



ANNUAL INFORMATION FORM

For the year ended December 31, 2021

DATED: March 24, 2022

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## **PRELIMINARY NOTES**

The audited consolidated financial statements of the Company have been prepared using accounting policies prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). All financial information in this Annual Information Form (“AIF”) is prepared in accordance with IFRS.

This AIF should be read in conjunction with the Company’s audited annual consolidated financial statements and notes thereto, as well as with the management’s discussion and analysis (“MD&A”) for the year ended December 31, 2021.

### **CURRENCY**

The Company’s presentation currency is U.S dollars. Monetary amounts in the financial statement, the MD&A and in this AIF are in thousands of U.S. dollars (“\$” or “U.S. dollars”), except when indicated as thousands of Canadian dollars (“Cdn\$” or “Canadian dollars”), thousands of South African Rand (“ZAR” or “Rand”) and except for per share amounts, per tonnage amounts or as otherwise indicated. The Company’s costs are incurred principally in South African Rand and Canadian dollars.

### **MEASUREMENTS**

Conversion of metric units into imperial equivalents is as follows:

<b>Metric Units</b>	<b>Multiply by</b>	<b>Imperial Units</b>
Hectares	2.471	= acres
Metres	3.281	= feet
Kilometres	0.621	= miles (5,280 feet)
Grams	0.032	= ounces (troy)
Tonnes	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton

### **DEFINITIONS FOR MINERAL SYMBOLS**

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

### **FORWARD-LOOKING STATEMENTS/RESERVES**

This AIF contains certain “forward-looking statements” or “forward-looking information” (collectively referred to herein as “forward-looking statements”) within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or are events or conditions that “will”, “would”, “may”, “could” or “should” occur or be achieved. This AIF contains forward-looking statements, pertaining to, among other things, the following: the expectations and beliefs of Management; the long-term price of PGM, Cr and exchange rates; the estimation of mineral reserves and resources, and the realization of mineral reserve estimates in future expected production; anticipated future capital and operating costs; anticipated future potential joint ventures and business combinations;

possible future dividends; the potential of the Company's properties and expectations of growth; the life of the Retreatment Project; estimated costs and timelines of production; estimated operations; estimated timelines for revenue production; estimated timelines and results of test work and feasibility studies; estimated economic assessment; conclusions of assessments of the Company's projects; the impact of Mining Charter 2018; potential non-compliance with the MPRDA and the corresponding impact; the BEE Buyout Agreements and all related transactions; anticipated social and community engagement; expectations regarding potential litigation; fluctuations in currency markets; the future funding of the Company's projects; the future development of the Company's projects; the likelihood of re-commencing operations at certain of the Company's mines; economic, political and regulatory conditions; the Company's expectations regarding regulation changes in South Africa; the Company's intention to conduct business in certain jurisdictions; critical accounting judgements made by the Company and the Company's plans for its properties.

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

Forward-looking statements are subject to all of the risks and uncertainties normally incident in the mining and development of PGM and Cr that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risks include, but are not limited to: The pandemic risk, the risk of fluctuations in the assumed exchange rates of currencies that directly impact the Company, such as the Canadian dollar, Rand and U.S. dollar; the risk of fluctuations in the assumed prices of PGM and other commodities; the risk of changes in government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company carries, or may carry on business in the future; risks associated with mining or development activities; the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, assumed quantities or grades of reserves; the risk of higher than expected capital costs; the risk of the unavailability of appropriate funding arrangements; the risk of infrastructure failure; risks associated with breaches of sensitive information and technology; risks associated with the loss of key employees; risks due to the highly competitive nature of the industry; and certain other known and unknown risks detailed from time to time in the Company's public disclosure documents, copies of which are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Many of these uncertainties can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance.

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

## GLOSSARY

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

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

“AMSL” means above mean sea level;

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

“BIC” means the Bushveld Igneous Complex in South Africa;

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

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

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

“BRC” means bottom of reef contact;

“Chrome Circuit” means the chrome processing circuit, related technology and knowhow financed and sourced by Union Goal for the Retreatment Project;

“CL” means chromitite layer;

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

“Coronavirus” means Coronavirus disease or COVID-19 which is an infectious disease caused by a new virus. The disease causes respiratory illness (like the flu) with symptoms such as a cough, fever, and in more severe cases, difficulty breathing.

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

“DMR” means the Department of Mineral Resources and Energy of South Africa;

“EIA” means Environmental Impact Assessment;

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

“Former Management” means the Board of Directors and Officers prior to July 5, 2016, specifically the former Chief Executive Officer (“CEO”) David Cohen and the former Chief Financial Officer (“CFO”) Horng Dih Lee;

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

“HDSAs” means historically disadvantaged South Africans;



“Impala” means Impala Platinum Holdings Ltd.;

“IRS” means Impala Refining Services Limited;

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

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

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

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

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

“Merensky Reef” means the predominantly sulfide-rich pyroxenite deposit located in the BIC in Limpopo Province, South Africa;

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

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

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

“PGE” means platinum group elements, consisting of platinum, palladium and rhodium;

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

“PGM Circuit D” means the small-scale PGM circuit D (previously the scavenger plant circuit) located at CRM and refurbished in Q1 2020;

“PGM Main Circuit B” means the PGM circuit B in the main plant, which was commissioned in Q4 2021;

“PGM Circuits” means collectively, PGM Circuit D and PGM Main Circuit B;

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

“Restated and Revised Retreatment Project Agreements” means the March 10, 2021 updated Retreatment Project agreements entered into between Eastern Platinum Limited, Barplats Mines (Pty) Limited and Union Goal which include the revised and restated framework agreement, revised and restated offtake agreement, revised and restated Eastplats loan agreement and the revised and restated Barplats equipment and chrome plant agreement;

“Retreatment Project” means the construction, re-mining and processing of the tailings resource, and the subsequent offtake of chrome concentrate from, the Barplats Zandfontein UG2 tailings facility located at the CRM in South Africa;

“RLS” means the Rustenburg Layered Suite;

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

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

“TRC” means top reef contact;

“TSX” means the Toronto Stock Exchange;

“UCZ” means Upper Critical Zone;

“UG Agreement” means the March 1, 2018 framework agreement entered into between Eastern Platinum Limited, Barplats Mines (Pty) Limited and Union Goal which provides for construction, re-mining and processing of the tailings resource, and the subsequent offtake of chrome concentrate from the Retreatment Project located at the CRM;

“UG2” or Upper Group 2, means the chromitite reef deposit located in the BIC in Limpopo Province, South Africa;

“Union Goal” means Union Goal Offshore Solution Limited;

“Zandfontein Underground” means the core section of the CRM; and

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

## **CORPORATE STRUCTURE**

### **NAME AND INCORPORATION**

Eastern Platinum Limited was formed pursuant to an amalgamation agreement dated April 25, 2005, under the *Business Corporations Act* (British Columbia). The predecessor companies were Elgin and Jonpol (both non-producing exploration companies).

The Company's head office is located at 1080-1188 West Georgia Street, Vancouver, B.C. V6E 4A2, Telephone: 604-800-8200, Fax: 604-210-4516, website: [www.eastplats.com](http://www.eastplats.com). Its registered and records office is located at 2900 - 550 Burrard Street, Vancouver, B.C, V6C 0A3.

## **SUBSIDIARIES**

The following chart sets forth all of the Company's subsidiaries, their jurisdiction of incorporation and the percentage of their voting securities held by the Company as at March 24, 2022<sup>(4)</sup>:

<b>Name of Subsidiary</b>	<b>Jurisdiction of Incorporation</b>	<b>Percentage Ownership</b>
Royal Anthem Investments 134 (Pty) Ltd. <sup>(2)</sup>	South Africa	100%
Lion's Head Platinum (Pty) Ltd. <sup>(1)</sup>	South Africa	74% <sup>(3)</sup>
Mareesburg Joint Venture	South Africa	87% <sup>(3)</sup>
Afriminerals Holdings (Pty) Ltd. <sup>(2)</sup>	South Africa	49% <sup>(3)</sup>
Spitzkop Platinum (Pty) Ltd. <sup>(1)</sup>	South Africa	86.74% <sup>(3)</sup>
Spitzkop Joint Venture	South Africa	93.37% <sup>(3)</sup>
Eastern Platinum Holdings Ltd. <sup>(2)</sup>	British Virgin Islands	100%
Eastplats International Incorporated <sup>(2)</sup>	Barbados	100%
Eastplats Acquisition Co. Ltd. <sup>(2)</sup>	British Virgin Islands	100%
Eastplats Holdings Limited <sup>(2)</sup>	British Virgin Islands	100%
Gubevu Consortium Investment Holdings (Pty) Ltd. <sup>(2)</sup>	South Africa	49.99% <sup>(3)</sup>
Barplats Investments (Pty) Limited <sup>(2)</sup>	South Africa	87.49% <sup>(3)</sup>
Barplats Mines (Pty) Limited <sup>(1)</sup>	South Africa	87.49% <sup>(3)</sup>
Barplats Mines (North West) (Pty) Limited <sup>(2)</sup>	South Africa	87.49% <sup>(3)</sup>
Rhodium Reefs (Pty) Limited <sup>(1)</sup>	South Africa	87.49% <sup>(3)</sup>
SA Tian Jin Bo Yi Communications Technology (Pty) Ltd.	South Africa	78.74% <sup>(3)</sup>
SA New Land Communication Technology (Pty) Ltd.	South Africa	78.74% <sup>(3)</sup>
SA Victiria International Technology (Pty) Ltd.	South Africa	78.74% <sup>(3)</sup>
Brilliant Bravo Science and Technology (Pty) Ltd.	South Africa	78.74% <sup>(3)</sup>
EPL Pellets (Pty) Ltd	South Africa	100%

### **NOTES:**

- (1) Holder of new order mining rights and/or prospecting rights
- (2) Holding company
- (3) Direct and indirect ownership
- (4) Subject to outcome of various disputes in connection with the June 30, 2016 BEE Buyout Agreements. See "History" and other related sections.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

### **CONSTRUCTION AND COMMISSIONING OF RETREATMENT PROJECT DURING 2018**

On March 1, 2018, Eastplats and its subsidiary BML entered into the UG Agreement.

Pursuant to the UG Agreement, Union Goal made a non-refundable upfront payment of \$2,932 (ZAR42,200) to BML and has financed and supplied BML with the Chrome Circuit while BML has developed and is now re-mining and operating the Retreatment Project.

On August 31, 2018, the Company and Union Goal completed the various condition precedents under the UG Agreement, including the signing of various transactional agreements: BML Equipment and Chrome Plant Agreement, the Loan Agreement, the Escrow Agreement and the Offtake Agreement.

During 2018, the Company focused its resources on the construction of the Retreatment Project.

In December 2018, the Company commenced commissioning and ramp-up of its newly constructed Chrome Circuit, began providing material from re-mining the tailings for processing and produced its first chrome concentrate from the Chrome Circuit.

The Chrome Circuit is designed to improve on recoveries of chrome concentrate compared to traditional technology. The Company expects such improved recoveries to expand the available resources for re-mining and processing.

### **OPERATIONS 2019-2021**

#### *Retreatment Project*

During 2019, the Company ramped-up production while completing all commissioning of the Retreatment Project. The Retreatment Project includes a combined hydro and mechanical re-mining method, magnetic separation applied to produce chrome concentrates, thus obtaining superior yield result compared to traditional gravity technology. The Retreatment Project is the only large-scale magnetic separation application in South Africa. Since 2017 Barplats has grown from 100 employees to over 565 contractors and employees engaged in supporting the Retreatment Project. The current Retreatment Project is expected to continue operating into 2024.

#### *Restated and Revised Retreatment Project Agreements*

On March 10, 2021, the Company and its subsidiary, Barplats, entered into updated Retreatment Project Agreements with Union Goal, which include:

The 2021 Revised and Restated Framework Agreement;  
The 2021 Revised and Restated Offtake Agreement;  
The 2021 Revised and Restated Eastplats Loan Agreement; and  
The 2021 Revised and Restated Barplats Equipment and Chrome Plant Agreement.

The review of the original agreements and subsequent revisions highlighted the positive operating results achieved to date, reflect the knowledge gained based on two years of operations and demonstrates Eastplats' continued commitment to the long-term benefits of the Retreatment Project.

Summary of chrome production for the years ended December 31, 2019, 2020, and 2021:

	2019	2020	2021	Total 2019 to 2021
Total Tailings Feed (Tons)	1,778,525	2,328,732	2,504,777	6,612,034
Average grade Cr concentrate	38.60%	38.56%	38.71%	38.62%
Tons of Cr concentrate	588,006	987,003	773,274	2,348,283

Availability of the Retreatment Project as a 24-hour continuous operation (including chrome recovery plant, deposition and re-mining on the tailings dam) including planned maintenance has improved significantly from 76.43% in 2019 to 85.71% in 2020 to 88.28% in 2021.

The Company's Offtake Agreement with Union Goal is for 100% of the chrome concentrate produced from the Retreatment Project which is estimated to operate into 2024 and will re-mine and process approximately 13.6 million tons of tailings in total. The product is being exported, mostly to China.

Transportation of the Chrome Concentrate is by truck and rail on monthly contracts from CRM to various export ports in South Africa. The allocation to trucking or rail is based on capacity and economics.

#### *PGM Operations*

During 2020, the Company completed the refurbishment of the small-scale PGM Circuit D (previously the scavenger plant circuit) ("**PGM Circuit D**"). The Company restarted and began operating the PGM Circuit D during the third quarter of 2020 following the mandatory general lockdown imposed by the Government of South Africa in connection with COVID-19. The Company generated approximately 134 tons of pressed filter cake PGM concentrate and delivered approximately 32 dry tons during 2020. During early January 2021, the Company confirmed the provisional payment terms of the first delivery of pressed filter cake PGM concentrate under the existing PGM Offtake Agreement between Barplats and Impala. These terms confirm the restart of PGM revenue.

Refurbishment work commenced on the PGM circuit B in the main plant ("**PGM Main Circuit B**") during April 2021 and the circuit was commissioned in October 2021.

Summary of PGM production for the years ended December 31, 2020 and 2021:

	2020	2021	Total 2020 to 2021
Tons of PGM concentrate(dry)	32	1,853	1,885

#### **COVID-19**

On March 27, 2020, South Africa began a government directed nation-wide lock-down to fight COVID-19 and as a result the Company temporarily ceased its operations at CRM, until an essential services permit was issued by the government on April 8, 2020. Accordingly, the Company began to recall certain of its workers and following some additional maintenance and a short ramp-up the Company began operating at 50% of the workforce until May 1, 2020.

On May 1, 2020, South Africa moved from the level 5 lock-down restrictions to level 4 in their alert system in response to COVID-19. This change permitted the Company to begin recalling its remaining workforce who were on paid leave during the lockdown, back to the mine in a carefully planned and phased return to work during May 2020. All employees were pre-screened as per the requirements and the Company continues to screen on a daily basis.

On June 1, 2020, the Retreatment Project was operating at a full workforce and South Africa entered level 3 in their alert system.

On June 13, 2020, the Company temporarily halted production for several days at CRM due to positive COVID-19 cases, but after full scale deep cleaning and testing, resumed operations at CRM.

The Company continued operations of the Retreatment Project at CRM since June 2020 and, on September 21, 2020 South Africa moved to alert level 1, where most normal activities could resume, with precautions and following the health guidelines of the Government of South Africa.

The Government of South Africa increased the alert level to level 3 in December 2020 regarding COVID-19 and on March 1, 2021, with a decrease in new COVID-19 cases South Africa, moved to level 1.

On June 28, 2021, South Africa increased its restrictions by moving up the alert level to stage 4 to fight the third wave of COVID-19 infections. On July 26, 2021, the alert level was reduced to stage 3.

From October 1, 2021, South Africa reduced its restrictions by moving down the alert level to stage 1, which indicates a low spread of the virus with high health system readiness. The Company continues to operate with precautions, following the health guidelines of the Government of South Africa and continues to work through the Minerals Council together with the government on the roll-out of vaccines.

The Retreatment Project remains in full operation and continues to produce and transport chrome and PGM end products. The effects of COVID-19 are changing and 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, but could potentially have material adverse effects on the Company's business, operations, liquidity and cashflows. For a detailed assessment of the pandemic risks please review the risk factors.

## **HISTORY**

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

In 2012, due to an uncertain global economic outlook, the development of the Kennedy's Vale, the Spitzkop and the Mareesburg projects (collectively the **"Eastern Limb Projects"**) were suspended and in August 2013 the CRM was placed on care and maintenance. As a result, no underground mining or revenue producing operations for the Eastern Limb Projects or the CRM underground were active in 2021.

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

On November 24, 2017, the Company completed a settlement agreement with HZT which confirmed the termination of the CRM Purchase Agreement entered into between HZT, Eastplats and its subsidiaries. Further, all parties dismissed the litigation commenced by HZT and released each party from any further obligations under the CRM Purchase Agreement. Pursuant to the terms of the settlement, the parties were each entitled to the return of escrow funds posted by them, less a payment by the Company to HZT of \$420. The settlement enabled Eastplats to move forward with operational developments at the CRM and allowed the Company to establish the Retreatment Project. Eastplats recovered \$4,580 plus accrued interest from restricted escrow funds.

On June 30, 2016, two days following the announcement of the purported CRM Purchase Agreement (which has now been terminated as described in the preceding paragraph), Former Management caused the Company to enter into certain share purchase agreements (the “**BEE Buyout Agreements**”) with Ingwenya Incorporated (“**Ingwenya**”) and Serina Services AG (“**Serina**” and together with Ingwenya, the “**Vendors**”) pursuant to which the Company would acquire certain interest in all of the Company’s black economic empowerment partners’ (the “**BEE Partners**”) in connection with the Company’s South African projects, except for a 17.65% equity interest in Afriminerals, for a total of \$13,367. The Vendors represented to the Company, at signing, that they were or will be the registered and beneficial owners of the respective equity interests in the Company’s South African projects by closing of the transaction contemplated under the BEE Buyout Agreements. The transactions under the BEE Buyout Agreements consist of the acquisition of:

- (a) Ingwenya’s 44.12% equity interest in Gubevu for a total of \$8,955 and an 18% equity interest in Lion’s Head Platinum (Pty) Ltd. (“**Lion’s Head**”) for \$1,099; and
- (b) Serina’s 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

(collectively, the “**BEE Buyout Transaction**”).

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

In 2017, the Company was advised on behalf of the black economic empowerment (“**BEE**”) shareholders 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 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 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.

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. The Company has been unable to successfully contact either Serina or Ingwenya to date. The Company has been advised that recovery of the funds or judgement appears remote. No amount has been accrued on the Company’s financial statements for this claim as it would be a contingent amount if successful.

The Company filed legal proceedings against the Former Management regarding the CRM Purchase Agreement and the BEE Buyout Agreements, which was settled in June 2021. Further details are summarized in the legal proceedings and regulatory actions section.

#### *AlphaGlobal*

On June 25, 2020, the Company reached a settlement agreement (the “**Settlement Transaction**”) 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 had against the Company or its subsidiaries (the “**Claims**”), in exchange for which, on June 26, 2020, the Company: (a) issued 8,000,000 common shares of the Company (the “**Common Shares**”) at a deemed subscription price of Cdn\$0.235, and 6,000,000 common share purchase warrants to a nominee of AlphaGlobal (the “**Warrants**”), with each such Warrant entitling the holder to acquire one Common Share of the Company (each a “**Warrant Share**”) for a period of two years upon payment of the exercise price of Cdn\$0.24; (b) made a payment of ZAR5,000; and (c) has issued a promissory note in favour of AlphaGlobal for the payment of ZAR4,000 in four equal instalments, each payable on September 30, 2020 (paid), December 31, 2020 (paid), March 31, 2021 (paid) and June 30, 2021 (paid).

The Settlement Transaction was approved by the Toronto Stock Exchange (the “**TSX**”). The Common Shares, the Warrants and the Common Shares issuable upon exercise of the Warrants were subject to a hold period of four months and a day (October 27, 2020) in accordance with applicable securities laws.

The Claims against the Company were first initiated by commencement of litigation in 2017 in South Africa and continued by litigation in 2018 in the British Virgin Islands in relation to the payment of amounts alleged to be owing under a 2007 promissory note entered into by the Company and AlphaGlobal. AlphaGlobal sought payment of the amount of ZAR30,797 (approximately \$1,773) plus an amount that AlphaGlobal claimed was owing for default interest from 2007, for an estimated total claim in excess of ZAR170,000 (approximately \$9,788). The Settlement Transaction has settled all matters related to the Claims and any litigation outstanding between the parties.

#### *Rights Offering*

On December 11, 2020, the Company announced the issuance of a rights offering to its existing shareholders (the “**Rights Offering**”) and the rights were issued on December 18, 2020. On January 22, 2021, the Company completed the Rights Offering to its shareholders. Eastplats issued 36,841,741 Common Shares at a price of CDN\$0.32 per Common Share for rights exercised on the TSX and

ZAR3.77136 per Common Share for rights exercised on the JSE. The Company raised total gross proceeds of approximately \$9,262 (TSX – Cdn\$11,364 and JSE – ZAR5,011).

A total of 32,808,630 Common Shares were issued under the basic subscription privilege and an additional 4,033,111 Common Shares were issued under the additional subscription privilege. As of the closing date, 137,480,773 Common Shares of Eastplats were issued and outstanding. No Common Shares were issued under a stand-by commitment and no fees or commissions were paid in connection with the distribution.

## NARRATIVE DESCRIPTION OF THE BUSINESS

The Company is engaged in the exploration, development and mining of PGM and chrome with interests in four properties/projects in South Africa. As discussed above, in December 2018, the Company began commissioning the Retreatment Project at CRM. CRM is in the western limb of the BIC, which includes the new Retreatment Project, the Company's largest ore reserves and had been operating underground mining as recently as 2013. The Eastern Limb Projects are in the eastern limb of the BIC. The CRM, the Eastern Projects and the corporate segment make up the Company's three reportable segments. The head office/corporate cost centre segment includes the Company's corporate costs in Barbados, the British Virgin Islands ("BVI") and Canada, collectively.

The key priority in 2021 was to ensure effective and efficient operations of the Retreatment Project and to commission PGM Circuit D and PGM Main Circuit B (collectively, the "**PGM Circuits**") at the CRM.

In February 2020 the Company approved the construction and installation of additional equipment to optimize the chrome recovery plant's overall efficiency and its processing which is designed to provide increased chrome recovery and grade (the "**Optimization Program**"). The Optimization Program began in February 2020 but was paused due to the lockdown resulting from COVID-19. Some aspects of the civil construction were completed in December 2020. However, completion of the entire Optimization Program remains uncertain due to international travel restrictions and regulations in South Africa including visa challenges as a result of COVID-19 related delays.

The Retreatment Project at CRM is subject to the Restated and Revised Retreatment Project Agreements. The proceeds from the 2021 Revised and Restated Eastplats Loan Agreement were applied to the actual construction costs in connection with the Retreatment Project. The purpose of the 2021 Revised and Restated Barplats Equipment and Chrome Plant Agreement was to outline the purchase terms of the equipment and to outline two sections (a) installing and constructing of the Chrome Circuit and (b) preparing the tailings facility for material delivery from re-mining to the Chrome Circuit and deposition.

Entering into the operation phase of the Retreatment Project, the Company has structured the overall Restated and Revised Retreatment Project Agreements to allocate the various risks, including operational and processing to Union Goal for the equipment operations and recoveries and negotiated the 2021 Revised and Restated Offtake Agreement to allocate the risks and rewards for tailings throughput rather than Chrome concentrate produced and used a formula based on the Sound Mining Feasibility study 2017 which used a long term chrome concentrate pricing to ensure fair value for the shareholders of Eastplats. The Company further mitigated the business risk by including a Put and Call Option allowing renegotiation or equipment return if the economic outcomes are not as expected or intended. All Chrome concentrate produced from the tailings resource (13.6 million tons) is subject to the 2021 Revised and Restated Offtake Agreement and sold to Union Goal under such agreement, which is expected to be completed in 2024. The expected market for the product is China.

The Company has previously signed a life of mine refining agreement with IRS to sell 100% of any of its PGM concentrates produced from CRM and Kennedy's Vale, to one customer, IRS in South Africa. During 2021, 1,853 dry tons (2020 - 32 dry tons) of PGM concentrate was delivered under this contract.

Although the Company has four properties (including the Retreatment Project), the Company operates a centralized South African operation with the majority of the Company's employees at CRM. The Company is continuing its care and maintenance work as required. It is also contracting and hiring personnel for the Retreatment Project in order to ensure that the Company has the specialized mining skills available including mining engineers, geologists, mechanical engineers, environmental specialists, experienced PGM miners and qualified safety personnel. The Company also ensures that it employs or contracts highly skilled legal, finance and human resource professionals as well as other administrative or protection personnel to run an effective and efficient organization. Due to the PGM activity level during 2020 the Company did not maintain a metallurgist on staff, but a new metallurgist was hired in 2021 as PGM operations continue to increase.

The Company is reliant and focused on developing its foreign operations in South Africa as management believes this will be the source of all economic development for Eastplats. As such, at the end of 2021, the majority of staff was located at the foreign operations in South Africa. Staff levels at the end of 2021 were allocated as follows:

- 5 at corporate;
- 565 at CRM, which included all operating staff and contractors for the plant and re-mining; and
- 23 at eastern limb (three administrative staff operating out of the Kennedy's Vale office with the balance part of the safety and protection team).

During 2022, the Company expects to require additional hiring and contracting as operations of the PGM Circuits continue ramp-up, plans to restart the Zandfontein Underground at the CRM are executed, and other projects begin. However, due to the early stages of PGM operations and the restarting of the Zandfontein Underground operations subject to a successful financing, the Company is unsure of the actual total requirements in 2022, but likely under 250 persons additional until ramp-up starts in the underground section .

The corporate segment is a cost centre which supports all projects and ensures that overall regulatory, legal, governance and shareholder communication standards are consistent and effective.

### **SOUTH AFRICAN MINING INDUSTRY**

Mining in South Africa is similar to other mining jurisdictions, from a cyclical view point. The price of the commodities (PGMs and Chrome) are not controlled or influenced by the miners and Eastplats must accept the market prices. Therefore, Eastplats and any mine operation must understand and only operate when it can generate a profit. As such, the new equipment and the chrome price has facilitated the starting of operations at the Retreatment Project. However, Eastern Platinum placed production at the CRM underground on hold in 2013 due to the declining market prices of PGMs and increased South African costs. Market prices of PGMs continued to increase into the first two months of 2020. However, in March 2020 as a result of the Coronavirus there were significant declines in all markets and specifically the PGM metal prices. These issues are discussed in the risk factors section. In 2021, PGM metal prices improved such that the Company initiated plans to restart the Zandfontein Underground. The Company completed a life of mine ("LOM") study and underground mine design for Zandfontein, the core section of the CRM. The study and design included the following evaluations:

- Mining method trade-off study with quantity and quality reports on the LOM scenarios.
- Design and scheduling of the required underground infrastructure, the ventilation plan, the underground support systems and logistics plan, layouts and configurations.

- Capital expenditure and operating expenditure, including equipment fleet required.

Based on the results of the study, the Eastplats' Board of Directors supported carrying out the Zandfontein Underground restart business plan, subject to final evaluation and funding arrangements. During 2022, the Company is aiming to raise funding to restart Zandfontein Underground operations, however, it is still not in production.

The South African mining sector has undergone a series of significant legislative changes since the enactment of the MPRDA in 2004. These legislative changes significantly altered and replaced the "old order" form of mineral tenure described in the following paragraphs.

### **OLD ORDER MINERAL TENURE IN SOUTH AFRICA**

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

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

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

### **NEW ORDER MINERAL TENURE IN SOUTH AFRICA**

The MPRDA came into effect on May 1, 2004. The MPRDA repealed the Minerals Act and the common law. MPRDA has wide-ranging objectives, including sustainable development and the promotion of equitable access to South Africa's mineral wealth by the inclusion of historically disadvantaged South Africans ("HDSAs") in the industry.

The MPRDA abolished the private ownership of mineral rights in South Africa and introduced a system of administrative law based on the State granting the right to prospect and mine. Under the MPRDA, the mineral resources are the common heritage of all the people of South Africa, and the State is the custodian of those resources for the benefit of all South Africans. "Use it or lose it" principles now apply in respect of mineral rights. In order to ensure security of tenure, the MPRDA contains transitional provisions which deal with the conversion of so-called old order rights to new order rights. In terms of the transitional

provisions under the MPRDA, private holders of old order mineral rights had limited exclusive time periods to convert these rights to new order rights since the MPRDA came into effect.

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

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

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

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

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

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

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

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

Current state prospecting fees range from ZAR3 per hectare in year one to ZAR7 per hectare in year five. In accordance with the *Mineral and Petroleum Resources Royalty Act, 2008* (“**MPRRA**”), royalties will be calculated on the revised tax base that would be equal to gross sales (excluding costs incurred to transport

the “final” product/mineral between the seller and the buyer). In the case of platinum miners selling concentrate, the royalty will be based on 80% of the gross metal value (“GMV”) in concentrate.

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

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

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

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

The following summarizes the process:

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

Royalties came into effect from March 1, 2010 onwards.

## **NEW MINING CHARTER IN SOUTH AFRICA**

On September 27, 2018, the South African Minister of Mineral Resources Gwede Mantashe gazetted and released the Mining Charter 2018 after seven months of engagement with various industry stakeholders. In that notice the Minister indicates that the Mining Charter 2018 must be read with “Implementation Guidelines”. This was gazetted in December 2018.

There are significant areas that require compliance within the Mining Charter 2018. A full copy of the Mining Charter 2018 can be obtained at the below link.

[https://www.gov.za/sites/default/files/gcis\\_document/201809/41934gon1002.pdf](https://www.gov.za/sites/default/files/gcis_document/201809/41934gon1002.pdf).

One key area of the charter is ownership and is set out below:

### **Ownership**

- A) In respect of ownership, the Mining Charter 2018 differentiates between existing mining rights, new mining rights and pending applications for mining rights.
- B) An existing mining right holder who achieved a minimum of 26% BEE (black economic empowerment) shareholding including a right holder whose BEE partner has since exited is recognized as compliant for the duration of the right. Such recognition is not transferable and will lapse upon transfer of such mining right or part thereof and will not apply to an application for a new mining right or renewal of the mining right.

The Mining Charter 2018 recognizes this ‘once empowered, always empowered’ principle for the duration of the mining right, not for the life of the mine.

- C) The target for BEE ownership in terms of new mining rights in the Mining Charter 2018 is a minimum of 30% BEE shareholding for the duration of the mining right.

The 30% BEE shareholding must be made up of 5% to qualifying employees also known as Employee Stock Ownership Plan (ESOP), 5% to host communities; and 20% to a BEE Entrepreneur, of which 5% should preferably be women (but excluding host communities and qualifying employees). A host community is a community within a local municipality adjacent to the mining area. Mining companies can choose to offset this 5% by investing in community development instead, but this will not replace the social and labour plan commitments as contemplated in section 23 of the Mineral and Petroleum Resources Development Act ("MPRDA").

- D) Pending applications lodged and accepted prior to the commencement of the Mining Charter 2018 will be processed in terms of the requirements of the Mining Charter 2010 with a minimum of 26% BEE shareholding. However, such mining companies must, within a period of 5 years from the effective date of such mining right, increase their BEE shareholding to 30%.

### **Disposal of BEE Shareholding**

- A) If the BEE shareholding or part thereof is disposed of below the prescribed minimum shareholding, a mining right holder's empowerment credentials will still be recognized for the duration of the mining right, provided that certain requirements are met such as - compliance with the Mining Charter 2018 at the time of disposal, the shares were held for a minimum period of time and certain other stated requirements. The requirement in a previous charter that the BEE Shareholder had to reinvest 40% of the proceeds from the share sale into mining, was removed.
- B) The recognition of consequences of previous deals cannot be claimed against future mining rights or mining right renewal applications.

### **Beneficiation**

A mining right holder may claim the equity equivalent against a maximum of 5% points of a BEE Entrepreneur shareholding, if the mining right holder engages in certain stated activities regarding beneficiation.

### **Other**

The Company continues reviewing the Mining Charter 2018 and the implementation Guidelines and its implications in its assessment of the BEE Buyout Transactions. The Company also has reviewed section 93 that was issued by the DMR in August 2019. The Company has measures in place that are addressing the various challenges in this regard.

The Company notes that as a result of the Settlement Agreements, the BEE Buyout Agreements and the information provided to it on behalf of the BEE Partners, the Company no longer had BEE Partners as from June 2017. South African mining regulations require certain levels of BEE ownership upon a party acquiring mining rights. The Company believes that it is and will remain in compliance with the applicable BEE requirements 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. Failure to address any such alleged non-compliance may negatively impact the Company's operations and value of its assets and could

lead to the Minister seeking to cancel or modify the mining rights under the MPRDA. The Company remains committed to working with the DMR to ensure ongoing compliance.

## **NEW ORDER MINERAL TENURE OF THE COMPANY**

### **EASTERN LIMB**

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

A new order mining right over the farm Mareesburg 8JT in favour of Lion's Head Platinum was executed on September 1, 2010, for a period of 20 years. On September 14, 2010, an application to include gold and cobalt was lodged pursuant to section 102 of the MPRDA. This application is at an advanced stage. BEE validation outstanding.

Rhodium Reefs Limited ("Rhodium Reefs") holds two new order prospecting rights on various portions of the farms Tweefontein 360KT, Kennedy's Vale 361KT, Belvedere 362KT and De Goede verwachting 332KT. Rhodium Reefs has a pending new order mining right which was submitted on November 21, 2011, and accepted by the DMR on August 14, 2012. The application is being processed subject to BEE validation.

### **WESTERN LIMB**

BML currently holds seven new order prospecting rights and five new order mining rights. The North West Provincial Department of Mineral Resources committed that applications in terms of Section 102 of the MPRDA that were lodged to include gold and cobalt as minerals to be prospected for would be dealt with timeously. BML currently has two Section 102 applications pending approval. NW30/5/1/1/2/151MR to include gold and cobalt submitted on March 30, 2017 and NW30/5/1/12/363 to include Chrome, submitted on February 6, 2009, as mineral to be mined pending for approval. On April 19, 2016, the DMR granted a Section 102 application in favour of BML to extend NW30/5/1/1/2/151MR life of mine to 2038.

## **MINERAL PROPERTIES**

All of the Company's projects are located in the BIC. For additional information regarding these projects, please refer to the respective geological or technical report for each project, all of which have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Introduction and Terms of Reference**

The information that follows is summarized from a technical report entitled "Technical Report Update on the Crocodile River Mine, Eastern Platinum Limited, North West Province, South Africa," (the "**CRM Technical Report**") prepared by Brian Montpellier dated November 30, 2010, that complies with National Instrument ("NI") 43-101-*Standards of Disclosure for Mineral Projects* and NI 43-101F1, as well as the resource and reserve classifications adopted by the Canadian Institute for Mining ("CIM") Council in August 2000 (the CIM Standards). The report is also consistent with the "Australasian Code for Reporting of Mineral Resources and Ore Reserves" of December 2004 (the "JORC Code") as prepared by the Joint Ore Reserves Committee ("JORC") of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. Further details on the CRM operation are available in the complete report, filed on SEDAR on December 20, 2010. Some information on operations, developed since the CRM Technical Report was issued, has been included in this AIF. An update on the reserve statement at CRM was disclosed in a press release and filed on SEDAR on January 31, 2013. There



have been no significant changes on the underground resources since then as mining operations were suspended and put CRM into care and maintenance on July 31, 2013.

As of the date of this AIF, the Company is preparing an updated technical report on the Crocodile River Mine that complies with NI 43-101-*Standards of Disclosure for Mineral Projects* and NI 43-101F1, as well as the resource and reserve classifications adopted by the CIM Council in August 2000 (the CIM Standards). The report is expected to be ready during the second quarter of 2022.

In August 2017, a technical report was prepared and published, that complies with NI 43-101-*Standards of Disclosure for Mineral Projects* and NI 43-101F1, “Mineral Resource Estimate for Barplats Zandfontein UG2 Tailings Storage Facility” and was prepared and verified by Mr. A. S. Page (Pr. Sci. Nat South Africa Reg. No 400022/07), BSc (Hons), who is a qualified person as defined in NI 43-101. Full details of the methodology used in the estimation of resources are provided in the technical report filed on Eastplats’ SEDAR profile at [www.sedar.com](http://www.sedar.com).

In September 2017, a technical report was prepared and published, that complies with NI 43-101-*Standards of Disclosure for Mineral Projects* and NI 43-101F1, “ZANDFONTEIN TAILINGS RETREATMENT PROJECT TO RECOVER CHROME” and was prepared and verified by Mr. Vaughn Duke Pr. Eng., PMP, MBA, BSc Mining Engineering (Hons), who is a qualified person as defined in NI 43-101. Full details of the methodology used in the estimation of the chrome mineral reserves, project summary and economic analysis are set out in a technical report filed on Eastplats’ SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **CROCODILE RIVER MINE**

### **Title Status and Land Tenure**

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

BML holds, directly and indirectly, prospecting and mining rights to the PGM on 1,126 different farm portions in the BIC.

### **Property Description and Location**

CRM is a PGM mine located 70 km north-northwest of Johannesburg in the North West Province and seven km south of the town of Brits (see map on page 22) and situated on the western limb of the BIC in an area of known structural complexity, the Brits Graben. The current mine lease area includes two operating mining sections (the Zandfontein and Maroelabult sections) and two development sections (the Crocette and Kareespruit sections). The Maroelabult section was sold with the finalization of the sale announced on March 22, 2022, see page 30.

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

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

In 2018, the Company began the Retreatment Project and operations are expected to continue until approximately 2024.

### **Accessibility**

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

### **Climate**

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

### **Local Resources, Infrastructure**

CRM is located within the Local Municipality of Madibeng, which is one of five local municipalities included in the Bojanala Platinum District Municipality (“DC37”). The population of the Madibeng municipal area is about 500,000 and the closest large town is Brits. Brits serves as a base for providing a full range of urban amenities, including well-developed medical, educational, financial, retail and commercial services. The property is located some 65 km to the east of the city of Rustenburg, which is an international centre for the PGM industry. There are a number of existing platinum and chrome mines and associated industries in the area. The Hernic opencast mining operation and smelter are located to the northwest of CRM and Northam’s Eland platinum mine is to the east. Large properties to the east are also used for grazing cattle, and to the southeast some land is used for cultivation. There is an informal settlement located to the southeast of the CRM mining area.

There are numerous mines and PGM projects on the BIC. Most of these operations generally mine both the Merensky Reef and UG2 chromitite layer, allowing them to share aspects of the infrastructure, such as shafts, between the two deposits. Operating mines situated near the CRM to the west include, Eastern Platinum Mine (formerly Lonmin now Sibanye-Stillwater), Western Platinum Mine (formerly Lonmin now Sibanye-Stillwater), Karee Platinum Mine (formerly Lonmin now Sibanye-Stillwater) and Rustenburg Platinum Mines (Sibanye Platinum). Situated near the CRM to the east is the Eland Platinum Mine (Northam).

### **Physiography**

The Crocette and Maroelabult sections are on opposite sides of the Crocodile River, while the Zandfontein section is intersected by the river which meanders in a northerly direction. The average land elevation in this area is 1,151 m AMSL. Land rises gradually to the south of the mine, and then rises steeply to the Magaliesberg mountain range with an elevation of some 1,829 m AMSL. The dominant soils in the CRM area are black clayey vertisol, which are of the Arcadia and Rensburg forms and are generally known as “black turf”. The Zandfontein section is dominated by Arcadia soils. The dominant soils in the Maroelabult section are Arcadia and Rensburg, and the midslope areas around the tailings dam comprise deep red Hutton soils.

## **History**

The CRM operation was originally known as Lefkochrysos. In 1987, development of the first decline at the Zandfontein section was commenced. Initial production was planned at 160,000 tpm. Operational problems were experienced and capital and operating costs were higher than expected. In November 1988, a controlling interest in Lefkochrysos was acquired by Rand Mines Limited (“Rand Mines”), with Rand Mines taking ownership of the mine through its platinum subsidiary, Barplats Limited. In 1991, Implats acquired an interest of 38% in Barplats Limited, as well as the contract to manage the mine, but a dramatic decline in metal prices forced the mine’s closure in late 1991. In 1998, Implats increased its stake in Barplats Limited to 83% and after some further exploration and additional geological and engineering investigations, CRM was re-opened in February 2000. Profitable opencast mining commenced at the Maroelabult section and was completed in March 2003. The underground room-and-pillar mechanized mining undertaken was unprofitable, largely due to excess dilution and the difficult ground conditions, which resulted in poor operational efficiencies. Even utilizing a hybrid mining method, Maroelabult was unable to achieve the mine production target of 75,000 tpm and the contractor-operated mining operations ceased in December 2003. CRM returned to care and maintenance, with limited mining activities occurring in 2004. In 2004, a consortium of investors acquired a majority shareholding in CRM and in December 2004 CRM began to refurbish their stopping sections. The ownership moved to Eastplats in 2006 and the direct owner of the assets was BML. Drilling and blasting operations recommenced in April 2005. Production continued until the end of July 2013 when operations ceased as a result of a stagnant outlook in the global economic environment, sustained weakness in PGM pricing and the labour and operating environment in South Africa at the time.

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

As of the date of this AIF, the Company is preparing an updated technical report on the Crocodile River Mine that complies with National Instrument 43-101-Standards of Disclosure for Mineral Projects and Form NI 43-101F1, as well as the resource and reserve classifications adopted by the CIM Council in August 2000 (the CIM Standards). The report is expected to be ready during the second quarter of 2022.

## **Geological Setting**

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

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

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

**Table 1: Geology of the UG2 Chromitite Layer at CRM**

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

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

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

Figure 1 - Generalized Stratigraphic Section of the UG2 Chromitite Layer

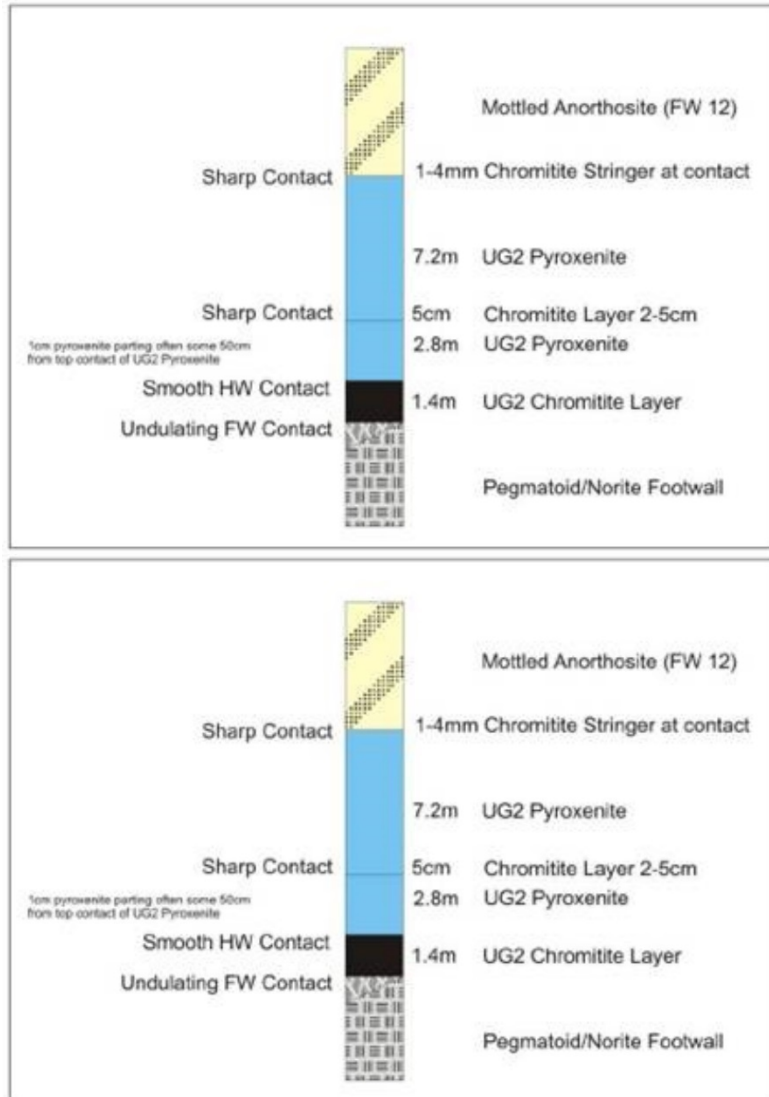
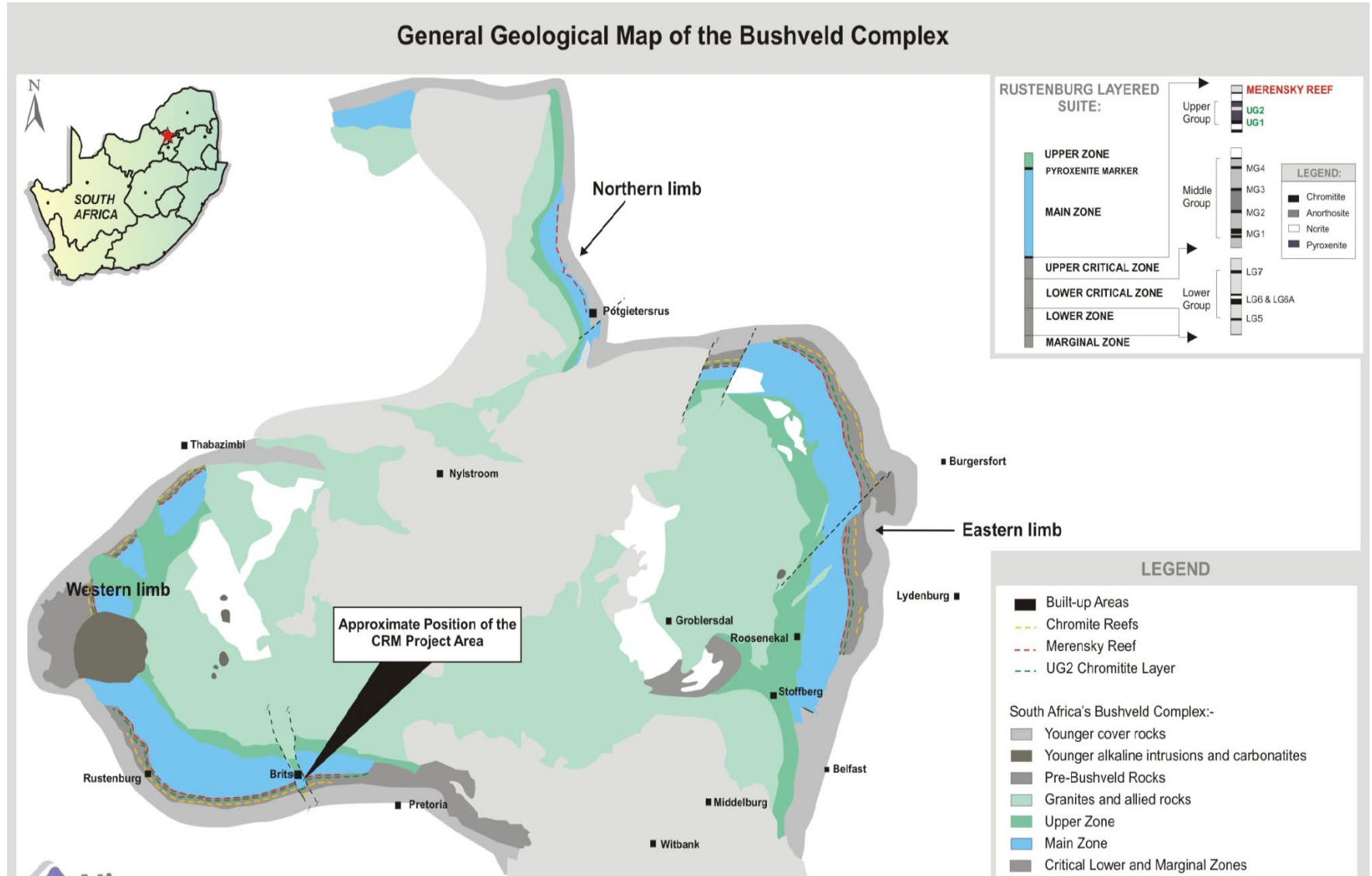
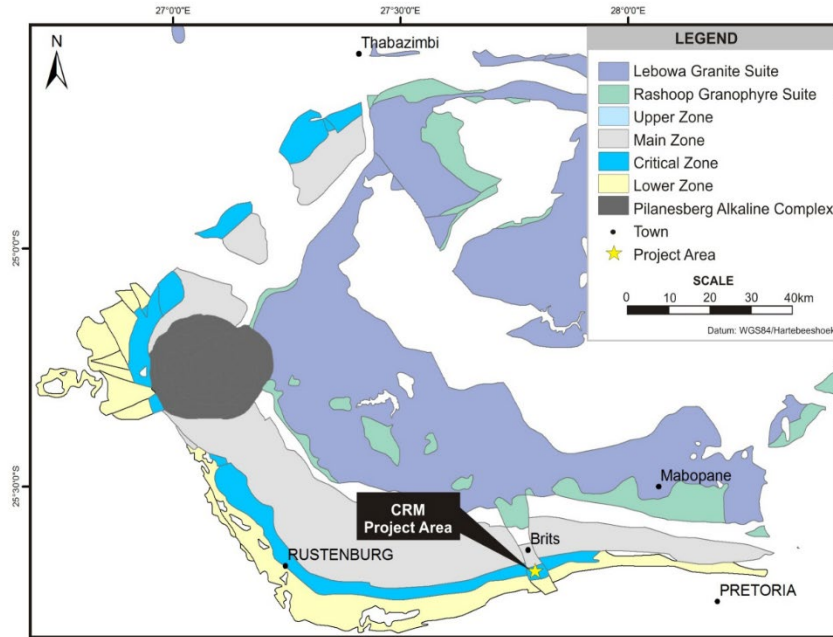


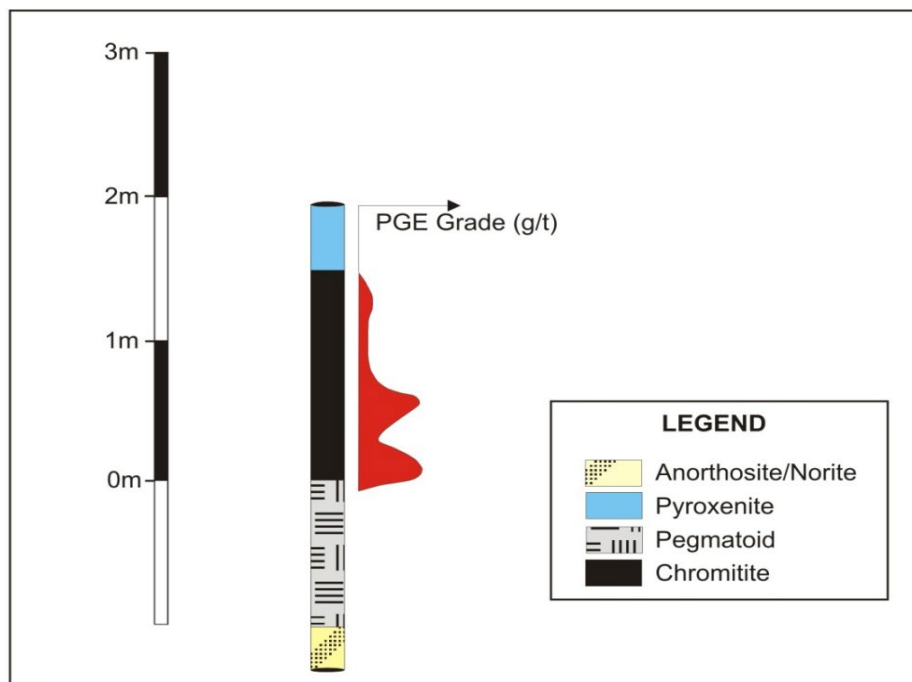
Figure 2: Location of Eastplats Project Area in relation to the Bushveld Igneous Complex



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



**Figure 4: Generalized Grade Histogram of the UG2 Chromitite Layer**



## **Deposit Types**

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

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

## **Mineralization**

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

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

## **Exploration**

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

## **Drilling**

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

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



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

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

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

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

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

All drill hole data available up to and including April 2009 were included in this mineral resource update in 2010. Additional drilling of 44 holes for the tailings dam was completed in 2016 and these were included in the resources published in August 2017- see CRM activities in 2017 below.

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

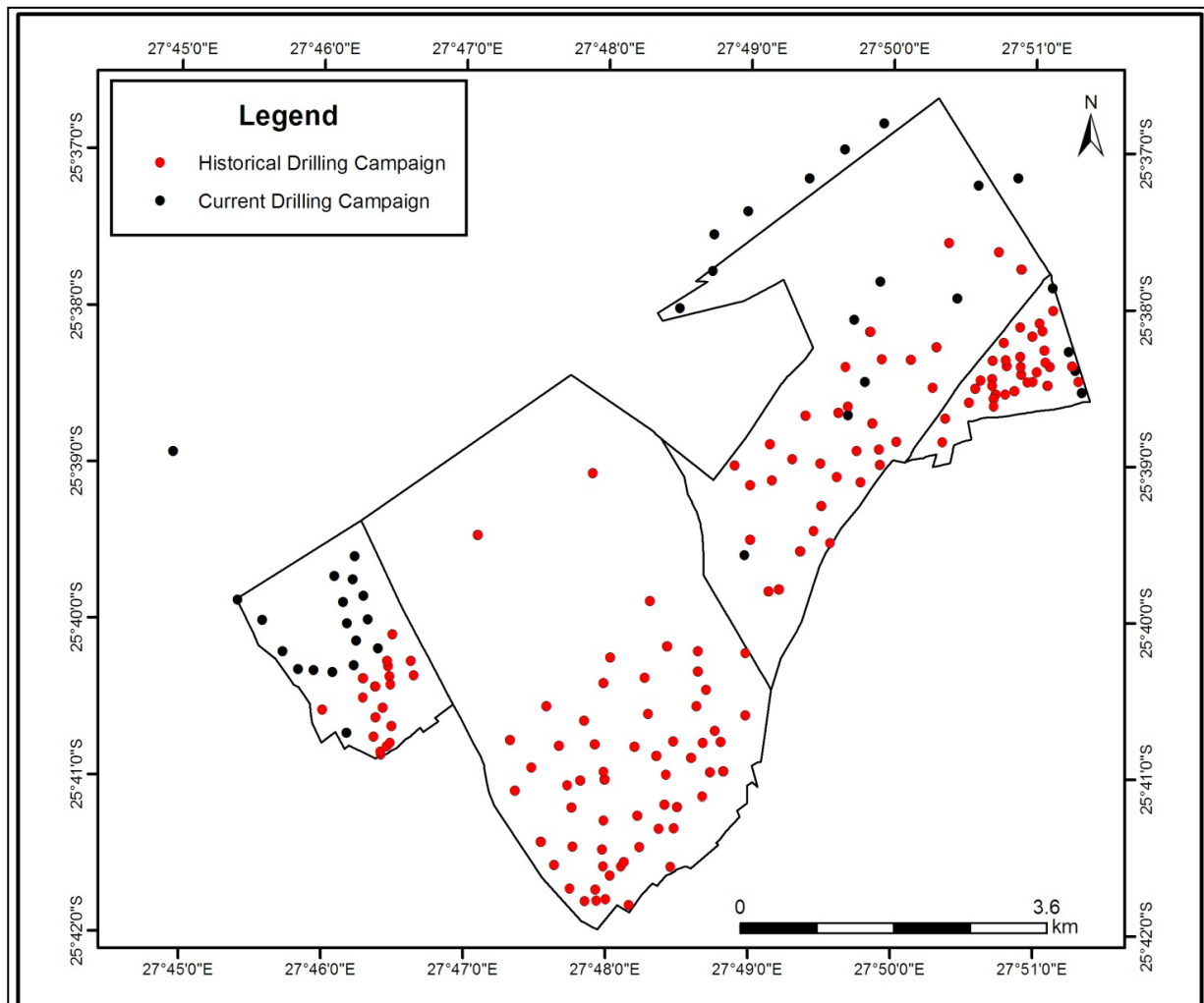
The typical exploration core drilling procedure conducted on CRM, which occurred between 2007–2015, involved the drilling of a mother hole drilled to approximately 20–30 m into the UG2 footwall. Non-directional deflections were then drilled out of the mother hole through the UG2 CL and Merensky Reef. Sampling was conducted over the economic horizons. Typically, three non-directional deflections were drilled per hole. Additional deflections were drilled if the core recovery in the economic unit was deemed

sub-optimal. As mentioned in the previous section, complete data per drill hole was often unavailable and hence, within the data used for the mineral resource estimation exercise, certain data was missing with regard to either the mother hole or deflections.

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

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

**Figure 5: Location of Drill holes**



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

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

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

### **Quality Control Measures & Verification**

The following section details the quality assurance and quality control (QA/QC) for the fire assay method used by Impala Laboratory for the historic assays whereas the more recent assays were sent to Setpoint Laboratories.

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

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

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

### **Limitations on Verification**

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

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

### **Adjacent Properties**

The property is bounded to the East by Eland PGM mine and to the West by development properties held by Sibanye Platinum and Lonmin. The Eland mine was purchased by Northam and is re-starting production. Lonmin's operating Marikana mine is approximately 15 km to the west.

### **Standard Resource and Reserve Reporting System**

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

### **Resource and Reserve Subsets**

The resources reported are inclusive of reserves.

### **Inferred Resources**

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

### **Key Assumptions, Parameters and Methods of Resource Calculation**

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

### **Variography**

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

### **Metal Splits for Declared Resource**

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

## **Resource Cut**

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

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

**Table 2: Classified Resource Estimates — CRM as at December 31, 2013**

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

**Table 3: Classified Reserve Estimates – CRM as at December 31, 2013**

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

There have been no significant changes to classified reserves as at December 31, 2014 through to 2019 as the mine remained on care and maintenance. However, in 2019 the Maroelabult resource property was sold with the closing delayed due to COVID-19 and other factors, until March 2022.

#### **CRM activities since 2017**

In August 2017, SRK Consulting (South Africa) Pty Ltd (“SRK”) issued a resource report on platinum group elements and chrome and in September 2017 Sound Mining Solution (Pty) Ltd. (“Sound Mining”) issued an independent technical report confirming the Zandfontein UG2 Tailings facility (“TSF Project”) to recover chrome.

The UG Agreement was signed on March 1, 2018. The UG Agreement establishes the terms and conditions with respect to the development of the Retreatment Project.

The Company began commissioning the Retreatment Project in December 2018 and production continues by producing revenue through delivering of material from the re-mining of the tailings and through the offtake of the chrome concentrate to Union Goal.

#### *Restated and Revised Retreatment Project Agreements*

On March 10, 2021, the Company and its subsidiary, Barplats, entered into updated Retreatment Project Agreements with Union Goal, which include:

The 2021 Revised and Restated Framework Agreement;  
The 2021 Revised and Restated Offtake Agreement;  
The 2021 Revised and Restated Eastplats Loan Agreement; and  
The 2021 Revised and Restated Barplats Equipment and Chrome Plant Agreement.

The review of the original agreements and subsequent revisions highlighted the positive operating results achieved to date, reflect the knowledge gained based on two years of operations and demonstrates Eastplats’ continued commitment to the long-term benefits of the Retreatment Project.

Summary of chrome production for the years ended December 31, 2019, 2020, and 2021:

	2019	2020	2021	Total 2019 to 2021
Total Tailings Feed (Tons)	1,778,525	2,328,732	<b>2,504,777</b>	6,612,034
Average grade Cr concentrate	38.60%	38.56%	<b>38.71%</b>	38.62%
Tons of Cr concentrate	588,006	987,003	<b>773,274</b>	2,348,283

Availability of the Retreatment Project as a 24-hour continuous operation (including chrome recovery plant, deposition and remining on the tailings dam) including planned maintenance has improved significantly from 76.43% in 2019 to 85.71% in 2020 to 88.28% in 2021.

#### *PGM Operations*

During 2020, the Company completed the refurbishment of PGM Circuit D. The Company restarted and began operating the PGM Circuit D during the third quarter of 2020 following the mandatory general lockdown imposed by the Government of South Africa in connection with COVID-19. The Company generated approximately 134 tons of pressed filter cake PGM concentrate and delivered approximately 32 dry tons during 2020. During early January 2021, the Company confirmed the provisional payment terms of the first delivered shipment of pressed filter cake PGM concentrate under the existing PGM Offtake Agreement between Barplats and Impala. These terms confirm the restart of PGM revenue.

Refurbishment work commenced on the PGM Main Circuit B in the main plant during April 2021 and the circuit was commissioned in October 2021.

Summary of PGM production for the years ended December 31, 2020 and 2021:

	2020	2021	Total 2020 to 2021
Tons of PGM concentrate(dry)	32	<b>1,853</b>	<b>1,885</b>

#### *Resource Sale - Maroelabult*

On October 29, 2019, the Company announced Barplats had entered into a sales agreement (the “**Resource Agreement**”) with Eland Platinum (Pty) Limited (“**Eland**”). The Resource Agreement provides for sale of the mining rights, immovable property, infrastructure and equipment of the Maroelabult resource property (the “**Assets**”) located near Brits in South Africa. The consideration to be received is R20 million (US\$1.3 million), 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. Barplats obtained immediate benefits by reducing its ongoing costs. Eland, without cost to Barplats, was appointed to render the required care and maintenance services for the Assets until closing the transaction. The transaction close was announced on March 22, 2022.

## CRM - ZANDFONTEIN UG2 TAILINGS RETREATMENT PROJECT TO RECOVER CHROME

### Mineral Resources

The mineral resource estimate by SRK on the Barplats Zandfontein UG2 tailings storage facility (“TSF”) located at CRM has been completed and is effective as of August 1, 2017. A total measured and indicated mineral resource of approximately 13,680,000 tons containing 535,520 ounces of combined platinum group elements (platinum, palladium and rhodium) (“PGE”) at an average grade of 1.218 g/t, 3,404 ounces of gold at an average grade of 0.008 g/t and 2,834,000 tons of chromium oxide at an average grade of 20.72%.

*Technical table 1<sup>1</sup>*

Category	Tonnage (Mt)	3E PGE (g/t)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	Cr <sub>2</sub> O <sub>3</sub> (%)	3E PGE (Oz)	Au (Oz)	Cr <sub>2</sub> O <sub>3</sub> (Mt)
Measured	12.489	1.225	0.747	0.309	0.170	0.008	20.85	494,003	3,179	2.604
Indicated	1.191	1.136	0.688	0.285	0.165	0.006	19.31	43,517	225	0.230
Total	13.680	1.218	0.742	0.307	0.169	0.008	20.72	535,520	3,404	2.834

Note 1: No cut-off grade has been applied to the PGEs.

The resource estimate for the TSF has a high level of confidence, with 91.3% of the estimate falling into the measured category and 8.7 % falling in the indicated category.

In the opinion of SRK, the resource evaluation reported herein is a reasonable representation of the in-situ 3E PGEs, gold and chromium oxide mineral resource found in the TSF at the current level of sampling and validation. The model validations included visual validations of the estimates and global statistical comparisons of the data in the tailings volume occurring in TSF. Within the tailings volume, the general trend of the 1.5 metre samples in each vertical layer (interval) is honoured by the estimates. SRK finds that overall, the estimates are consistent with the source data and adequately model the grade distributions.

The confidence in the Zandfontein TSF mineral resource estimate by SRK indicates that it can be used for a pre-feasibility study or feasibility study. SRK has recommended that a pre-feasibility or feasibility study be undertaken to determine whether the mineral resource can be mined economically in the current market environment.

The mineral resource estimate in Technical Table 1 conforms to the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and was prepared and verified by Mr. A. S. Page (Pr. Sci. Nat South Africa Reg. No 400022/07), BSc (Hons), who is a qualified person as defined in NI 43-101. Full details of the methodology used in the estimation of resources are provided in the technical report entitled “Mineral Resource Estimate for Barplats Zandfontein UG2 Tailings Storage Facility” filed on Eastplats’ SEDAR profile at [www.sedar.com](http://www.sedar.com).

### Sound Mining Study September 2017

Sound Mining published a study in September 2017 providing mineral reserves and economics on using traditional gravity separation spiral technology for the recovery of chrome concentrate. The study is available on the Company’s SEDAR profile.



## **Care and Maintenance**

The CRM underground and PGM operations have been on care and maintenance since July 31, 2013. During the year ended December 31, 2021, the CRM incurred ZAR26,081 (\$1,766) in care and maintenance costs. Such costs consisted of maintenance, pumping to prevent flooding of the workings, underground inspections to ensure that the integrity of critical excavations is preserved, general and administrative expenses, and other costs necessary to maintain the site safeguard the assets of the project.

## **Environmental Rehabilitation**

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

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

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

Although the ultimate amount of the environmental rehabilitation provision is uncertain, the Company hired a qualified professional to prepare the estimate of these obligations based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs. At December 31, 2021, the Company's estimated environmental rehabilitation cost was ZAR85,425 (\$5,784) for CRM.

As at December 31, 2021, cash in the amount of ZAR103,661 (\$7,018) plus certain of the Company's residential properties in the amount of ZAR21,200 (\$1,445) were pledged as security for all the guarantees issued to the DMR in respect to estimated total environmental rehabilitation of the Company. For CRM, the DMR was provided with ZAR77,607 (\$5,254) in guarantees which is based on DMR rates while the Company's estimate of rehabilitation is higher. These guarantees are insurance and can be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine.

## **Social and Labour Plan**

The Company first implemented its Social and Labour Plan ("SLP") during operations. It was last amended in 2015. The Company met its 2016 and 2017 commitments on areas within its control during each fiscal year. The commitments have been updated in December 2019 for 2020 and 2021. However, the mine in 2019 had the challenges that are around the section 93 and 29 issued for the third generation SLP. The DMR required the mine to compile the remedy plan regarding the shortfall of deliverables emanating from SLP commitments during Care & Maintenance period that were not executed as far back as 2008 in a section 93 directive. This has been resolved and the third generation SLP has been approved. The Company is highly committed to developing the mining opportunities but ensuring that significant benefits accrue to the employees, and the communities in South Africa. The Company ensures its employees are chosen from the local and regional labour pools when possible and endeavor to provide high levels of training and ensure promotion opportunities are available to all. The Company supports the various governmental initiatives and looks to develop a balanced workforce, management team and senior leaders from all areas of society and background. The Company engages in various community outreach, entrepreneurial development and opportunity and community educational programs, bursaries and support.

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

In consultation with the Madibeng Municipality in 2019, the Company consolidated the following communities to be the local labour sending areas/ affected communities in the vicinity of the CRM to include the following areas:

- Sonop Ward 40
- Bokfontein Ward 25
- Hartbeespoort Wards 29; 30 & 33
- Brits Town Wards 13 & 23
- Damonsville & Dekroon Ward 21
- Mothutlung only Ward 20
- Mmakau Wards 17;18;19 & 35

The communities remain as such for 2021 and the Company continues to consult with the municipality. The Company has adjusted its plans due to care and maintenance in the past but has not cancelled its activities with regards to community engagement and continues to implement the SLP & LED initiatives including updating the new SLP for 2023 onwards. This practice in the past has caused some issues because the MPRDA and authorities prescribes that any amendments regarding the SLP should be ratified by the regulator. However, most of the Company's SLP amendments were done on the basis that the regulator (DMR) was made aware of the mine status since 2012 (care and maintenance) and implementation of projects did not wait for approval from DMR.

## **KENNEDY'S VALE/ SPITZKOP**

### **Introduction and Terms of Reference**

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

### **Property Description and Location**

The Kennedy's Vale/Spitzkop Project is situated on the eastern limb of the BIC. The closest towns are Steelpoort, Burgersfort (15 km and 30 km northeast respectively) and Lydenburg (70 km east). The project is 350 km northeast from Johannesburg and comprises the farm Spitzkop 333KT, Kennedy's Vale 361KT, De Goede verwachting 332KT, Belvedere 362KT and portions of the farms Tweefontein 360KT and Boschkloof 331KT.

### **Accessibility**

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

## **Climate**

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

## **Local Resources, Infrastructure**

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

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

## **Physiography**

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

## **History**

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

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

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

A joint venture agreement between Vansa and Rand Mines led to the drilling of a further five drill holes on Kennedy's Vale from 1986 to 1987, followed by an economic feasibility study to establish a platinum mine on the property. Rand Mines subsequently completed 37 drill holes, mainly on the adjacent farm De Goedeoverwachting 332KT, between 1988 and 1989.

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

the farm De Goedeverwachting 332KT from the Lebowa government for ZAR10.5 million and, commencing in 1988, a further 27 drill holes were sunk on the farm.

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

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

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

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

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

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

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

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

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

The latest project phase, managed by Spitzplats and Rhodium Reefs, spanned the period from June 2006 to December 2012. This included exploration drilling, the initiation on basic engineering for a mine to produce from the UG2 and Merensky reefs at Spitzkop and for a 180,000 t/month concentrator at Kennedy's Vale to treat the Spitzkop ore. Declines were sunk to both access the UG2 and Merensky reefs. Due to a downturn in PGM prices, the project was put on care and maintenance in 2012.

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

### **Geological Setting**

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

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

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

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

### **Deposit Types**

#### **UG2 Reef**

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

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

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

The pyroxenite partings in the hanging wall of the UG2 chromitite have sharp, planar contacts and are usually barren of mineralization. The contacts with the chromitite leaders are also sharp and planar. The latter may contain up to 3 g/t combined 3PGE+Au, of which the majority is Pt. The close proximity of the

leader chromitite layers presents a potential dilution factor as the hanging wall stability is compromised along their contacts. The basal contact of the UG2 chromitite with the coarse-grained feldspathic pyroxenite is invariably undulating. Where the latter contains chromitite stringers or patches, there are usually significant PGE grades and mining could therefore be planned to extend a few centimetres into the footwall.

### **Merensky Reef**

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

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

### **Other PGE-Bearing Horizons**

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

### **Mineralization**

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

### **Exploration**

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

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

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

## **Drilling**

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

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

## **Sampling Methods and Approach**

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

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

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

## **Sample Preparation, Analysis and Security**

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

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

Africa and is a result of an attempt to more accurately determine Rh due to its volatility under standard fire assay furnace temperatures.

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

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

### **Data Verification and Adjacent Properties**

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

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

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

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

The effects of these structural disturbances are likely to occur on the northwestern portion of De Goede verwachting where recent drilling by Eastplats reveals abnormal stratigraphic successions where one or the other, or both reefs, are absent. This, and the evidence that the reefs rotate through a change of strike of 60° to 80° over a distance of 1–2 km on Eerste Geluk–De Goede verwachting, geologically separates the project area from the Angloplats properties comprising the Modikwa platinum mine (farms Winterveld 293KT, Onverwacht 292KT, Hendriksplaats 281KT, Maandaagshoek 254KT and Driekop 253KT).

### **Mineral Resources and Mineral Reserve Estimates**

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



**Table 4: Resource Estimates for the Interval Base of the U2MC up to the Top of the LC2 Chromitite**

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

**Table 5: Resource Estimates for the Entire Merensky Reef Pyroxenite**

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

### **Kennedy's Vale activities in 2021**

Development ceased in 2012. During the year ended December 31, 2021, Kennedy's Vale incurred ZAR2,547 (\$172) net care and maintenance costs. Such costs consist of maintenance, general and administrative expenses and other costs necessary to safeguard the assets of the project.

### **Spitzkop activities in 2021**

Development ceased in 2012. During the year ended December 31, 2021, Spitzkop incurred ZAR1,040 (\$70) in various fees and other costs during the year. As access is restricted by the surface rights owner, security is not a significant issue.

### **Environmental Rehabilitation**

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

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

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

Although the ultimate amount of the environmental rehabilitation provision is uncertain, the Company hired a qualified professional to prepare the estimate of these obligations based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs. At December 31, 2021, the Company's estimated environmental rehabilitation was ZAR32,073 (\$2,171) for the Kennedy's Vale project, and ZAR 2,402 (\$162) for the Spitzkop Project.

As discussed previously, cash and certain of the Company's residential properties were pledged as security for all the guarantees issued to the DMR in respect to estimated total environmental rehabilitation of the Company. For Kennedy's Vale the DMR was provided a guarantee of ZAR28,817 (\$1,951), and for Spitzkop the DMR was provided a guarantee of ZAR4,478 (\$303) which is based on DMR rates while the Company's estimate of rehabilitation is based on an expert's opinion. These guarantees are insurance and can be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine.

### **Social and Labour Plan**

The Company first implemented its Social and Labour Plan during the development phase of 2008. It is amended annually as appropriate regarding the annual commitments. As both Kennedy's Vale and Spitzkop are relatively close, the plan was initially combined. In 2017, the DMR advised the Company that it needed to compile SLP plans separately for each mining license (in this regard Kennedy's Vale/ Lions Head and Spitzkop). The Company is highly committed to developing the mining opportunities but ensuring that significant benefits are transferred to the employees and communities in South Africa. The Company ensures its employees are chosen from the local and regional labour pools when possible and endeavor to provide high levels of training and ensure promotion opportunities are available to all. The Company supports the various governmental initiatives and looks to develop a balanced workforce, management team

and senior leaders from all areas of society and background. The Company engages in various community outreach, entrepreneurial development and opportunity and community educational programs, bursaries and support.

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

Communities engaged on these Kennedy's Vale and Spitzkop projects include the following:

- Ga – Mapodile Community
- Ga – Mampuru Community--- Kgoshi Mampuru
- Ga – Malekane Community--- Kgoshi Malekane
- Ga – Phasha Community --- Regent Queen Phasha
- Bengwenyama Ya Maswazi
- Dithamaga Trust
- Greater Feta-Kgomo Tubatse --- Councilors

The Company has adjusted its plans due to the cessation of development in 2012 but has not cancelled its activity. The SLP commitments and implementation are ongoing to date. The Company has submitted the third generation SLP revised plans as per August 2020 section 29 DMRE directive on the 30th October 2020. Approval of the SLP(s) from the regulator was received on October 1, 2021.

## **MAREESBURG PGM PROJECT**

### **Introduction and Terms of Reference**

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

### **Property Description and Location**

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

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

### **Accessibility**

Access to the site from Johannesburg or Pretoria is via the N12 or N4 highways to Witbank and Middleburg. From Middleburg, the R555 is taken through Stoffberg and Roosenekal to about 24 km south of Steelpoort, where the road to Lydenburg is taken for 13 km to the turnoff to Glencore's Thorncliff chrome mine. From here, an all-weather gravel road past the mine is taken south for 7 km to the proposed new platinum mines

(Helena and Der Brochen) under study by Angloplats. Within Mareesburg, numerous well-maintained tracks provide easy access for four-wheel drive vehicles.

### **Climate**

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

### **Local Resources, Infrastructure**

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

### **Physiography**

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

### **History**

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

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

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

## **Geological Setting**

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

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

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

## **Deposit Types**

### **The UG2 Reef**

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

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

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

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

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

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

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

### **Mineralization**

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

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

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

### **Exploration**

During July to November 2017 exploratory activities and drilling work was done on the property. A total of 40 additional holes were drilled at Mareesburg during this period. SRK was also engaged during 2017 to prepare a feasibility study on the Mareesburg Project and has significantly advanced the drilling and geotechnical work. During 2018 the Company with SRK completed the draft report on the technical information for the feasibility study. The feasibility study was placed on hold in May 2018 due to contractual matters, since solved. A legal analysis was completed on the original Environmental Impact Assessment (“EIA”) granted and additional specialist studies completed during 2021.

## **Drilling**

In 2017, the Company appointed SRK to complete a feasibility study on the Mareesburg Project (now on hold). The exploration plan, whereby infill drilling to bring the payback period of the project to the measured category has been completed under the supervision of SRK and the Company's qualified person, Hannelie Hanson (among others). During Q2 2017, 14 infill exploration holes were drilled, logged and sampled in Q3 2017 to compliment the current resource model and further increase the confidence in the resource. The assay results have been received and Quality Assurance and Quality Control was satisfactory, and this process was completed. The updated geological resource model was completed in Q4 2017 and further work was done during Q1 2018 on the optimal pit design. Structurally and lithological, the results are in line with the previous model.

The next phase of the project was to determine the optimal depth of the pit, and to this effect, 12 geotechnical holes were subsequently completed in Q3 2017. The information and lab test work results from the geotechnical holes were received in Q4 2017 and will be used to determine the pit slope angles.

In addition, during Q3 2017 the third phase of drilling 6 holes for the metallurgical test work for fresh ore was completed. Nine trenches were dug on the outcrop for near surface samples. These samples were submitted for use in laboratory test work at Mintek to determine the recovery factors and assumptions for the pit optimisation models. The test work commenced in Q4 2017 and results were received in Q2 2018. The intention is to treat Mareesburg material at a neighbouring facility that has spare capacity. The final drilling phase was the 8 water monitoring boreholes that were drilled and completed in Q4 2017 for the Mareesburg Project. The feasibility is currently still on hold, pending the completion of the EIA process for the planned haul road.

## **Sampling Methods and Approach**

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

## **Sample Preparation, Analysis and Security**

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



### **Data Verification and Adjacent Properties**

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

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

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

The Implats database refers to analysis by both lead and nickel-sulphide collection fire assay. Implats assays were conducted at the Implats in-house laboratory at Springs, near Johannesburg, while the Samancor assays were carried out at SGS-Lakefield Africa (Pty) Ltd. SGS-Lakefield used a standard fire assay fusion with lead collector and inductively coupled plasma optical emission spectrography (OES) finish for the determination of Au, Pt, Pd and Rh. Rh is determined in a separate Pd collector fire assay procedure. Blanks, two duplicates, and external and internal standards were used with all assay determinations.

### **Mineral Resources and Mineral Reserve Estimates**

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

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

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

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

The above is a classified resource estimate (JORC Code) and conforms to the requirements of NI 43-101 was issued on December 6, 2010.

The continuity of the reefs, as shown by the drilling at Mareesburg and on adjacent and nearby properties (Der Brochen, Dwarsrivier and Everest South) as well as in the eastern BIC, has enabled sufficient confidence to classify about 73% of the estimated tonnages as measured and indicated resources. The

balance of about 27% (5.3 Mt of low grade UG2B reef) would be classified as an “inferred resource” using the JORC Code guidelines.

Based on the mine design and project economics, a minable probable reserve has been developed for the Mareesburg open pit. This probable reserve will provide ore feed to the mill for approximately five years. These reserves are included in the resources outlined in the resource estimate table above and was issued December 6, 2010.

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

### **Mareesburg activities since 2017**

Development had ceased in 2012 with exploration activity during 2017. During the year ended December 31, 2020, the Mareesburg Project incurred ZAR 1,370 (\$92) in administrative cost associated with filing and other minor items as it remains largely an undeveloped ore body and access is restricted by the surface rights owner and as a result security is not an issue. Feasibility study and EIA costs were capitalized.

SRK were engaged during 2017 to prepare a feasibility study on the Mareesburg Project and have completed the drilling and geotechnical work and during 2018 were in the process of bringing all the technical information together, including the finalization of the optimal pit, haul road, infrastructure and financial modelling as well as a review of the social and environmental impacts and risk of the project which will become part of a feasibility study. However, the feasibility study was placed on hold in May 2018 and remains on hold as the Company obtains certainty over its ability to dispose of the ore to third parties and to seek funding for completing this study.

Environmental Authorization for the construction of a haul road was halted and alternative road access considered.

### **Environmental Rehabilitation**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The rehabilitation provision is re-measured at the end of each reporting period for changes of estimates and circumstances.

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

Although the ultimate amount of the environmental rehabilitation provision is uncertain, the Company hired a qualified professional to prepare the estimate of these obligations based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation and other costs. At December 31, 2021, the Company’s estimated environmental rehabilitation was ZAR1,551 (\$105) for the Mareesburg project.

As discussed previously, cash and certain of the Company’s residential properties were pledged as security for all the guarantees issued to the DMR in respect to estimated total environmental rehabilitation of the Company. For Mareesburg the DMR was provided a guarantee of ZAR980 (\$66) which is based on DMR

rates while the Company's estimate of rehabilitation cost is based on an expert's opinion. These guarantees are insurance and can be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine.

### **Social and Labour Plan**

Due to the current status as a minimally developed property the Company does not have a Social and Labour Plan for the Mareesburg Project. The Company is highly committed to developing the mining opportunities but ensuring that significant benefits transfer to the employees and communities in South Africa. The Company will ensure its employees are chosen from the local and regional labour pools when possible and endeavour to provide high levels of training and ensure that promotion opportunities are available to all. The Company supports the various governmental initiatives and looks to develop a balanced workforce, management team and senior leaders from all areas of society and background. The Company will engage in various community outreach however, the specific communities for this project have yet to be fully identified. Several pre-engagements were conducted during the stakeholder mapping exercise in 2017 and in 2018 included but not limited to the following communities:

- The Choma family (Ba Bina-Tau) also known as Pakaneng CPA
- The Samuel Choma Family
- The Phetla family
- Representatives of the Protea Farm Group

Further engagements were scheduled as and when required during the 2021 year for the affected and interested parties including the neighboring mines and municipalities.

### **DEVELOPMENT PROJECTS ON HOLD**

#### **CRM**

##### **Zandfontein**

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

Historically, the mine treated up to 120,000 tpm of underground hardrock which was supplemented with tailings. All ore was treated using conventional crushing, milling and flotation processes. A new chromite circuit was commissioned in 2008 which minimized chrome penalties. An additional benefit was the production of up to 25,000 tpm of saleable chemical and metallurgical grade chromite for which a sale and marketing agreement was in place. PGM concentrate was sold to IRS for smelting, refining and sale.

##### **Maroelabult**

All development activities at Maroelabult ceased by the end of July 2013. The Property was sold during 2019 but the closing was finalized and announced on March 22, 2022, due to delays resulting from the Covid-19 pandemic.

### **Crocette**

Mine development continued until November 2011 in the Crocette section at the CRM, which is bounded by the Zandfontein section to the east and the former Lonmin-Amplats Pandora JV, now owned by Sibanye-Stillwater on the west. The Company is planning on performing a study on this property in 2022 to determine its future plans.

### **Kareespruit**

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

### **SPITZKOP**

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

A 29,000 m drill program was completed in 2006/2007 and all assays have been received and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

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

### **MAREESBURG**

A new order mining right was issued in September 2010, and shortly afterward the Company approved the development of the Mareesburg Project which was to consist of a 90,000 tpm open-pit mine feeding a new 90,000 tpm concentrator to be built on the Kennedy's Vale property, about 30 km from the mine site. The concentrator was to be designed for expansion to 180,000 tpm to handle future ore from the other eastern limb properties. In May 2012, the Company decided to halt the project (estimated to be about 43% complete) until such time as PGM prices improve. The Company has begun to prepare alternative plans but this project remains on hold.

### **KENNEDY'S VALE**

A report on accessing the vertical shafts to conduct trial mining has been reviewed by former management and forms part of longer-term planning for the eastern limb. However, there has been no active plans for this project since it was placed on hold in 2012, however the Company plans to perform a study on the property during 2022 to determine future plans.

## **RISK FACTORS**

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

### **Operations Risk**

Actual operating costs, production and economic returns may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations. Decisions about the development of the Company's mineral properties will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things: anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed; anticipated recovery rates of metals from the ore, and chrome; cash operating costs of comparable facilities and equipment; and anticipated climatic conditions. Operating costs, production and economic returns and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by the Company's current studies and estimates, and there can be no assurance that the Company's actual operating costs will not be higher than currently anticipated. As a result of higher operating costs, production and economic returns may differ significantly from those the Company has anticipated. The Company faces operational risks to the Retreatment project (re-mining, chrome production, disposition, logistics), PGM production, health and safety and environmental sustainability, unprotected strikes, growth and expansion, and compliance with relevance laws and regulations. The Company is also now dealing with the issues related to the Coronavirus.

### **Pandemic Risk**

During December 2019, the World Health Organization ("WHO") announced that a disease COVID-19 or Coronavirus caused infection, and its transmission patterns could become a worldwide pandemic. During 2020 and 2021 this has caused a worldwide pandemic.

The Company's business could be significantly adversely affected by the effects of the global pandemic of COVID-19. The Company's primary operation is in South Africa. From October 1, 2021, South Africa reduced its restrictions by moving down the alert level to stage 1, which indicates a low spread of the virus with high health system readiness. The Company's operation continues with precautions and following the health guidelines of the Government of South Africa.

The Company cannot accurately predict the impact that the Coronavirus will have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the Coronavirus globally could materially and adversely impact the Company's business including without limitation, employee health, workforce, productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to the Optimization Program or other objectives and targets and other factors that will depend on future developments beyond the Company's control, which may have material adverse effects on its business, financial condition and results of operations. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries (including South Africa, Canada and China), resulting in an economic downturn that could negatively impact the Company's financial position, financial performance, cash flows, its ability to raise capital in 2022 or into the future and the numerous judgements that the Company makes in assessing

its critical accounting estimates and critical accounting judgements (Note 4 (u) and 4 (v) in the audited consolidated financial statements of the Company for December 31, 2021 and 2020). While the impact of Coronavirus is expected to be temporary, the current circumstances are dynamic and the impacts of Coronavirus on the Company's anticipated activities, including the duration and impact of the South African lockdown (or other such lockdowns) might have on its operations, cannot be reasonably estimated at this time.

Further, various international governments are instituting emergency measures which may restrict movement of persons within countries and restrict persons traveling to or departing from numerous countries including but not limited to, Canada, South Africa and China. These restrictions could restrict senior management of the Company from effectively managing operations or delay decisions due to an inability to obtain information or results. These restrictions could also cause the Company labour shortages.

The Company is not aware of any restrictions in the transportation of goods. However, such restrictions may be imposed anytime. If there were further restriction or the travel restrictions significantly affected the movement of goods there could be a disruption to the movement of chrome concentrate thereby potentially disrupting or limiting sales and materially altering the Company's revenue expectations and cash flows. A restriction on goods could also result in a disruption to supply chains and affect the Company's ability to continue production or operations.

The effects of COVID-19 are evolving and changing and although the world has been distributing vaccines that appear effective, it is not certain when the pandemic and its effects will be overall and the consequences of a further temporary shutdown of the CRM or other related issues cannot be reasonably estimated at this time but could potentially have material adverse effects on the Company's business, liquidity and cashflows.

#### *Lockdown in South Africa*

The Company continues operations of the Retreatment Project and PGM production at CRM. There were no operation shutdowns or days lost due to COVID-19 or lockdowns in 2021. The Company was able to perform all required care and maintenance activities in relation to its underground mine and environmental commitments during the pandemic.

On December 31, 2020, South Africa increased its restrictions by moving up the alert level to stage 3 to fight COVID-19. The alert level was subsequently reduced back to alert level 1 on March 1, 2021.

On June 28, 2021, South Africa increased its restrictions by moving up the alert level to stage 4 to fight the third wave of COVID-19 infections. On July 26, 2021, the alert level was reduced to stage 3.

On October 1, 2021, South Africa reduced its restrictions by moving down the alert level to stage 1, which indicates a low spread of the virus with high health system readiness. The Company's operation continues with precautions and following the health guidelines of the Government of South Africa.

At the time of filing this AIF, South Africa remains at level 1 in their COVID-19 alert system (March 24, 2022) and CRM was operating with a full workforce.

The long-term effects of the Coronavirus are not known nor is it known if new lockdowns could be introduced or the length of other restrictions, but these changes or others could change how the global business world operates and this might affect global markets and commodity prices in unknown ways that could materially affect the numerous judgements that the Company makes in its cashflows and other assessments.

Following the lockdown in South Africa the effects on the business could increase including long-term absenteeism of critical staff, supply chain issues, production issues due to missing critical supplies, transport issues, sales issues or other unknown effects and Eastplats may be required to delay or reduce the scope of certain of its operations or projects. All the possible scenarios may have a materially adverse impact on the Company's business, cashflows and operations but cannot be reasonably estimated at this time.

#### *Preventive and Emergency Response Measures*

Prior to the lockdown in South Africa, the Company had conducted a risk assessment and implemented a number of preventive and emergency response measures at the CRM. If and when the lockdown is lifted, the Company intends to continue implementing such preventive and emergency response measures in its ordinary course of business.

#### *Other Risks*

The Coronavirus could also have some additional but unforeseen adverse effects on the matters described under the risk factors in this section titled "Operations Risk", "Funding Risk", "Project Development Risk", "Economic Uncertainty Risk", "Social Risk", "Market Volatility Risk", "Credit Risk" and uncertain effects on commodity price changes and the price and trading of the Company's common shares.

#### **Credit Concentration Risk**

Credit concentration refers to disproportionately large risk exposure to specific credit risks (as opposed to a diversified risk profile). Eastplats has one offtake agreement for its chrome product at Zandfontein currently. This implies that a material share of its credit portfolio is allocated to a lending group, of related product that exhibit correlated behaviour because of product features (such as reference to interest, foreign currency rates etc.) Should contractual obligations not be complied with, this may have an impact on the Company's cash flows and the operation. The degree of the concentration, and associated risk depends on the characteristics of the portfolio, like the credit dependency between exposures in the portfolio and the underlying credit risk of the counterparty. The agreement with the counterparty was concluded and is in the favour of the Company, to mitigate the risk which it has done through extending the equipment terms of payment and retaining position and ownership of the Chrome Concentrate if terms are not adhered to. The Company is in the process of investigating alternative projects, not linked to the chrome project and extracting other metals, with the potential to reduce its credit concentration risk.

#### **Project Development Risk**

The Company plans to continue to develop its operations and new projects. There can be no assurance that the Company's Projects will be fully developed in accordance with the Company's current plans or completed on time or on budget. Further, the Company's properties may not be brought into a state of commercial production. Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The development of the Company's properties will require obtaining land use consents, permits and the construction and operation of mines, processing plants and related infrastructure. The Company is subject to all of the risks associated with establishing new mining operations, including: the timing and cost, which can be considerable, of the construction of mining and processing facilities and related infrastructure; the availability and cost of skilled labour and mining equipment; the availability and cost of appropriate smelting and/or refining arrangements; the need to obtain and maintain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; in the event that the required permits are not obtained in a timely manner, the risks of government environmental authorities issuing directives or

commencing enforcement proceedings to cease operations or administrative, civil and criminal sanctions being imposed on the Company, its directors and employees; the availability of funds to finance construction and development activities; potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies and foreign exchange rates. It is common in new mining operations to experience unexpected costs, problems and delays during development, construction and mine ramp-up. Accordingly, there are no assurances that the Company's properties, will be brought into a state of commercial production.

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

In 2018, the Company made a decision to proceed with the Retreatment Project of the Tailings Storage Facility. There were inherent development risks as discussed above which the Company attempted to mitigated contractually and based upon its overall view determined it was in the best interest to proceed. In December 2018 it began commissioning and ramping up and the project operated in 2019, 2020, 2021, and continues. Further, the Optimization Program continues in 2022.

During 2021, the Company commissioned the PGM Circuits at the CRM.

Other projects remain on hold but if it is determined to proceed, development risk will be re-assessed.

### **Funding Risk**

As a result of Eastplats' suspending certain of its Projects in 2012 and 2013, the Company terminated certain credit facility agreements that were used to partly fund the development costs of such Projects. These have not been replaced.

The UG Agreement, which was replaced by the updated Retreatment Project Agreements in 2021, created new funding obligations in relation to equipment payables and the Union Goal loan in addition to new operational requirements. As this is a new project there exists funding risks.

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

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



### **Economic Uncertainty Risk**

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

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

### **Litigation Risk**

Eastplats is subject to legal proceedings, and may be subject to new proceedings, initiated by or against it related to the development of its projects, operations, titles to its properties, environmental issues, resolution of the BEE Buyout Agreements, shareholder, regulatory or other proceedings. Given the uncertain nature of these actions, despite Eastplats' diligence in obtaining information and results of its investigations, Eastplats cannot reasonably predict the likelihood of further legal proceedings or the outcome thereof. In the event Eastplats is unable to successfully resolve any such legal proceeding, this may have a material adverse effect on its business, financial conditions or prospects. Eastplats also outlines the specific contingencies in section 5.3 of the December 31, 2021 MD&A.

### **Mineral Resource and Reserve Risk**

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

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

### **South African Risks**

As the majority of Eastplats' operations are located in South Africa, the Company is exposed to certain risks in connection with the mining operations due to the current discussions around mining and the political issues in South Africa. The government of South Africa exercises control over such matters as exploration and mining licensing, permitting, exporting and taxation, which may adversely impact the Company's ability to carry out exploration, development and mining activities in a timely manner. Failure to comply

strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

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

#### *South African Government Empowerment Initiative Risk – New Mining Charter*

On September 27, 2018, the South African Minister of Mineral Resources Gwede Mantashe gazetted and released the Mining Charter 2018 after seven months of engagement with various industry stakeholders. In that notice the Minister indicates that the Mining Charter 2018 must be read with “Implementation Guidelines”. This was gazetted in December 2018.

The Company is reviewing the Mining Charter 2018 and the implementation Guidelines and its implication. The BEE Buyout Agreements entered into by Former Management of the Company, although not completed, may cause non-compliance with the MPRDA, the Charter and possibly the New Mining Charter 2018. Management is considering its options to ensure proper compliance, one of which could be a reorganization of the South African operations.

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

#### *Chrome Export Tax Risk*

On October 22, 2020, the South African Cabinet statement announced they had approved an export tax on chrome ore. Unfortunately, there are no additional details related to the timing of implementation or the proposed rate.

#### *BEE Buyout Transaction Risk*

The Company has been advised by some of its non-controlling partners that they have transferred a portion of their ownership in the Company’s subsidiaries. The Company has been advised that the non-controlling partners have transferred their indirect ownership in Barplats (owners of Crocodile River Mine and the Kennedy’s Vale Project) and their direct ownership in Lion’s Head (owners of the Mareesburg Project) in various percentages to Serina and Ingwenya.

In 2017, the Company received notification on behalf of the BEE Shareholders acknowledging they no longer considered themselves as the Company’s BEE Partners. In 2020, the Company was provided with certain documents entitled “**Settlement Agreement**” showing that Serina, Ingwenya and the BEE Shareholders had agreed to nullify and reverse the transactions among them with the result that the BEE Shareholders’ interests had reverted to Serina and Ingwenya, effective as of 2017. These transactions did not include a 17.65% interest in Afriminerals. The Company was also not a party to nor provided with all of the background details concerning those arrangements.

The Company notes that as a result of the Settlement Agreements, the BEE Buyout Agreements and the information provided to it on behalf of the BEE Partners, the Company no longer had BEE Partners as from June 2017. South African mining regulations require certain levels of BEE ownership upon a party

acquiring mining rights. The Company believes that it is and will remain in compliance with the applicable BEE requirements 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. Failure to address any such alleged non-compliance may negatively impact the Company’s operations and value of its assets and could lead to the Minister seeking to cancel or modify the mining rights under the Mineral and Petroleum Resources Development Act (“MPRDA”).

There is a significant risk that the Company may not be able to recover some or all of the payment made in the amount of \$13,367.

### **Infrastructure Risk**

The Company’s mining, processing, development and exploration activities depend on adequate infrastructure and dependable information technology systems. Reliable power sources, water supply, roads and other infrastructure are important for Eastplats’ operations. Water shortages, power outages, sabotage, community, government or other interferences in the maintenance or provision of such infrastructure could adversely affect Eastplats’ business, financial condition and results of operations. Interruptions, shortages or cuts in the supply of electricity could lead to disruptions in production and a reduction in the Company’s operating capacity. The Company procures all of the electricity necessary for its operations from ESKOM Holdings Limited (“ESKOM”), South Africa’s state-owned electricity utility, and no significant alternative sources of supply are available to it. ESKOM has suffered from prolonged underinvestment in new generating capacity which, combined with increased demand, led to a period of electricity shortages. ESKOM has now established sufficient capacity to meet South Africa’s current requirements. Since 2008, ESKOM has invested heavily in new base load power generation capacity. Its principal projects, a power station known as Medupi and Kusile, have been subject to delays, with the completion and commissioning originally scheduled for 2019 now being pushed out to 2021 and 2023 respectively. ESKOM is heavily dependent on coal to fuel its electricity plants, and capacity shortages have caused scheduled load shedding (essentially scheduled power outages throughout the country to stay within capacity). Accordingly, if coal mining companies experience labour unrest or disruptions to production (which have occurred historically in South Africa), or if heavy rains, particularly during the summer months in South Africa, adversely impact coal production or coal supplies, ESKOM may have difficulty supplying sufficient electricity supply to the Company. If electricity is insufficient or unreliable, the Company may be unable to operate as anticipated, which may disrupt production and reduce revenues.

### **Chrome Concentrate Fluctuation Risk**

The demand and industrial consumption of Chrome concentrate has positively impacted the Company’s operations but uncertainty does exist and the prices have come down from historic highs and volatility may occur in the global economy and markets for Chrome concentrate. Prices have generally declined from the highs and there can be no assurances that these prices will return to previous highs in the future.

Low Chrome concentrate prices may render ore reserves containing relatively low grades of mineralization uneconomical and may in certain circumstances result in a restatement of reserves. While out of the control of the Company, low Chrome Concentrate prices have a direct impact on Eastplats’ business as they impact whether it is economical for Union Goal to continue its Offtake. This may have a material adverse effect on Eastplats’ financial and cash-flow position as well as the future growth of the Company.

## **License Risk**

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

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

## **Social Risk**

Although the frequency of community protests has fallen significantly from the heightened levels of 2009, the propensity to commit violent acts during community protests, continue to raise. The country has witnessed unprecedented rates of violent protests. Companies worldwide are impacted by the consequences of society's reaction and behaviour to events that they are influenced by. Poverty and unemployment are some of the challenges faced in South Africa today. Community unrest is not uncommon in South Africa, especially around mining areas mainly driven by unemployment, and the need to be taken up into the economy. Various incidents of community unrest were reported in 2018 during the construction phase of the Zandfontein project. The Company had to apply and was granted an urgent and permanent interdict against members of the community who interfered with the operation and intimidated its staff. The Company improved on its current community liaison structure and formed a new Stakeholder engagement forum where Counsellors (representing community wards) meet with the company on a regular basis to discuss issues like employment, participation in tender processes and updating forum members on operational issues. During 2020 and 2021 the Company had far less incidents, comparatively.

Private Security Companies are also involved in the protection the Company's assets should unrest occur. The current economic and political situation in South Africa contributes to the unpredictability of community unrest, and can lead to disruption of operation. Should the operation be disrupted, the Company's business could be adversely affected. The Company's insurance policy covers the cost of dealing with unrest.

## **Environmental Risk**

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

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

### **Employee Risk**

The Company changed all of its key employees during 2016 and continues to be dependent on a relatively small number of key employees. The loss of any one key employee could have a material adverse effect on the Company. As a result of the mobility of many key and skilled individuals, Eastplats remains vulnerable to losing key personnel.

During December 2019 the World Health Organization (WHO) announced that the disease caused by 2019-nCoV (Corona Virus) infection this could put employees at risk and its transmission patterns did cause a worldwide pandemic.

If not adequately managed or through circumstances beyond the Company's control, it might cause absenteeism of critical staff and Eastplats may be required to delay or reduce the scope of certain of its operations or projects.

### **Currency Fluctuation Risk**

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

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

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

### **Regulatory Risk**

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

Any failure to comply with applicable laws and regulations or approvals, licenses or permits, even if inadvertent, may result in interruption or closure of exploration, development or mining operations or

enforcement actions or corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Eastplats may also be required to compensate any parties suffering loss or damage by reason of our mining activities and may have civil or criminal fines or penalties imposed against the Company for violations of applicable laws or regulations.

### **PGM Fluctuation Risk**

Since 2011, demand and industrial consumption of PGM has been negatively impacted by the volatility of the Eurozone financial markets, global economy, and strength of the U.S. dollar. PGM prices have generally declined but the basket has risen throughout 2021 and into 2022. The Company cannot be assured of sustained improvements or continued increases and there can be no assurances that these prices will return to previous highs in the future.

Low PGM prices may render ore reserves containing relatively low grades of mineralization uneconomical and may in certain circumstances result in a restatement of reserves. While out of the control of the Company, low PGM prices have a direct impact on Eastplats' business as they impact whether it is economical to restart certain of its Projects that are currently on care and maintenance. As such, there can be no assurance that PGM prices will rise to a level to support a decision by Eastplats to take certain of its Projects off care and maintenance. This may have a material adverse effect on Eastplats' financial and cash-flow position as well as the future growth of the Company.

### **Capital Risk**

PGM mining is capital intensive. Large amounts of capital are required to build production facilities and the long-term viability of a PGM company is capital intensive with respect to exploration and production. The mining and extraction of PGM is a complex and expensive process. Actual capital costs may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations. The capital costs to take the Company's projects into commercial production may be significantly higher than anticipated. Decisions about the development of the Company's mineral properties will ultimately be based upon feasibility studies. Capital costs and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by the Company's current studies and estimates, and there can be no assurance that the Company's actual capital costs will not be higher than currently anticipated. As a result of higher capital costs, production and economic returns may differ significantly from those the Company has anticipated.

Eastplats has expended significant funds in the past on the acquisition of mineral interests and exploration and has raised funds to develop capital projects in 2021. The Company will require additional funding to develop capital projects in 2022 including restarting the Zandfontein underground. There can be no assurance that material factors that impact the profitability of PGM mining will not affect a determination of whether the amount of capital required by the Company to maintain or expand its Projects is justified. This may have a materially adverse impact on the Company's business.

### **Foreign Operations Risk**

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

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

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

### **Project Risk**

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

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

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

The economics of developing platinum and other mineral properties is affected by many factors including, but not limited to, the cost of operations, variations in the grade of ore mined, fluctuations in the price of PGM or other minerals produced, currency exchange rates, costs of processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material.

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

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

## **Climate Change Risk**

Governments are introducing climate change legislation and treaties at the international, national, and local levels. Regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. If the current regulatory trend continues, this may result in increased costs at some of our operations. The physical risks of climate change may also adversely impact our operations. These risks may include extreme weather events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures.

## **Future Mineral Resource and Reserve Risk**

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

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

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

## **Trading of Common Shares Risk**

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

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

## **Geotechnical Risk**

Eastplats and the mining industry are facing continued geotechnical challenges associated with the aging of certain mines and the need to mine deeper puts and more complex deposits. This leads to higher pit walls, more complex underground operations and increased exposure to geotechnical instability. As Eastplats' operations mature, the open pits and underground operations at certain sites are getting deeper. No



assurances can be given that unanticipated adverse geotechnical conditions, such as pit wall failures, underground cave-ins and other ground-related instability, will not occur in the future or that such events will be detected in advance.

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

### **Tailings Dam Failure Risk**

Keeping the structures of tailings dams intact has been challenging over decades. The failure rate of tailings dams worldwide over the past 100 years has been estimated by Azam and Li (2010) [https://tailingsdams.info/the-project/projectoverview/ - references](https://tailingsdams.info/the-project/projectoverview/-references) to be 1.2%, which is more than two orders of magnitude higher than the failure rate of conventional water retention dams which is reported to be 0.01%. Some 50% of serious tailings dam failures in the last 70 years occurred between 1990 and 2009. These have resulted in the loss of hundreds of lives. The cost of catastrophic failures of tailing dams globally over the next ten years is predicted to be approximately US\$6 billion. The Company re-designed its CRM tailings dam in 2018 and starter walls were constructed with waste rock material, which creates a much stronger wall than inert material. The design was approved, and construction overseen by a registered engineer taking acceptable levels of safety factors into consideration. All regulatory inspections are carried out as prescribed.

Hydraulic re-mining and re-depositing are managed by a specialist company to ensure the operation is carried out in a safe manner. Natural disasters can pose a threat to the stability of the tailings dam walls and pose a risk beyond Eastplats control. The failure of a tailings dam wall can result in suspension of operations, injuries, death in extreme cases, Government inspections, increased cost and public relation concerns. Eastplats has an emergency plan and is insured to deal with these types of cases.

### **Insurance Risk**

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

### **Title Risk**

The Company cannot guarantee that title to its mineral properties will not be challenged. The Company may not have, or may not be able to obtain, all necessary surface rights to develop its projects. Title insurance generally is not available for mineral properties, and our ability to ensure that we have obtained secure claim to individual mineral properties or mining concessions comprising the projects may be severely constrained. The mineral property may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Eastplats has not conducted

surveys of all of the claims in which we hold direct or indirect interests. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on all or part of the property as permitted or being unable to enforce our rights with respect to all or part of the property. This could result in Eastplats not being compensated for its prior expenditures relating to the property. In addition, Eastplats' ability to continue to explore and develop the property may be subject to agreements with other third parties.

### **Cyber Risk**

The Company relies on data and technology for most aspects of its business. An unauthorized disclosure or breach of sensitive or confidential information or employee information, including by cyber-attacks or other security breach, could cause a loss of data, give rise to remediation or other expenses, expose the Company to liability under Canadian or South African Law and subject Eastplats to litigation and investigations, which could have an adverse effect on its business, cash flows, financial condition and results of operations.

### **Technology Risks**

The Company uses new and existing technology in all operational areas of the business. Going forward, operational revenue will become dependent on correct and effective use of existing technological equipment and new equipment. The appropriate operations and production of the equipment can significantly affect the output of operations and ultimately the profitability and economics.

Risk managers identify technology, supply chain and regulatory as the “big three” risks currently causing their organizations the greatest concern, according to a survey of 500 companies in Europe, the Middle East and Africa conducted for global insurer ACE’s Emerging Risks Barometer 2015. Technology plays a critical role in our business’ strategic planning. The Company regards insurance as a key part of the solution in managing the risks causing the greatest concern.

### **Third-Party Risk**

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

### **Joint Venture Risk**

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

Joint ventures may involve special risks associated with the possibility that the joint venture partners may without limitation: (a) have economic or business interests or targets that are inconsistent with those of the Company; (b) take action contrary to the Company’s policies or objectives with respect to their investments, for instance by veto of proposals in respect of joint venture operations; (c) be unable or unwilling to fulfill their obligations under the joint venture or other agreements; or (d) experience financial or other difficulties.

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

on similar terms, could have a material adverse effect on the results of operations or financial condition of the Company.

### **South African Foreign Exchange Controls Risk**

The Company will need to repatriate funds from South Africa to fulfill its business plans. Since commencing business in South Africa, the Company has loaned or invested significant funds into its South African subsidiaries. The Company obtained approval from the SARB in advance for its investments into South Africa. The Company anticipates that it will purchase preferred shares in its various South African entities for the majority of the funding into South Africa with the advance approval of the SARB. Although the Company is not aware of any law or regulation that would prevent the repatriation of funds it has loaned or invested into South Africa back to the Company in Canada, no assurance can be given that the Company will be able to repatriate funds back to Canada in a timely manner or without incurring tax payments or other costs when doing so, due to legal restrictions or tax requirements at local subsidiary levels or at the parent company level, which costs could be material. South Africa's exchange control regulations restrict the export of capital from South Africa. Although the Company is not itself subject to South African exchange control regulations, these regulations do restrict the ability of the Company's South African subsidiaries to raise and deploy capital outside the country, to borrow money in currencies other than the Rand and to hold foreign currency. Exchange control regulations could make it difficult for the Company's South African subsidiaries to: (a) export capital from South Africa; (b) hold foreign currency or incur indebtedness denominated in foreign currencies without approval of the relevant South African exchange control authorities; and (c) acquire an interest in a foreign venture without approval of the relevant South African exchange control authorities and compliance with certain investment criteria. While the South African government has relaxed exchange controls in recent years, it is difficult to predict whether or how it will further relax or abolish exchange control measures in the foreseeable future. There can be no assurance that restrictions on repatriation of earnings from South Africa will not be imposed on the Company in the future.

### **Competition Risk**

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

### **Conflict of Interest Risk**

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

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

### **Expropriation Risk**

The Company's privately held land in South Africa could be subject to land restitution claims which could impose significant costs and burdens. Under the Restitution of Land Rights Act, No. 22 of 1994, any person or community who was dispossessed of rights in land in South Africa after June 19, 1913 as a result of past racially discriminatory laws or practices without payment of just and equitable compensation, and who lodged a claim on or before December 31, 1998, is granted certain remedies. The Restitution of Land Rights Amendment Act 15 of 2014 ("Amendment Act") intended to extend (reopen) the lodgement of land claims for a period of five years, from July 1, 2014 to June 30, 2019.

The remedies mentioned in this legislation include the return of the dispossessed land (referred to as "restoration") or equitable redress (which includes the granting of an appropriate right in alternative state-owned land, payment of compensation or "alternative relief").

However, on July 28, 2016, the South African Constitutional Court in a unanimous decision declared the Amendment Act invalid, after finding that Parliament failed to satisfy its obligation to facilitate public involvement in accordance with the Constitution. The applicants in this case argued that re-opening the window for lodgement of land claims will gravely prejudice claimants who filed their claims by December 31, 1998, but whose claims remain unresolved, and they required clarity on how their claims would be given priority over new claims.

The Constitutional Court directed Parliament to facilitate an enactment of a new Amendment Act that would deal with the reopening of land claims within 24 months. Parliament failed to do so and in 2018, after the expiry of the period, it asked the Constitutional Court for an extension to March 29, 2019. On 19 March 2019, the Constitutional Court denied the application by the Parliament for an extension. The Constitutional Court ruled that subject to the Parliament legislating otherwise the Commission on Restitution of Land Rights (Commission) is prohibited from processing in any way any claims lodged in terms of section 10 of the Restitution of Land Rights Act 22 of 1994 between 1 July 2014 and 28 July 2016 (interdicted claims) until the earlier of the dates when it has settled or referred to the Land Claims Court all claims lodged on or before 31 December 1998; or the Land Claims Court, upon application by any interested party, grants permission to the Commission to begin processing interdicted claims. The Land Claims Commission could only start processing the new claims after it has settled or referred to the Land Claims Court all claims lodged on or before 31 December, 1998.

In a media statement on September 8, 2016, the Chief Land Claims Commissioner stated that the re-opening of the lodgement of claims remains a policy of Government. An amendment Bill was tabled in the South African National Assembly on August 16, 2017, to re-open the lodgement of claims for a period of 5 years after the commencement of the Bill. The amendment Bill allows for these new claims to be lodged, but they will not be processed until the old claims (those lodged by December 31, 1998) have been finalized or referred to Court. The Bill does, however, provide for instances where these new claims can be considered in order to fully deal with a claim lodged on or before December 31, 1998. This Bill was making its way through the Parliamentary process but it lapsed on May 7, 2019 when all unfinished bills lapsed automatically as the term of the fifth Parliament came to an end. After the May 2019 national elections,

many of those lapsed bills were revived by the sixth Parliament but this particular Bill has to date not been so revived.

The Restitution of Land Rights Act also entitles the relevant Minister to acquire ownership of land by way of expropriation in certain circumstances. Expropriation will be subject to provisions of stated legislation and section 25 of the South African Constitution which provide, in general, for just and equitable compensation.

On February 27, 2018, the South African Parliament instructed the Joint Constitutional Review Committee to review section 25 of the Constitution and other clauses where necessary, to make it possible for the state to expropriate land in the public interest without compensation, and propose the necessary constitutional amendments. However, on December 7, 2021 the South African Parliament failed to pass a resolution to amend the South African Constitution to specifically allow land expropriation without compensation. The ruling party was unable to muster the required two-thirds majority vote for a constitutional amendment. However, it has initiated a new bill in Parliament called the Expropriation Bill [B23/2021] which is completely independent of the constitutional amendment and which contains specific provisions dealing with expropriation without compensation where land can be expropriated “in the public interest.” The term “public interest” is defined to mean as including the nation’s commitment to land reform and to reforms to bring about equitable access to all South Africa’s natural resources in order to redress the results of past racial discriminatory laws or practices. The Bill expressly mentions examples where land can be expropriated without compensation and this includes (but is not limited to) if the land is not being used but is only held for its appreciation in market value and where land is abandoned. The Expropriation Bill is being deliberated upon by the relevant parliamentary Committee which last discussed the matter in March 2022.

The Company has been notified of land claims that were lodged against some of its properties. There is no guarantee, however, that any of the Company’s privately held land rights could not become subject to acquisition by the state without the Company’s agreement, or that the Company would be adequately compensated for the loss of its land rights. Any such claims could have a negative impact on the Company’s South African projects and therefore an adverse effect on its business, operating results and financial condition.

### **Resource Nationalism Risk**

The Company has ownership interests in significant projects in South Africa. As a result, it is subject to political and economic risks relating to South Africa, which could affect an investment in the Company. South Africa was transformed into a democracy in 1994. The government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments may impact the Company’s South African business. The Company is also subject to the risk of resource nationalism, which encompasses a range of measures, such as expropriation or taxation, whereby governments increase their economic interest in natural resources, with or without compensation. Although wholesale nationalization was rejected by the ruling party, the African National Congress (the “ANC”), leading into the 2014 national elections, a resolution adopted by the ANC on nationalization calls for state intervention in the economy, including “state ownership”. A wide range of stakeholders have proposed ways in which the State could extract greater economic value from the South African mining industry. A call for resource nationalization has also been made by a new political party, the Economic Freedom Fighters. The Company cannot predict the future political, social and economic direction of South Africa or the manner in which government will attempt to address the country’s inequalities. Actions taken by the South African government, or by its people without the sanction of law, could have a material adverse effect on the Company’s business.

## DIVIDENDS

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

## DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares without par value, of which 137,820,773 are issued and outstanding as at March 24, 2022. Each common share is entitled to one vote. All common shares of the Company rank equally as to dividends, voting powers and participation in assets. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provision for redemption, purchase for cancellation, surrender, sinking or purchase funds. Provisions as to the modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act (British Columbia)*.

## MARKET FOR SECURITIES

The Company's common shares are listed and posted for trading on TSX under the symbol "ELR" and are also listed on the JSE under the symbol "EPS". No other securities of the Company are listed.

The following chart sets out the high and low trading prices, and volume of shares traded on the TSX, for the period January 1, 2021, to December 31, 2021:

Share Price (Cdn\$)			
Period	Low	High	Volume
January	\$0.30	\$0.435	2,336,850
February	\$0.295	\$0.47	5,517,605
March	\$0.35	\$0.415	1,191,516
April	\$0.325	\$0.385	632,115
May	\$0.34	\$0.41	851,841
June	\$0.32	\$0.375	425,351
July	\$0.305	\$0.35	333,507
August	\$0.30	\$0.33	195,027
September	\$0.285	\$0.335	303,322
October	\$0.275	\$0.31	489,149
November	\$0.285	\$0.35	694,655
December	\$0.265	\$0.335	676,251

The price of the Company's common shares as reported by the TSX at the close of business on December 31, 2021, was Cdn\$0.29 per share.

## OUTSTANDING OPTIONS AND WARRANTS

The equity securities that the Company has outstanding that are not listed or quoted are stock options granted under the Company's stock option plan and warrants issued as part of an equity issuance. See below

information for the most recently completed financial year.

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

Type of Security	Number of Shares	Exercise Price (Cdn\$)	Grant Date	Expiry Date
Stock Options	500,000	\$0.32	November 9, 2017	November 9, 2022
Stock Options	450,000	\$0.33	December 7, 2017	December 7, 2022
Stock Options	100,000	\$0.39	April 26, 2018	April 26, 2023
Stock Options	1,350,000	\$0.21	June 13, 2019	June 13, 2024
Stock Options	50,000	\$0.24	April 29, 2020	April 29, 2025
Stock Options	1,470,000	\$0.37	October 16, 2020	October 16, 2025
Stock Options	1,420,000	\$0.34	June 23, 2021	June 23, 2026
Warrants	5,960,000	\$0.24	June 26, 2020	June 26, 2022

On February 12, 2021, 40,000 warrants were exercised for total proceeds of \$8.

## DIRECTORS AND OFFICERS

As of December 31, 2021, the names, municipalities of residence, positions with or offices held with the Company, and principal occupation of the directors and officers of the Company are as follows:

<b>Name and Municipality of Residence</b>	<b>Position</b>	<b>Principal Occupation</b>	<b>Number of Common Shares Held</b>
<b>GEORGE G. DORIN</b> Surrey, BC, Canada	Chairman and Director (July 5, 2016)	Founder and President, CANUS Capital Corporation (2008 – present).	Nil
<b>DIANA HU</b> Vancouver, BC, Canada	Chief Executive Officer (July 27, 2016) and Director (August 15, 2016)	Chief Executive Officer and President of the Company (July 2016 – present) and President of CGH Industries Limited (2004 – present).	Nil
<b>MICHAEL COSIC</b> Toronto, ON, Canada	Director (July 5, 2016)	Chief Executive Officer of Craftport Cannabis Corp. (May 2021 – present). CFO of Meta Growth Corp. (March 2019 - November 2020); CFO of DLT Labs Inc. (January 2018 – February 2019); VP Finance BridgePoint Financial Group (May 2016 – January 2018).	Nil
<b>Xin (Alex) Guan</b> Beijing, China	Director (April 24, 2018)	Director of White Compass Pty Ltd. (September 2014 - present).	Nil
<b>BIELIN SHI,</b> Perth, Australia	Director (September 5, 2016)	Group Manager – Exploration & Resources, Minjar Gold Pty Ltd. (2019 – present); Deputy General Manager, Shandong, Tyan Home Co., (2017 – 2019); Chief Geologist, Pei Si International (Beijing) Co. Ltd., (2015 - present).	Nil
<b>ANDREA ZHANG</b> Beijing, China	Chief Operating Officer (July 5, 2016)	Chief Operating Officer of the Company (July 2016 – present).	Nil
<b>WYLIE HUI</b> Richmond, BC, Canada	Chief Financial Officer and Corporate Secretary (May 1, 2021)	Chief Financial Officer and Corporate Secretary of the Company (May 2021 – present); Founder and Principal, Altastra Office Systems Inc. (May 2017 – present).	Nil



### **Committees of the Board**

As at December 31, 2021, the members of the Audit Committee were Michael Cosic (Chairman), George Dorin and Xin (Alex) Guan.

As at December 31, 2021, the members of the Corporate Governance and Compensation Committee were George Dorin (Chairman), Xin (Alex) Guan and Michael Cosic.

As at December 31, 2021, the members of the Corporate and Social Responsibility, Safety, Health and Environmental Risk Committee were Dr. Bielin Shi (Chairman), Diana Hu and Xin (Alex) Guan.

On October 1, 2018, the Board appointed a Special Committee to review a request by a shareholder to commence a derivative action. On June 2020, the Board re-appointed a Special Committee to review a separate request by a shareholder to commence a derivative action. As at December 31, 2021, the sole member of the Special Committee was Xin (Alex) Guan.

The term of office for the Company's directors expires at the next annual general meeting which is expected to be held during June 2022. Immediately following the annual general meeting, the Board will appoint or re-appoint members of the existing committees and any other committees deemed necessary by the Board for the ensuing year.

As at December 31, 2021, the Company's directors and senior officers, as a group held Nil common shares of the Company.

### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

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

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

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

Mr. Dorin is also a director of China Keli Electric Co. Ltd (NEX:ZKL.H, formerly TSXV: ZKL) (“ZKL”), which had a cease trade order issued against it by the BCSC on September 8, 2014 for failure to timely file its audited consolidated financial statements for the year ended April 30, 2014. ZKL filed its audited consolidated financial statements for the year ended April 30, 2014 and the cease trade order was revoked by the BCSC on July 15, 2015. A further cease trade order was issued against the Company by the British Columbia Securities Commission on October 30, 2018 for failure to timely file the audited consolidated financial statements of the Company for the year ended April 30, 2018. The Company filed such financial statements, as well as interim financial statements for the interim periods ended July 31, 2018 and October 30, 2018, and applied to have the cease trade order revoked. ZKL sold its active operating business on October 29, 2018 and is currently pursuing another business opportunity. The cease trade order has been revoked and ZKL resumed trading on the NEX under ticker symbol ZKL.H on January 27, 2021.

On April 4, 2017, the BCSC issued a Management Cease Trade Order (“MCTO”) as requested by the Company, as it was unable to file its required annual filings including its December 31, 2016 audited consolidated financial statements by the deadline of March 31, 2017. During the MCTO, the general investing public was able to trade the Company's common shares. However, Diana Hu (CEO) and the Company's CFO at the time, Rowland Wallenius, were not able to trade the Company's common shares. On June 15, 2017 the MCTO was revoked by the BCSC as the Company completed all late filings on June 14, 2017.

Prior to June 14, 2017, the Company was unable to file its audited annual financial statements by the prescribed deadline because the Company's previous auditor had advised that it would not be able to deliver its audit report until the previously disclosed investigation into certain transactions entered into by Former Management of the Company was further advanced.

### **PERSONAL BANKRUPTCIES**

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

### **CONFLICTS OF INTEREST**

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

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

### Petition by 2538520 Ontario Limited to File a Derivative Action against the Company

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 to review the petition and make a recommendation on the appropriate action. Following its detailed review of this matter, the Special Committee of the Board of Directors recommended opposing this petition, and this recommendation was accepted by the Board of Directors. As such, the Company filed its opposition to the petition and was provided security for costs. In June 2019 the petition was heard by the court and was dismissed on August 27, 2019. On September 27, 2019, the petitioner filed an appeal of the judgment 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 declined to hear the appeal. 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.

### Further litigation by 2538520 Ontario Limited against the Company

On February 7, 2020, 253 and its CEO, Rong Kai Hong, (the “**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 US\$50,000 (or such greater amount as may be proven at trial) from the Company, certain present and former Directors and Officers, and separately seven other listed defendants. 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.

### Litigation by Xiaoling Ren against the Company

During December 2020, the Company received a petition filed with the Supreme Court of British Columbia, by Xiaoling Ren, a shareholder of the Company, seeking leave from the court to commence a derivative action on behalf of the Company against certain of its current and former directors. Ms. Ren is represented by the same law firm 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 denied in May 2021.

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.

### 2016 BEE Buyout Transactions

On June 30, 2016, two days after concluding agreements for the sale of Crocodile River Mine (which agreements were subsequently terminated), the former management of the Company purportedly entered into a number of agreements (the “**2016 BEE Buyout Transactions**”) with Ingwenya and Serina (collectively the “**Vendors**”) to acquire or 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 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 from 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.

### Claim against Serina and Ingwenya

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. The Company has been unable to successfully contact either Serina or Ingwenya to date. The Company has been advised that recovery of the funds or judgement appears remote. No amount has been accrued on the Company’s financial statements for this claim as it would be a contingent amount if successful.

### Claims against former Directors and Officers

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 settlements 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.

### Claim dispute regarding Spitzkop

The Company received 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 has 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.

### General

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

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

To the knowledge of Management, no current director, officer or insider of the Company had any interest in any material transactions within the three most recently completed financial years, or has any interest in any material transaction in the current year except as herein disclosed.

Directors and officers of the Company may from time to time serve as directors of and have an interest, either directly or indirectly, in other companies involved in natural resource exploration and development. As a result, a director of the Company may be presented, from time to time, with situations which give rise to an apparent conflict of interest. On any conflict situation, a director may abstain from voting on

resolutions of the board of directors that evoke such conflict in order to have the matter resolved by an independent board, or the situation may be presented to the shareholders of the Company for ratification. In any event, the directors of the Company must, in accordance with the laws of British Columbia, act honestly and in good faith and in the best interests of the Company, and must exercise the care, diligence and skill of a reasonably prudent person in dealing with the affairs of the Company.

On July 5, 2016, the Company entered into a consulting agreement with Oriental Fortune Consulting Services Limited (“Oriental Fortune”) which has been renewed and will continue until December 31, 2022, pursuant to which the Company has agreed to pay Cdn\$25.3 per month to Oriental Fortune for the management consulting services rendered related to the COO, Andrea Zhang.

## **TRANSFER AGENTS AND REGISTRAR**

As of the date of this AIF, the transfer agents and registrars for the Company are Computershare Investor Services Inc., Vancouver, B.C., Canada related to all common shares traded and listed on the TSX, and Link Market Services South Africa (Pty) Ltd., Johannesburg, South Africa related to all common shares traded and listed on the JSE.

## **MATERIAL CONTRACTS**

- Other than as set out in this AIF or described below, the Company has no material contracts other than those entered into in the ordinary course of business (All contracts described below have been filed on SEDAR).
- On April 30, 2006, BML entered into an evergreen offtake agreement with Impala Remining Services Limited, a wholly-owned subsidiary of Impala for the purchase of PGM concentrate from the CRM.
- Scheme of Arrangement dated May 9, 2007, among Barplats and the Barplats ordinary shareholders;
- Sale of Shares Agreement among the Company, Gubevu Consortium Investment Holdings (Pty) Limited, Gubevu Resources (Pty) Limited, Emseni Resources (Pty) Limited and Nasidima Investment Holdings (Pty) Limited dated Feb. 8, 2007; then amended Feb. 26, 2007; April 20, 2007; and May 3, 2007;
- Shareholders Agreement among the Company, Gubevu Resources (Pty) Ltd., Emseni Resources (Pty) Ltd., Nasidima Investment Holdings (Pty) Ltd. and Gubevu Consortium Holdings (Pty) Ltd.;
- Subscription Agreement among Eastplats Acquisition Co. Ltd. and Gubevu Consortium Investment Holdings (Pty) Ltd.;
- Subscription Agreement among Eastplats Acquisition Co. Ltd. and Barplats Investments Ltd.;
- On June 28, 2016, Former Management of the Company entered into a share purchase agreement with Hebei Zhongheng Tianda Platinum Co. Limited, a company incorporated in the People’s Republic of China, whereby HZT would acquire a 100% equity interest in BML and associated intercorporate investments and loans for total consideration of \$50,000 (Agreement terminated on November 24, 2017);

- On June 30, 2016, Former Management entered into share purchase agreements (the “BEE Buyout Agreements”) with Ingwenya Incorporated (“Ingwenya”) and Serina Services AG (“Serina”) (Ingwenya and Serina, collectively the “Vendors”) to acquire all of the Company’s BEE Partners interests in the Company’s South African projects, except for the 17.65% equity interest in Afriminerals, for a total of \$13,367. These agreements have not yet closed and as discussed in the AIF may not close.
- On March 1, 2018, Eastplats and its subsidiary BML entered into the framework agreement (UG Agreement) with Union Goal. The UG Agreement provides for construction, re-mining and processing of the tailings resource, and the subsequent offtake of chrome concentrate from, Barplats Zandfontein UG2 tailings facility located at the CRM.
- August 31, 2018 BML and Union Goal entered into the BML Equipment and Chrome Plant Agreement, regarding the purchase terms.
- August 31, 2018 BML and Union Goal entered into the Offtake Agreement in respect to the purchase by Union Goal of 100% of the Chrome Concentrate from the Retreatment Project.
- August 31, 2018 Eastplats and Union Goal entered into the Loan Agreement in regards to providing construction funding for the costs to construct the Chrome Plant.
- August 31, 2018 Eastplats, Fasken and Union Goal entered into the Escrow Agreement regarding Union Goal providing additional funding later in the project life to provide security to BML (Cancelled March 10, 2021).
- October 24, 2019 BML had entered into a sale of assets agreement with Eland Platinum (Pty) Limited. The Resource Agreement provides for sale of the mining rights, immovable property, infrastructure and equipment of the Maroelabult resource property located near Brits in South Africa. The consideration to be received is ZAR20,000 (received March 9, 2022), the assumption of the rehabilitation obligation and immediate assumption of the care and maintenance costs.
- On June 25, 2020 the Company reached a settlement agreement with 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 had against the Company or its subsidiaries, in exchange for which the Company closed on June 26, 2020 and has: (a) issued 8,000,000 Common Shares at a deemed subscription price of Cdn\$0.235, and 6,000,000 Warrants to a nominee of AlphaGlobal, with each such Warrant entitling the holder to acquire one Warrant Share for a period of two years upon payment of the exercise price of Cdn\$0.24; (b) made a payment of ZAR5,000; and (c) has issued a promissory note in favour of AlphaGlobal for the payment of ZAR4,000 in four equal instalments, payable on September 30, 2020 (paid), December 31, 2020 (paid), March 31, 2021 (paid) and June 30, 2021 (paid).
- On March 10, 2021 Eastplats and its subsidiary BML entered into the revised and restated 2021 framework agreement with Union Goal. The UG Agreement provides for construction, re-mining and processing of the tailings resource, the optimization program and the subsequent offtake of chrome concentrate from, Barplats Zandfontein UG2 tailings facility located at the CRM.
- On March 10, 2021, BML and Union Goal entered into the revised and restated 2021 BML Equipment and Chrome Plant Agreement, regarding the updated purchase terms.

- On March 10, 2021 BML and Union Goal entered into the revised and restated 2021 Offtake Agreement in respect to the purchase by Union Goal of 100% of the Chrome Concentrate from the Retreatment Project.
- On March 10, 2021, Eastplats and Union Goal entered into the revised and restated 2021 Loan Agreement in regards to providing construction funding for the costs to construct the initial Chrome Plant and the additional construction costs of the optimization program.

## **INTERESTS OF EXPERTS**

### **CRM, KENNEDY'S VALE/SPITZKOP AND MAREESBURG PGM PROJECTS**

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

In August 2017, a technical report was prepared and published, that complies with NI 43-101 and NI 43-101F1, "Mineral Resource Estimate for Barplats Zandfontein UG2 Tailings Storage Facility" and was prepared and verified by Mr. A. S. Page (Pr. Sci. Nat South Africa Reg. No 400022/07), BSc (Hons), who is a qualified person as defined in NI 43-101. Full details of the methodology used in the estimation of resources are provided in the technical report filed on Eastplats' SEDAR profile at [www.sedar.com](http://www.sedar.com).

In September 2017, a technical report was prepared and published, that complies with NI 43-101 and NI 43-101F1, "ZANDFONTEIN TAILINGS RETREATMENT PROJECT TO RECOVER CHROME" and was prepared and verified by Mr. Vaughn Duke Pr. Eng., PMP, MBA, BSc Mining Engineering (Hons), who is a qualified person as defined in NI 43-101. Full details of the methodology used in the estimation of the chrome mineral reserves, project summary and economic analysis are set out in a technical report filed on Eastplats' SEDAR profile at [www.sedar.com](http://www.sedar.com).

Neither Mr. Page nor Mr. Vaughn have any common shares of the Company directly or indirectly or through stock options.

### **AUDITORS**

PricewaterhouseCoopers LLP are the independent auditors of the Company and are independent within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct for the year ended December 31, 2021. They were first appointed on September 21, 2017 and re-appointed annually at the annual general meetings of the shareholders.

## **INFORMATION CONCERNING THE COMPANY'S AUDIT COMMITTEE AND EXTERNAL AUDITOR**

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



## **THE AUDIT COMMITTEE'S CHARTER**

The text of the Company's Audit Committee Charter is set out in Schedule "A" to this AIF.

## **COMPOSITION OF THE AUDIT COMMITTEE**

The following are the current members of the Committee:

Michael Cosic, MBA, CFA (Chairman)	Independent <sup>(1)</sup>	Financially literate
George Dorin, MSc(Econ), CPA, CA, CF, FCSI	Independent <sup>(1)</sup>	Financially literate
Xin (Alex) Guan, MBA	Independent <sup>(1)</sup>	Financially literate

<sup>(1)</sup>As defined by NI 52-110.

## **RELEVANT EXPERIENCE**

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

## **PRE-APPROVAL POLICIES AND PROCEDURES**

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

## **EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees for 2019 to 2021 are billed by the Company's independent external auditors, PricewaterhouseCoopers LLP, as follows:

<b>Financial Year Ended</b>	<b>Audit Fees (Cdn)</b>	<b>Audit-Related Fees (Cdn)</b>	<b>Tax Fees (Cdn)</b>	<b>All Other Fees (Cdn)</b>
<b>December 31, 2021</b>	<b>\$319</b>	<b>\$4</b>	<b>\$0</b>	<b>\$0</b>
December 31, 2020	\$322	\$4	\$0	\$0
December 31, 2019	\$313	\$4	\$0	\$0

## **AUDIT FEES**

Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual consolidated financial statements, and for certain other procedures relating to the Company's interim financial statements or other statutory and regulatory filings.

### **AUDIT-RELATED FEES**

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

### **TAX FEES**

Tax fees are related to tax compliance, tax advice and tax planning professional services. During the periods presented no tax engagements were done by the auditors.

### **ALL OTHER FEES**

No other fees were paid for miscellaneous accounting advisory and consulting services.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional financial information is available in the Company's comparative audited consolidated financial statements together with the auditor's report thereon for its most recently completed fiscal year and its management's discussion and analysis in relation thereto. Additional information about the Company's directors and officers, or proposed directors, remuneration, indebtedness, principal holdings of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable is contained in the Company's management information circular for its most recent annual meeting of shareholders that is filed on SEDAR.

**SCHEDULE “A”**  
**EASTERN PLATINUM LIMITED**  
**AUDIT COMMITTEE CHARTER**

**1. Purpose and Mandate of the Committee**

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

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

- reviewing the integrity and effectiveness of the Company's financial reporting processes, system of internal financial controls, accounting practices and audit process;
- reviewing the quality and integrity of the Company’s financial statements and related financial disclosure;
- monitoring management’s identification of principal risks of the Company’s business and processes to manage these risks;
- reviewing qualifications and independence of the Company’s independent external Auditor (the “**Auditor**”);
- oversee the performance of the Company's independent Auditor;
- reviewing and settling the terms of engagement of the Auditor; and
- monitoring the Company’s compliance with legal and regulatory requirements relating to the foregoing,

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

**2. Committee Membership**

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

2.2 *Appointment of Members.* Members of the Committee will be appointed by the Board, after considering the recommendation of the Corporate Governance and Compensation

Committee of the Board. The Board may at any time and from time to time terminate the appointment of any member, change the membership or appoint additional members to the Committee to fill any vacancy or to increase the size of the Committee, after considering the recommendation of the Corporate Governance and Compensation Committee.

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

2.4 *Qualifications of the Committee Members.*

- a) All members of the Committee must: (i) have no material relationship with the Company and be “independent” within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) as adopted and amended from time to time by the Canadian securities regulatory authorities; and (ii) be “financially literate” as defined in NI 52-110.
- b) Each director proposed for nomination to the Committee shall provide such information or other records of their education, experience and qualifications to allow the Board to assess whether the director satisfies the qualifications for membership on the Committee.

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

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

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

### **3. Committee Structure, Operations and Reporting**

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

- 3.2 *Meetings.* The Committee shall meet for the conduct of its business, adjourn and otherwise govern itself as it thinks proper to carry out its duties and responsibilities, subject to the terms of this Charter and applicable law. The Committee will meet at least quarterly at the call of the Chair, and as many times as is necessary for the conduct of its business.
- 3.3 *Absence of Chair.* Should the Chair not attend any meeting or portion of any meeting, the members then in attendance shall designate another member of the Committee to act as chair of that meeting or portion of the meeting.
- 3.4 *Secretary.* The Chair at each meeting of the Committee will designate a person to act as secretary or recording secretary of the meeting (who need not be a member of the Committee or the Company's Corporate Secretary) to keep minutes at that meeting.
- 3.5 *Calling Meetings.* Meetings of the Committee may be called:
- a) by or on behalf of the Chair or by any member of the Committee; or
  - b) by or on behalf of the Chief Executive Officer or the Chief Financial Officer of the Company; or
  - c) by the external Auditors of the Company.
- 3.6 *Notice of Meetings.*
- a) Notice of the place, day and time of meetings of the Committee shall be given by the person calling the meeting to each member of the Committee and to the Auditor not less than 48 hours before the time the meeting is to be held, unless all of the members consent to a shorter period or waive notice of any meeting.
  - b) Notice of any meeting may be given orally in person or by telephone or in writing and delivered by physical delivery, by facsimile to such number or by e-mail to such address as provided by the member for such use and notice will be deemed to have been given on the date and time on which it was so given or delivered.
  - c) The Committee may establish a fixed place, day or time or schedule for the holding of meetings, in which case no further notice of any meeting to be held at such place or time or schedule need be given to any Committee member in advance of any previously scheduled meeting.
  - d) No notice is required to be given for a meeting of the Committee immediately following the annual general meeting of the shareholders of the Company.
  - e) Unless a director attends solely for the purposes of objecting to the calling of or the business to be conducted at a meeting, a director who participates in a meeting will be deemed to have acknowledged or waived notice of and have agreed to participate in the meeting.

- f) Notice of any meeting will include an agenda or summary of the items of business to be dealt with at the meeting.
- 3.7 *Place or Means of Holding Meetings.* Meetings will be held at the time and at such place and by such means as the person calling the meeting may so determine, including meeting in person, by telephone, video-conference or other communications medium or by any combination of the foregoing, provided all of the directors participating in the meeting, whether in person or by other means are able to communicate with each other and all of the directors who wish to participate in the meeting agree to such participation. Unless a director attends solely for the purposes of objecting to the means by which a meeting will be conducted, a director who participates in a meeting in a manner contemplated herein will be deemed for all purposes to be present at the meeting and to have agreed to participate in that manner.
- 3.8 *Information for Meetings.* The person calling a meeting of the Committee will, to the extent possible, provide such information or other documents along with the notice of or in advance of any meeting in order to permit the members to understand the purposes for which the meeting has been called and if necessary to permit the members to form a reasoned decision on the matters to be considered.
- 3.9 *Access to and Inspection of Records.* The members of the Committee shall have the right to inspect and make copies, extracts or summaries of any relevant records of the Company and its subsidiaries or to request such information or assistance from the officers, employees and advisors of the Company and its subsidiaries, as the Committee may consider necessary in order to carry out its duties and responsibilities and such persons shall be directed to cooperate with and provide such records or information as requested.
- 3.10 *Auditor Attendance.* The external Auditors of the Company shall be entitled to attend all meetings of the Committee.
- 3.11 *Officers and Others Required Attendance at Committee Meetings.* If requested to do so by the Chair of the Committee or the person calling a meeting of the Committee, the Chair of the Board, any other director of the Company, the Chief Executive Officer, Chief Financial Officer and any other officer or employee of the Company or any of its subsidiaries shall attend as a non-voting observer or attendee of a meeting of the Committee or any portion thereof at which their attendance is required, provided that for greater certainty, such persons shall not otherwise have the right to attend any meeting or subsequent meeting of the Committee.
- 3.12 *Other Participants Permitted Attendance at Committee Meetings.* The Committee may consent to the attendance of any other person invited by a member of the Committee to attend at a meeting of the Committee as a non-voting observer or attendee, including the attendance of any officer or employee of the Company or any of its subsidiaries, any professional advisor or consultant to the Company, the Committee or any member thereof, provided that for greater certainty such persons shall not have the right to attend any meeting or subsequent meeting of the Committee.

- 3.13 *Quorum.* A majority of the members of the Committee constitute a quorum of the Committee, and notwithstanding any vacancy on the Committee, a quorum of the Committee may exercise all of the powers and authority of the Committee. If the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute quorum. Where a quorum for a meeting is established at the commencement of the meeting but is subsequently lost, the meeting will be adjourned or terminated and no further business conducted at that meeting.
- 3.14 *Majority Vote Governs.* Any resolution of the Committee will be decided by a majority vote of the Committee members entitled to vote on that matter, where each member attending or participating in a meeting of the Committee is entitled to one vote unless they are required to abstain from voting under applicable law. In the event of an equality of votes, the Chair will not have a second or casting vote.
- 3.15 *Consent Resolutions in Writing in Lieu of a Meeting.* The powers of the Committee may be exercised by resolution in writing signed by all members of the Committee who would be entitled to vote on that resolution at a meeting of the Committee.
- 3.16 *Minutes and Other Records.* The Committee shall keep or cause to be kept the minutes and other records of its activities in which shall be recorded all actions, decisions and resolutions taken by the Committee.
- 3.17 *Reports of the Committee.*
- a) The Committee Chair will from time to time or at the request of the Board report to the Board regarding the Committee's activities and will provide or cause to be provided copies of the minutes or other resolutions of the Committee to the Company's Corporate Secretary.
  - b) The Committee will be entitled to determine the content, manner and timing of any report on its activities or of the minutes or records to be provided and in doing so may take such steps as the Committee may consider necessary to preserve any confidentiality or privilege over any of its records or deliberations.
- 3.18 *Attendance at Meetings of Shareholders.* The Chair of the Committee, or in his or her absence, another designated member of the Committee shall attend any annual meetings of shareholders of the Company and, if required, be available to respond to questions regarding the activities of the Committee.
- 3.19 *Delegation.* The Committee may from time to time authorize and delegate to a subcommittee of its members (including a single member) such of its duties and responsibilities as the Committee may from time to time determine provided that the Committee shall not delegate any power or authority which must by law be exercised by the Committee as a whole.
- 3.20 *Execution of Instruments.* The Committee may from time to time authorize any member of the Committee, or any officer or other director of the Company, to certify, or execute and deliver, all such statements, forms, instruments, certificates, notices,

acknowledgements and other documents, and to do all such acts and things as the Committee may consider necessary or desirable in connection with the discharge of the duties and responsibilities of the Committee.

#### **4. Duties and Responsibilities of the Committee**

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

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

- a) subject to confirmation by the Auditor of its compliance with Canadian and other applicable regulatory requirements, recommend to the Board the appointment of the external Auditor for the purpose of preparing or issuing any audit report or performing other audit, review or attest services for the Company;
- b) approve of the terms of engagement of the Auditor in connection with its audit services, including fees and expenses to be paid for or in connection with those services, and for pre-approval of the retention of the Auditor for any permitted non-audit services and serve as the principal avenue for reporting by the Auditor;
- c) approve the retention, replacement or termination of the appointment of the Auditor for the purpose of preparing or issuing any report or performing any other audit, review or attest services for the Company including the terms and conditions thereof;
- d) approve of the resolution of disagreements between management (as defined below for the purposes of this Charter) and the Auditor regarding financial reporting, if any;
- e) review at least annually the independence of the Auditor, including the Auditor's formal written statement of independence delineating all relationships between itself and the Company that may reasonably be thought to bear on the independence of the Auditor with respect to the Company, including the matters set forth in any applicable independence standards or practices of any regulatory or professional body, review any reported relationships or services that may impact the objectivity and independence of the Auditor, take appropriate action to oversee the independence of the Auditor;
- f) ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by applicable law;
- g) review at least annually the Auditor's written report on its internal quality control procedures, any material issues raised by the most recent internal quality control



review, or peer review, of the Auditor, or by any inquiry or investigation by regulatory or professional authorities, within the preceding five years respecting one or more independent audits carried out by the Auditor, and any steps taken to address these issues;

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

or unresolved issues with management and settle any required documentation related to the change, as required under applicable laws;

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

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

- a) meet and discuss with the Chief Executive Officer, Chief Financial Officer, Controller and principal financial and accounting personnel for the Company and its subsidiaries (in this Charter, "**management**") and, as necessary, the Auditor to review and discuss, and to recommend to the Board for approval prior to public disclosure, the audited annual financial statements and unaudited quarterly financial statements, including the notes thereto and the disclosures in the Company's annual and interim management's discussion and analysis of financial condition and results of operations;

- b) review, discuss with management and, to the extent necessary, the Auditor, and recommend to the Board for approval prior to filing with any applicable securities or corporate regulatory authority or stock exchange, the relevant disclosure by the Company in:
  - (i) the annual information form;
  - (ii) the portions of any management information circular for any annual general or special meeting of securityholders of the Company containing information within the Committee's mandate;
  - (iii) all financial statements, extracts or summaries included in any prospectus or other offering document prepared by the Company;
  - (iv) documents which may be incorporated by reference in a prospectus, management information circular or offering document; and
  - (v) any significant financial information respecting the Company contained in a material change report, business acquisition report or other similar report required to be filed.
- c) review and discuss with management and, as necessary, the Auditor and recommend to the Board prior to filing or public disclosure of:
  - (i) each press release that contains financial information respecting the Company or contains estimates or information regarding the Company's financial condition, performance or prospects;
  - (ii) the type and presentation of information to be included in any such press releases, in particular, the use of "pro forma", "adjusted" or other non-GAAP information or measures; and
  - (iii) any future oriented financial information or earnings guidance.
- d) receive and review reports from the Company's disclosure committee, if any, or under such other processes adopted by the Company with respect to its disclosure obligations;
- e) review the audited annual financial statements and related documents in conjunction with the report of the Auditor and obtain an explanation from management of all significant variances between comparative reporting periods;
- f) review with management and the Auditor material issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and issues as to the adequacy of the Company's internal controls and any special audit steps or procedures recommended or adopted in light of material control deficiencies;

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

- o) in consultation with management and the Auditor, consider the integrity of the Company's financial reporting processes and controls, discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures;
- p) monitor the quality and integrity of the Company's system of internal controls, disclosure controls and management information systems through discussions with management and the Auditor;
- q) be responsible for monitoring any changes in the Company's internal controls over financial reporting and for ensuring that any change that occurred during the Company's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting is disclosed in the Company's most recent annual or interim management's discussion and analysis;
- r) oversee investigations of alleged fraud and illegality relating to the Company's finances and any resulting actions or steps taken or proposed to be taken in connection therewith;
- s) discuss with management the Company's material financial risk exposures and the steps management has taken to monitor and control these exposures, including the Company's financial risk assessment and financial risk management policies;
- t) meet separately, as often as the Committee may see fit, with management and with the Auditor to discuss matters within the Committee's purview;
- u) report regularly to the Board, both with respect to the activities of the Committee generally and with respect to any issues that arise regarding the quality or integrity of the Company's financial statements, compliance with legal or regulatory requirements, or the performance and independence of the Auditor; and
- v) as required by any applicable legal, regulatory or stock exchange requirement, prepare such reports or other disclosure from the Committee to shareholders or others as may be required concerning the scope of the Committee's duties and responsibilities and the work of the Committee in carrying out its duties and responsibilities.

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

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

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

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

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

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

- a) ensure the preparation and filing of each annual and interim certificate to be signed by each of the Chief Executive Officer and Chief Financial Officer of the Company in accordance with applicable securities laws;
- b) oversee the establishment of any procedures adopted by the Company to ensure the accuracy of the matters certified by the Company's certifying officers as required under applicable securities laws;
- c) make reasonable inquiries to ensure that interim and annual filings are true and accurate and contain all such information as may be required under applicable laws in all material respects and do not contain any misrepresentation;
- d) review with the General Counsel or the Company's principal external legal advisor or advisors the Company's compliance policies, legal matters, and any reports or inquiries received from regulatory authorities or governmental agencies that could have a material effect on the financial position of the Company and that are not subject to the oversight of another committee of the Board;
- e) administer the Company's Whistleblower Policy for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, disclosure controls or auditing matters and any alleged violation of the Company's Code of Conduct involving the Chief Executive Officer, Chief Financial Officer or other designated officers and the confidential, anonymous submission of concerns by employees of the Company regarding any of these matters;
- f) develop, maintain, monitor and recommend any changes with respect to the Company's Code of Conduct; and
- g) periodically review and make any recommendations with respect to any recommended changes to any disclosure policy adopted by the Company.

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

- a) review with management at least annually the financing strategy and financial plans of the Company;
- b) enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Company, the Auditor or management;
- c) on at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulatory authorities or governmental agencies with respect to the Company's financial practices or disclosures;
- d) monitor compliance with and propose to the Board any recommended changes with respect to the Company's policy regarding transactions with related parties or other transaction which are required to be referred to the Committee for review and approval under the Company's Code of Conduct or other policies or procedures adopted by the Company;
- e) be responsible for the review and if necessary approval of all material related-party transactions or other transactions which are required to be referred to the Committee;
- f) review and monitor policies and procedures with respect to review of officers' expenses, disbursements and perquisites, including use of corporate assets or opportunities, sponsorships, donations, gifts and political contributions ensure that appropriate processes are in place for approval; and
- g) review and approve the appointment, replacement, reassignment, or dismissal of the Chief Financial Officer, Controller or other senior financial personnel of the Company or its subsidiaries.

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

- a) While the Committee has the duties, responsibilities and authority set forth in this Charter, the Board and the members of the Committee acknowledge and confirm that management of the Company is responsible for the preparation, presentation and integrity of the interim and annual financial statements of the Company and the design and maintenance of effective systems of internal financial controls and to maintain appropriate accounting and financial reporting principles, policies and procedures to provide reasonable assurance that assets are safeguarded and that transactions are authorized, executed, recorded and reported properly and provide for compliance with accounting standards and applicable laws and regulations and that



the Committee is not responsible for such matters or to plan or conduct audits, to guarantee the quality of the Company's accounting practices or to determine that the Company's financial statements are complete and accurate or are in accordance with GAAP, which are the responsibilities of management and the Auditor.

- b) To the extent that procedures included in this Charter exceed what is required of an Audit Committee under existing law and regulation, such procedures are meant to serve as guidelines rather than proscriptive rules and the Committee may adopt such different or additional procedures as it deems necessary from time to time.
- c) The Committee, its Chair, and any of its members who have accounting or related financial management experience or expertise are appointed to the Committee to provide oversight of the financial risk and control related activities of the Company, and are specifically not accountable nor responsible for the day-to-day operation or performance of these activities. A member having accounting or related financial management experience or expertise is not to have imposed upon him or her a higher duty of care or degree of individual responsibility or obligation than that imposed on other directors generally.
- d) Each member of the Committee shall be entitled to rely, without further investigation or confirmation, on the accuracy and integrity of any information, report or statement provided to them by the applicable officers of the Company and its subsidiaries and of any professional or other experts (including the Company's Auditor), in either case acting within their scope of their authority, duty or expertise and, absent actual knowledge to the contrary, the accuracy of the financial and other information provided by such person to the Committee.

## **5. Resources and Outside Advisors**

### *5.1 Access to Resources and Personnel.*

- a) The Company shall provide the Committee with such resources as may be necessary for the Committee to discharge its responsibilities hereunder without any further requirement for approval of the Board.
- b) The Committee may make recommendations to the Board and shall approve the compensation payable to the Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services, and administrative expenses necessary or appropriate to carrying out the Committee's duties.
- c) The Committee may request and the Company shall use its best efforts to cause any of its or its subsidiaries directors, officers, employees, accountants, controller, external legal, financial or other professional advisors, or other contractors or consultants, to provide such information or assistance, attend any meeting of the Committee or to meet with any members of, or advisors to, the Committee as the Committee may reasonably request to carry out its duties and responsibilities.

- 5.2 *Advisors to the Committee.* The Committee may, without the prior approval or consent of the Board, conduct or authorize such investigations into or studies of matters within the scope of the authority and responsibilities of the Committee on such terms and conditions as the Committee may so determine, including as to the confidentiality of such investigations or studies or to preserve any privilege over any advice received. The Committee shall have the authority to retain such consultants, legal counsel and other advisors of the Committee's choice and at the Company's expense, as the Committee may consider necessary to assist it in carrying out its duties and responsibilities. Any such advisor may be any of the firms or persons who presently or in the past have represented the Company. The Company shall pay all fees and disbursements of any person or firm retained by the Committee.

## **6. Committee Evaluations**

- 6.1 *Committee Review.* The effectiveness of the Committee and its members in carrying out their duties and responsibilities will be assessed, not less frequently than annually, in accordance with such procedures as developed by the Corporate Governance and Compensation Committee and the results of that assessment will be reported to that committee and to the Board.
- 6.2 *Review of Charter.* The Committee shall review and assess the adequacy of this Charter on a regular basis and consider whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall report to the Corporate Governance and Compensation Committee regarding such review and assessment and, where appropriate, make recommendations to that committee for the alteration, modification or amendment of this Charter.
- 6.3 *Amendments of Charter.* This Charter may, at any time, and from time to time, be altered, modified or amended in such manner as may be approved by the Board.

Effective Date: June 13, 2017