200) (December 31, 2020 - $1,445 (ZAR21,200)) were also pledged as security for the guarantee issued to the Department of Mineral Resources for the same reason. These guarantees will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine.

As at December 31, 2021, the undiscounted and inflated value of this liability (including the amount associated with the assets held for sale) is approximately $35,245 (ZAR562,667) (December 31, 2020 – $34,247 (ZAR502,419)).

Changes to the environmental rehabilitation provision are as follows:

	$
Balance, December 31, 2019	3,371
Revision in estimates	(491)
Accretion (Note 9)	326
Foreign exchange movement	(146)
Balance, December 31, 2020	3,060
Revision in estimates	(45)
Accretion (Note 9)	373
Foreign exchange movement	(274)
Balance, December 31, 2021	**3,114**

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

17. Commitments

(a) Refining contracts and PGM concentrate

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

Since December 2020, the Company started to generate PGM concentrate revenue from processing tailings material based on an agreement with Impala Platinum Limited ("Impala") dated September 18, 2020.

(b) Chrome concentrate offtake agreement (also see Note 15)

(c) Capital expenditures

The Company has committed to capital expenditures in South Africa of approximately $478 (ZAR7,634) as at December 31, 2021, all of which are expected to be incurred during the next 12 months.

18. Leases

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

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

Effective October 1, 2021, certain equipment pay rates were modified without changing the overall lease term. The Company recognized additional $707 (ZAR10,904) of equipment under the right-of-use assets based on an estimated incremental borrowing of 9%.

	December 31 2021 $	December 31 2020 $
Balance, beginning of year	**4,557**	63
Future aggregate minimum lease payments	**707**	4,268
Lease payments in cash	**(1,706)**	(431)
Non-cash accretion	**401**	386
Foreign exchange movement	**(295)**	271
Balance, end of year	**3,664**	4,557
Less: current portion	**(1,448)**	(1,265)
Non-current portion	**2,216**	3,292

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

The following table presents a reconciliation of the Company's undiscounted cash flows to their present value for its leases payable as at December 31, 2021 and 2020:

	December 31 2021 $	December 31 2020 $
Within 1 year	**1,730**	1,674
Between 1 - 2 years	**1,829**	3,318
Over 2 years	**544**	481
Total undiscounted amount	**4,103**	5,473
Less: accretion	**(439)**	(916)
Total discounted amount	**3,664**	4,557

19. Related party transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements are listed below, (note, 2020 share-based payments have been restated; previously reported amounts included payments to employees and to related parties):

(a) Trading transactions

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

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

	Year ended December 31	
	2021 $	2020 $
Director fees	**161**	136
Management fees	**342**	269
Share-based payments	**126**	113
	629	518

(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 per month to Oriental Fortune for management consulting services rendered. During the year ended December 31, 2021, Oriental Fortune also received a bonus payment of $88 (2020 – $39).

(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, which included management fees from the table above, for the year ended December 31, 2021 was $1,434 (2020 - $1,060) with the breakdown below:

(i) Management salaries, bonuses and consulting fees of $1,299 (2020 - $910); and
(ii) Share-based compensation of $135 (2020 – $150).

Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the years ended December 31, 2021 and 2020.

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

20. Segmented Information

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

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

	Year ended December 31, 2021				
	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Property, plant and equipment additions	6,652	54	6,706	8	6,714
Cost of property, plant and equipment disposed	(77)	(971)	(1,048)	—	(1,048)
Revenue	68,198	—	68,198	—	68,198
Production costs - depreciation	(6,903)	—	(6,903)	(22)	(6,925)
(Loss) income before income taxes	(5,352)	1,444	(3,908)	1,322	(2,586)
Income tax expense	(62)	(15)	(77)	(48)	(125)
Net (loss) income	(5,414)	1,429	(3,985)	1,274	(2,711)

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

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

(b) *Geographic segments (continued)*

	December 31, 2021				
	CRM $	Eastern Limb $	Total South Africa $	Canada, Barbados and BVI $	Total $
Total assets	135,685	21,753	157,438	5,345	162,783
Total liabilities	69,982	1,929	71,911	10,519	82,430

	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*

$63,066 or 92.5% (2020 – 99.9%) of revenues generated during the year ended December 31, 2021 are related to the processing of chrome concentrate and sold to a single customer (Note 15(f)). The remaining revenues ($5,132) generated during the year ended December 31, 2021 are related to PGM concentrate sales.

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

21. Financial instruments

(a) Management of capital risk

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or issue debt instruments.

The Company is not subject to externally imposed capital requirements.

(b) Categories of financial instruments

	December 31 2021 $	December 31 2020 $
Financial assets		
FVTPL		
Trade receivables for PGM sales	**2,155**	—
Amortized cost		
Cash and cash equivalents	**2,203**	1,772
Restricted cash	**91**	90
Trade and other receivables (excluding taxes receivable)	**18,450**	10,830
Short-term investments	**3,944**	—
Other assets*	**6,493**	6,787
	33,336	19,479
Financial liabilities		
Amortized cost		
Trade and other payables	**10,078**	7,491
Lease liabilities	**3,664**	4,557
Contracts payable	**49,914**	50,576
	63,656	62,624

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

(c) Fair value of financial instruments

(i) Fair value estimation of financial instruments

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

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

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

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

The Company's financial instruments that are measured at fair value on a recurring basis are financial assets consisting of other assets. Other assets are mainly money market fund investments. These are level 1 financial instruments at December 31, 2021 and 2020. As at December 31, 2021 and 2020, the Company did not have financial liabilities measured at fair value on a recurring basis. There were no transfers between levels during the years ended December 31, 2021 and 2020.

(d) Reclassification of financial assets

There was no reclassification of financial assets during the years ended December 31, 2021 and 2020.

(e) Financial risk management

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

(i) Currency risk

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

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:

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

	December 31 2021 $	December 31 2020 $
Financial assets		
Denominated in USD at Canadian head office	**1**	—
Denominated in USD at South African Subsidiaries	**2,155**	—
Denominated in Rand at Canadian head office	**—**	7
Total	**2,156**	7
Financial liabilities		
Contracts payable denominated in Rand at Canadian head office	**6,340**	6,890
Contracts payable denominated in USD at South African subsidiaries	**43,574**	43,686
Total	**49,914**	50,576

As at December 31, 2021, with other variables unchanged, a 10% strengthening (weakening) of the Canadian dollar against the South African Rand would have increased (decreased) net income by approximately $576; with other variables unchanged, a 10% strengthening (weakening) of the South African Rand against the U.S dollar would have increased (decreased) net income by approximately $3,765.

(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 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 2021, the Company did not have material PGM concentrate sales. Chrome concentrate sales are 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.

Substantially all of the Company's revenues are from two customers, of which the chrome concentrate production revenue is solely from Union Goal and PGM revenue is from Impala. There is both a credit risk and concentration risk associated with the collection of revenues from these two customers. This risk with Union Goal is mitigated due to the contract structure and the significant outstanding contracts payable due to Union Goal (Note 15).

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

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

Company limits its counterparty credit risk on these assets by dealing only with financial institutions with strong credit ratings.

(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, 2020. 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 2022. The projected cash flows for 2022 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 December 31, 2021. The Company currently does not have expected or contractual payments of obligations and commitments beyond 3 years.

	<1 year	1 - 3 years	Total
	$	$	$
Trade and other payables	10,078	—	10,078
Contracts payable	—	51,833	51,833
Lease liabilties	1,730	2,373	4,103
	11,808	54,206	66,014

22. Contingencies

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

(a) On November 6, 2018, the Company received a petition filed with the Supreme Court of British Columbia, by 2538520 Ontario Limited ("253"), 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, 253 sought leave to appeal to the Supreme Court of Canada, which was declined on May 27, 2021. The Company is seeking recovery from 253 of the costs incurred in responding to 253's unsuccessful petition and appeals. Due to the uncertainty of the total costs to be recovered successfully, no recovery has been recorded on the consolidated financial statements.

(b) On February 7, 2020, 253 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. 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 $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. On June 11, 2021, the Plaintiffs filed an amended claim in response to an imminent application from the Company and its directors and officers to dismiss the claim as an abuse of process. The Plaintiffs consented to dismissal of the claims against the non-executive directors and struck a substantial portion of the contents of their notice of civil claim. Claims against the Company, certain senior management as well as claims against certain other parties remain extant. An application with respect to service on other parties is currently on reserve.

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 that filed a similar petition in November 2018 for 253, which was dismissed in 2019, the appeal denied by the British Columbia Court of Appeal in November 2020 and application for leave to appeal to the Supreme Court of Canada declined in May 2021, as discussed in (a) above.

The Company filed a response seeking a dismissal of the petition as an abuse of process. The petition has not been scheduled for hearing. 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 written agreements (the "2016 BEE Buyout Transactions") with Ingwenya and Serina (collectively the "Vendors") to acquire/cancel all of the interests previously held by the Company's black economic empowerment partners (the "BEE Partners") 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 and to its relevant subsidiaries that the Vendors 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 agreements of the 2016 BEE Buyout Transactions. The 2016 BEE Buyout Transactions 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.

In 2017, the Company was advised on behalf of the BEE Partners that they no longer considered themselves as the Company's BEE Partners. However, the Company was not provided with all of the background details and documents concerning those arrangements and was unable to otherwise confirm or document that result. In 2020, the Company was provided with certain documents and records confirming that Serina, Ingwenya and the BEE Partners had purportedly agreed to nullify and reverse the transactions among them with the result that the BEE Partners' interests (save for the 17.65% equity interest in Afriminerals) had reverted to Serina and Ingwenya, effective as of June 2017.

The Company notes that as a result of the foregoing, it had sufficient documentation and other representations to allow it to confirm and record that it no longer had BEE Partners as of June 2017 and any interest purportedly held by Serina and Ingwenya could be considered transferred or cancelled. South African mining regulations require certain levels of black economic empowerment ("BEE") shareholdings from a party granted mining rights. The Company believes that it was and is in compliance with the applicable BEE requirements throughout the relevant time under the "once empowered, always empowered" principle under the applicable South African mining laws, as stated in September 2021 by the High Court (Gauteng Division, Pretoria) in South Africa as a result of a court challenge by the Minerals Council of South Africa. This judgment decided that this principle applied to the renewal of existing mining rights. Given the time that has passed since the judgement and due to statements made by certain officials, it is unlikely that this judgment will be appealed. However, there is a risk that the effect of this Court decision could be changed by legislative means in the future, and further direction in this regard is awaited from the Department of Mineral Resources and Energy ("DMR"). Failure to address any such alleged non-compliance may negatively impact the Company's operations and the value of its assets. No provision is made in the consolidated financial statements and the Company remains committed to working with the DMR to ensure ongoing compliance.

(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 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. The Company has been unable to successfully contact either Serina or Ingwenya to date and any recovery of the funds or judgement appears remote. No amount has been recorded as an asset on the Company's financial statements for this claim as it would be a contingent amount if successful.

(f) The Company received a notice from the DMR on October 25, 2018 of an appeal launched with the DMR with respect to the Company's mineral license issued in 2012 relating to the Spitzkop property. In addition, the claimant launched an appeal against a water use license and a related review application in respect thereof in the High Court in South Africa. The Company, with the assistance of counsel, is addressing this matter and intends to defend this issue related to the issued mineral rights and water use license of Spitzkop. Further to this, the Company and the claimant are currently engaging to amicably resolve this matter and it does not expect that it will result in a cash outflow by the Company in the foreseeable future.

(g) On October 7, 2020 the Company filed an amended notice of civil claim (original notice filed on June 7, 2018) in the Supreme Court of British Columbia against certain former officers and directors of the Company, which update the specifics of the claim and added two defendants, which are companies related to former officers. The amended notice of civil claim alleges that the former officer and directors purported to enter into agreements with Serina and Ingwenya on behalf of the Company pursuant to which $13,367 was transferred without consideration and without any apparent benefit to the Company and in doing so breached their duties as directors and officers of the Company. Eastplats sought damages from the former directors and officers on a number of legal grounds.

As a response to this claim, the former directors and officers filed a counterclaim denying liability and seeking indemnity. The Company filed its defence to oppose this counterclaim.

On June 21, 2021, the Company announced it had agreed with the defendants to settle and dismiss the outstanding lawsuits and to settle certain related disputes including the counterclaim. The settlement provided for an amount of $3,258 (Cdn$4,000) in cash to be paid to the Company. The terms of the settlements are confidential and no party to them has admitted any wrongdoing or liability. No further amounts can be claimed under the settlement.

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

23. Headline and diluted headline loss per share

The Company's shares are also listed on the Johannesburg Stock Exchange which requires the Company to present headline and diluted headline loss per share. Headline loss per share is calculated by dividing headline loss attributable to equity shareholders of the Company by weighted average number of the common shares issued and outstanding during the year. Diluted headline loss per share is determined by adjusting the headline loss attributable to equity shareholders of the Company and the weighted average number of common shares issued and outstanding during the year after taking all potential dilutive effects. For the years ended December 31, 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 summarizes the adjustments to loss attributable to equity shareholders of the Company for the purpose of calculating headline loss attributable to the equity shareholders of the Company, and the headline loss and diluted headline loss per share.

	Year ended December 31	
	2021	2020
	$	$
Loss attributable to shareholders of the Company	**(1,158)**	(7,974)
Adjusted for:		
Gain on disposal of property, plant and equipment	**(692)**	(575)
Headline loss attributable to shareholders of the Company	**(1,850)**	(8,549)
Headline loss and diluted headline loss per share	**(0.01)**	(0.09)

24. Subsequent events

On March 22, 2022, the Company announced the completion of the sale of the Maroelabult resource property to Eland (note 6e). Total cash consideration of ZAR20,000 (approximately $1,253) was received on March 9, 2022 after the transfer of legal title and various legal and regulatory obligations required in South Africa were completed.