



PLG:NYSE American
PTM:TSX

Platinum Group Metals Ltd.

Consolidated Financial Statements

(Expressed in thousands of United States Dollars unless otherwise noted)

For the year ended August 31, 2023

Filed: November 21, 2023

Management's Responsibility for Consolidated Financial Statements

The accompanying Consolidated Financial Statements of Platinum Group Metals Ltd (the "Company") are the responsibility of management. The Consolidated Financial Statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include certain estimates that reflect management's best judgments.

The Company's Board of Directors has approved the information contained in the Consolidated Financial Statements. The Board of Directors fulfills its responsibilities regarding the Consolidated Financial Statements mainly through its Audit Committee, which has a written mandate that complies with current requirements of Canadian securities legislation, United States securities legislation, and the United States Sarbanes-Oxley Act of 2002. The Audit Committee meets at least on a quarterly basis.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated Financial Statements for external reporting purposes in accordance with IFRS as issued by the IASB.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at August 31, 2023. In making its assessment, management has used the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the Company's internal control over financial reporting. Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as at that date.

The effectiveness of the Company's internal control over financial reporting as at August 31, 2023 has been audited by Price Waterhouse Coopers LLP, the Company's independent registered public accounting firm, as stated in their report, which appears herein.

/s/ Greg Blair

Greg Blair
Chief Financial Officer

/s/ Frank Hallam

Frank Hallam,
President, Chief Executive Officer



Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Platinum Group Metals Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Platinum Group Metals Ltd. and its subsidiaries (together, the Company) as of August 31, 2023 and 2022, and the related consolidated statements of loss and comprehensive loss, of changes in equity and of cash flows for each of the three years in the period ended August 31, 2023, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of August 31, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended August 31, 2023 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of impairment indicators for mineral properties

As described in Notes 2, 3 and 4 to the consolidated financial statements, the carrying amount of mineral properties is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (impairment indicators). The carrying amount of the Company's mineral properties was \$41.6 million as of August 31, 2023, which all related to the Waterberg project (the Project). Management applies judgment to assess whether there are impairment indicators present that give rise to the requirement to conduct an impairment test. Events or changes in circumstances that could trigger an impairment test include: (i) significant adverse changes in the business climate including decreases in forecasted future metal prices; (ii) significant changes in the extent or manner in which the assets are being used or their physical condition including significant decreases in mineral reserves; and (iii) significant decreases in the market price of the assets.



The principal considerations for our determination that performing procedures relating to the assessment of impairment indicators for mineral properties is a critical audit matter are that there was significant judgment by management when assessing whether there were indicators of impairment related to the Project, specifically related to assessing whether there were: (i) significant adverse changes in the business climate including decreases in forecasted future metal prices; (ii) significant changes in the extent or manner in which the asset is being used or its physical condition including significant decreases in mineral reserves; and (iii) significant decreases in the market price of the asset. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the judgments made by management in their assessment of impairment indicators that could give rise to the requirement to conduct an impairment test.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of impairment indicators for the Project. These procedures also included, among others, (i) evaluating whether there were significant adverse changes in the business climate including decreases in forecasted future metal prices by considering external market and industry data; (ii) evaluating whether there were any significant changes in the extent or manner in which the asset is being used or its physical condition by assessing any significant decreases in mineral reserves by considering any new mineral reserve and resource technical reports; and (iii) assessing whether there were significant decreases in the market price of the asset by considering any significant or prolonged declines in the Company's share price, and evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada

November 21, 2023

We have served as the Company's auditor since 2007.

PLATINUM GROUP METALS LTD.

Consolidated Statements of Financial Position
(in thousands of United States Dollars)

	August 31, 2023	August 31, 2022
ASSETS		
Current		
Cash and cash equivalents	\$ 6,989	\$ 12,330
Amounts receivable	215	382
Prepaid expenses	348	52
Total current assets	7,552	12,764
Performance bonds and other assets	235	190
Mineral properties (Note 4)	41,614	40,373
Property, equipment and other (Note 6)	620	352
Total assets	\$ 50,021	\$ 53,679
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 1,367	\$ 1,121
Total current liabilities	1,367	1,121
Asset retirement obligation	91	95
Share based liabilities (Note 10)	872	864
Lease liability (Note 9)	317	44
Total liabilities	\$ 2,647	\$ 2,124
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	\$ 937,040	\$ 934,976
Contributed surplus	33,761	32,077
Accumulated other comprehensive loss	(170,337)	(166,155)
Deficit	(774,735)	(768,397)
Total shareholders' equity attributable to shareholders of Platinum Group Metals Ltd.	\$ 25,729	\$ 32,501
Non-controlling interest (Note 11)	21,645	19,054
Total shareholders' equity	\$ 47,374	\$ 51,555
Total liabilities and shareholders' equity	\$ 50,021	\$ 53,679

Contingencies and Commitments (Note 13)
Subsequent Event (Note 20)

Approved by the Board of Directors and authorized for issue on November 21, 2023

/s/ Stuart Harshaw
Stuart Harshaw, Director

/s/ Diana Walters
Diana Walters, Director

PLATINUM GROUP METALS LTD.

Consolidated Statements of Loss and Comprehensive Loss
(in thousands of United States Dollars except share and per share data))

	Year Ended		
	August 31, 2023	August 31, 2022	August 31, 2021
Expenses			
General and administrative (Note 16)	\$ 3,894	\$ 4,341	\$ 5,121
Interest	-	1,650	5,066
Foreign exchange gain	(245)	(328)	(698)
Share of joint venture expenditures – Lion Battery (Note 5)	575	253	343
Stock based compensation expense	1,981	2,164	3,184
	\$ 6,205	\$ 8,080	\$ 13,016
Other Income			
Gain on fair value derivatives & other instruments	\$ -	\$ (12)	\$ (52)
Write-off due to prospecting right closures	-	223	-
Loss on partial repayment of debt and convertible notes	-	135	189
Gain on Sprott extension	-	-	(48)
Interest income	(584)	(176)	(97)
Loss for the year before income taxes	\$ 5,621	\$ 8,250	\$ 13,008
Deferred income tax expense (recovery) (Note 19)	42	(7)	55
Loss for the year	5,663	8,243	13,063
Items that may be subsequently reclassified to net loss:			
Currency translation adjustment	\$ 4,182	\$ 6,929	\$ (4,898)
Comprehensive loss for the year	\$ 9,845	\$ 15,172	\$ 8,165
Net loss attributable to:			
Shareholders of Platinum Group Metals Ltd.	\$ 5,663	\$ 8,243	\$ 13,063
	\$ 5,663	\$ 8,243	\$ 13,063
Comprehensive loss attributable to:			
Shareholders of Platinum Group Metals Ltd.	\$ 9,845	\$ 15,172	\$ 8,165
	\$ 9,845	\$ 15,172	\$ 8,165
Basic and diluted loss per common share	\$ 0.06	\$ 0.09	\$ 0.18
Weighted average number of common shares outstanding:			
Basic and diluted	99,939,254	89,586,083	71,912,296

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

PLATINUM GROUP METALS LTD.

Consolidated Statements of Changes in Equity
(in thousands of United States Dollars, except # of Common Shares)

	# of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Deficit	Attributable to Shareholders of the Parent Company	Non- Controlling Interest	Total
Balance August 31, 2020	64,095,073	\$ 861,890	\$ 28,278	\$ (164,124)	\$ (746,313)	\$ (20,269)	\$ 16,126	\$ (4,143)
Stock based compensation	-	-	2,921	-	-	2,921	-	2,921
Restricted share units redeemed	121,668	189	(281)	-	-	(92)	-	(92)
Share options exercised	843,543	2,301	(816)	-	-	1,485	-	1,485
Share issuance – financing	10,210,842	27,949	-	-	-	27,949	-	27,949
Share issuance costs	-	(1,546)	-	-	-	(1,546)	-	(1,546)
Contributions of Waterberg JV Co.	-	-	-	-	(395)	(395)	1,459	1,064
Currency translation adjustment	-	-	-	4,898	-	4,898	-	4,898
Net loss for the year	-	-	-	-	(13,063)	(13,063)	-	(13,063)
Balance August 31, 2021	75,271,126	\$ 890,783	\$ 30,102	\$ (159,226)	\$ (759,771)	\$ 1,888	\$ 17,585	\$ 19,473
Stock based compensation	-	-	2,896	-	-	2,896	-	2,896
Restricted share units redeemed	265,739	790	(790)	-	-	-	-	-
Share options exercised	158,333	360	(131)	-	-	229	-	229
Share issuance - financing	11,463,665	25,656	-	-	-	25,656	-	25,656
Shares issued to repay convertible debt	11,793,509	18,941	-	-	-	18,941	-	18,941
Share issuance costs	-	(1,554)	-	-	-	(1,554)	-	(1,554)
Contributions of Waterberg JV Co.	-	-	-	-	(383)	(383)	1,469	1,086
Currency translation adjustment	-	-	-	(6,929)	-	(6,929)	-	(6,929)
Net loss for the year	-	-	-	-	(8,243)	(8,243)	-	(8,243)
Balance August 31, 2022	98,952,372	\$ 934,976	\$ 32,077	\$ (166,155)	\$ (768,397)	\$ 32,501	\$ 19,054	\$ 51,555
Stock based compensation	-	-	2,179	-	-	2,179	-	2,179
Restricted share units redeemed	155,488	409	(449)	-	-	(40)	-	(40)
Share options exercised	60,667	128	(46)	-	-	82	-	82
Share issuance – financing	1,089,503	1,975	-	-	-	1,975	-	1,975
Share issuance costs	-	(448)	-	-	-	(448)	-	(448)
Contributions of Waterberg JV Co.	-	-	-	-	(675)	(675)	2,591	1,916
Currency translation adjustment	-	-	-	(4,182)	-	(4,182)	-	(4,182)
Net loss for the year	-	-	-	-	(5,663)	(5,663)	-	(5,663)
Balance August 31, 2023	100,258,030	\$ 937,040	\$ 33,761	\$ (170,337)	\$ (774,735)	\$ 25,729	\$ 21,645	\$ 47,374

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

PLATINUM GROUP METALS LTD.

Consolidated Statements of Cash Flows
(in thousands of United States Dollars)

	For the year ended		
	August 31, 2023	August 31, 2022	August 31, 2021
OPERATING ACTIVITIES			
Loss for the year	\$ (5,663)	\$ (8,243)	\$ (13,063)
Add items not affecting cash / adjustments:			
Depreciation	83	91	122
Interest expense	-	1,650	5,066
Unrealized foreign exchange gain	(340)	(645)	(1,058)
Gain on fair value of derivatives and other instruments	-	(12)	(52)
Loss on repayment of debt and convertible notes	-	135	(189)
Gain on extension of Sprott Facility	-	-	348
Deferred income tax expense	42	(7)	55
Stock compensation expense	1,981	2,164	3,184
Share of joint venture expenditures	575	253	343
Directors' fees paid in deferred share units	177	161	152
Write-off costs associated with prospecting right closure (Note 4)	-	223	-
Net change in non-cash working capital (Note 14)	(645)	(239)	(2,962)
	\$ (3,790)	\$ (4,469)	\$ (8,054)
FINANCING ACTIVITIES			
Proceeds from issuance of equity	\$ 1,975	\$ 25,869	\$ 27,949
Equity issuance costs	(448)	(1,555)	(1,546)
Cash received from option exercises	81	237	1,485
Share unit cash settlement	(40)	-	(151)
Sprott Facility principal repayments	-	(9,400)	(10,600)
Sprott Facility interest paid	-	(293)	(1,589)
Convertible note interest paid	-	(826)	(1,374)
Costs associated with repayment of debt and convertible debt	-	(126)	(318)
Lease payments made	(88)	(87)	(91)
Cash received from Waterberg partners	2,221	642	1,829
	\$ 3,701	\$ 14,461	\$ 15,594
INVESTING ACTIVITIES			
Performance bonds	\$ (53)	\$ (48)	\$ (43)
Investment in Lion	(575)	(250)	(350)
Expenditures incurred on Waterberg Project	(4,446)	(3,359)	(2,415)
	\$ (5,074)	\$ (3,657)	\$ (2,808)
Net (decrease) increase in cash	(5,163)	6,335	4,732
Effect of foreign exchange on cash	(178)	(64)	19
Cash, beginning of year	12,330	6,059	1,308
Cash, end of year	\$ 6,989	\$ 12,330	\$ 6,059

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

PLATINUM GROUP METALS LTD.

Notes to the Consolidated Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise specified except share and per share data)

1. NATURE OF OPERATIONS

Platinum Group Metals Ltd. (the “**Company**”) is a British Columbia, Canada company formed by amalgamation on February 18, 2002. The Company’s shares are publicly listed on the Toronto Stock Exchange in Canada and the NYSE American, LLC (“**NYSE American**”) in the United States of America. The Company is a development stage company conducting work on mineral properties it has staked or acquired by way of option agreements in the Republic of South Africa. Key metals of economic interest on the Company’s mineral properties include platinum, palladium, rhodium, gold, copper, and nickel.

The Company’s head office and principal place of business is located at Suite 838-1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6. The Company’s registered and records office is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada V6C 2B5.

These financial statements consolidate the accounts of the Company and its subsidiaries. Lion Battery Technologies Inc. (“**Lion**”) is accounted for using the equity method as the Company jointly controls Lion despite owning a majority of Lion’s shares. The Company’s subsidiaries, associates and joint ventures as at August 31, 2023 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			August 31, 2023	August 31, 2022
Platinum Group Metals (RSA) (Pty) Ltd.	Development	South Africa	100.00%	100.00%
Mnombo Wethu Consultants (Pty) Limited ⁽¹⁾	Development	South Africa	49.95%	49.95%
Waterberg JV Resources (Pty) Ltd. ^{(1),(2)}	Development	South Africa	37.05%	37.05%
Lion Battery Technologies Inc.	Research	Canada	52.30%	53.70%

Notes:

(1) The Company controls and consolidates Mnombo Wethu Consultants (Pty) Limited (“**Mnombo**”) and Waterberg JV Resources (Pty) Ltd. (“**Waterberg JV Co.**”) for accounting purposes.

(2) Effective ownership of Waterberg JV Co is 63.05% when Mnombo’s ownership portion is combined with Platinum Group Metals (RSA) (Pty) Ltd. (“**PTM RSA**”) ownership portion.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”). The consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities measured at fair value.

Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements throughout all years presented, as if these policies had always been in effect.

a. Consolidation

The consolidated financial statements include those of the Company, its subsidiaries, joint ventures and structured entities that it controls, using uniform accounting policies. Control exists when the Company has (i) power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee, and (iii) the ability to use its power to affect its returns.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company’s equity.

Subsidiaries are all entities over which the Company has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control

PLATINUM GROUP METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise stated except share and per share data)

ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation.

b. Translation of foreign currencies

Functional currency

Items included in the financial statements of the Company and each of the Company's subsidiaries and equity accounted investees are measured using the currency of the primary economic environment in which the entity operates (the functional currency) as follows:

Platinum Group Metals Ltd.	Canadian Dollars
Lion Battery Technologies Inc.	United States Dollars
Platinum Group Metals (RSA) (Pty) Ltd.	South African Rand
Mnombo Wethu Consultants (Pty) Limited	South African Rand
Waterberg JV Resources (Pty) Ltd	South African Rand

Presentation Currency

The Company's presentation currency is the United States Dollar ("USD").

Foreign Exchange Rates Used

The following exchange rates were used when preparing these consolidated financial statements:

Rand/USD

Year-end rate:	R18.8507(2022 R17.0760)
Year average rate:	R18.0700 (2022 R15.5782)

CAD/USD

Year-end rate:	C\$1.3531 (2022 C\$1.3111)
Year average rate:	C\$1.3469 (2022 C\$1.2720)

Transactions and balances

Foreign currency transactions are translated into the relevant entity's functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Subsidiaries

The results and financial position of subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date;
- income and expenses are translated at average exchange rates for the year; and
- all resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

c. Joint Arrangements

The Company treats its investment in Lion as a joint venture. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets. Joint ventures are accounted for using the equity method of accounting.

PLATINUM GROUP METALS LTD.

Notes to the Consolidated Financial Statements

For the year ended August 31, 2023

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d. Change in ownership interests

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration received is recognized in a separate line in retained earnings.

e. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Where an item of property, plant and equipment is comprised of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Once a mining project has been established as technically feasible and commercially viable, expenditure other than on land, buildings, plant and equipment is capitalised as part of “development assets” together with any related amount transferred from previously classified exploration and evaluation assets. Capitalization of costs incurred ceases when the asset is available for intended use, ie. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All repairs and maintenance are expensed to profit or loss during the financial period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal, retirement or scrapping of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Capital assets are recorded at cost and are depreciated on a straight-line basis over the following periods:

Leasehold Improvements	3-5 years
Computer Equipment and software	3-5 years
Furniture and Fixtures	5-10 years
Office Lease	5 years

f. Impairment

Tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company conducts internal reviews of asset values which are used to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors including market capitalization are also monitored to assess for indications of impairment.

If any such indication exists an estimate of the recoverable amount is undertaken, being the higher of an asset's fair value less costs to sell and its value in use. If the asset's carrying amount exceeds its recoverable amount, then an impairment loss is recognized.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally

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Notes to the Condensed Consolidated Interim Financial Statements

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determined as the present value of the estimated future cash flows expected to arise from the use of the asset, including any expansion prospects.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

g. Asset retirement obligations

Provisions for asset retirement obligations are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related disturbance occurs. The provision is discontinued using a risk-free pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over the future life of the asset to which it relates. The provision is adjusted on an annual basis for changes in cost estimates, discount rates and inflation.

h. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

i. Leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to the statement of operations and comprehensive income on a straightline basis over the lease term.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company then assesses (i) whether the contract involves the use of an identified asset, (ii) whether it has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and (iii) if it has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the consideration in the contract is allocated to each lease component proportionally on the basis of their relative standalone prices. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

As a lessee, the Company recognizes a right-of-use asset, which is included in Property Equipment and Other, and a right-of-use lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

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

j. Convertible Notes

At inception the debt component of the convertible notes is deemed to be the residual value of the net proceeds after the fair value of the embedded derivatives are separated. The debt component is then measured at amortized cost using the effective interest method. The embedded derivatives are revalued at each reporting period with the change in fair value being recorded in profit or loss in each reporting period.

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k. Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effect.

l. Share-based payment transactions

Stock options

Stock options are settled in equity. The fair values for stock-based awards have been estimated using the Black-Scholes model and recorded as compensation cost over the period of vesting. The compensation cost related to stock options granted is expensed or capitalized to mineral properties, as applicable. Cash received on exercise of stock options is credited to share capital and the related amount previously recognized in contributed surplus is reclassified to share capital.

Restricted share units

Restricted share units ("**RSUs**") represent an entitlement to one common share of the Company, upon vesting. RSUs provide the option of being settled in cash upon election by the Board of Directors. The fair value of RSUs granted is recognized as an expense over the vesting period and is measured at the time of grant.

Deferred share units

Deferred share units ("**DSUs**") are measured at fair value on grant date based on the market price of the Company's shares on the grant date. DSUs are settled in cash based on the market price of the Company's shares on the entitlement date (which is when the respective director ceases to be a director of the Company). The expense for DSUs is recognized over the vesting period and the DSUs are classified as a liability. DSU liabilities are adjusted at each financial position reporting date for changes in fair value. Fully vested DSUs are revalued based on the market price of the Company's shares on the final day of the respective reporting period with changes in fair value being recognized in share-based compensation expenses.

m. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax expense is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of loss and other comprehensive loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part

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of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

n. Loss per common share

Basic loss per common share is calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In periods when a loss is incurred, the effect of the potential issuances of shares is anti-dilutive, and accordingly basic and diluted loss per share are the same.

o. Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss, at fair value through other comprehensive income (loss), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and the debt's contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Derecognition of Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

p. Accounting Standards Adopted

Accounting standards issued but not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023 and apply to the Company for the 2024 fiscal year. These

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amendments are not expected to have any impact on the financial statements and are expected to have no significant impact on future financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires the use of judgments and estimates that affect the amount reported and disclosed in the consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. Information about such judgments and estimation is contained in the accounting policies and notes to the financial statements, and the key areas are summarized below.

Areas of judgment and key sources of estimation uncertainty that have the most significant effect on the amounts recognized in these consolidated financial statements are:

- Assessment of Impairment for Mineral Properties
- Assumption of control of Mnombo for accounting purposes

Each of these judgments and estimates is considered in their respective notes or in more detail below.

Assessment of Impairment for Mineral Properties

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

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

The Company has judged that it controls Mnombo for accounting purposes as it owns 49.9% of the outstanding shares of Mnombo and has contributed all material capital to Mnombo since acquiring its 49.9% share. Currently there are no other sources of funding known to be available to Mnombo. If in the future Mnombo is not deemed to be controlled by the Company, the assets and liabilities of Mnombo would be derecognized at their carrying amounts. Amounts recognized in other comprehensive income would be transferred directly to retained earnings. If a retained interest remained after the loss of control it would be recognized at its fair value on the date of loss of control. Although the Company controls Mnombo for accounting purposes, it does not have omnipotent knowledge of Mnombo's other shareholders activities. Mnombo's 50.1% shareholders are historically disadvantaged South Africans. The Company also determined that it controls Waterberg JV Co. given its control over Mnombo as well as its power over the investee.

4. MINERAL PROPERTIES

Since mid-2017, the Company's only active mineral property has been the Waterberg Project located on the Northern Limb of the Bushveld Igneous Complex.

Total capitalized costs for the Waterberg Project are as follows:

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Balance August 31, 2021	\$	43,953
Additions		2,968
Write-off costs associated with prospecting right closures		(223)
Foreign currency translation adjustment		(6,325)
Balance August 31, 2022	\$	40,373
Additions		4,900
Foreign currency translation adjustment		(3,659)
Balance August 31, 2023	\$	41,614

Waterberg Project

Ownership

On September 21, 2017, Waterberg JV Co. issued shares to acquire all existing Waterberg partner joint venture interests, resulting in 100% of the Waterberg prospecting rights being owned by Waterberg JV Co. Impala Platinum Holdings Ltd. ("**Implats**") subsequently acquired a 15% interest in Waterberg JV Co. on November 6, 2017 by way of the Implats Transaction (as defined below). Later, in March 2019 Japan Organization for Metals and Energy Security (formerly Japan Oil, Gas and Metals National Corporation) ("**JOGMEC**") completed the sale of a 9.755% interest in Waterberg JV Co. to Hanwa Co., Ltd ("**Hanwa**"). In June 2023 JOGMEC and Hanwa reported the establishment of a special purpose company, HJ Platinum Metals Ltd. ("**HJM**"), to hold and fund their future equity interests in the Waterberg Project. The combined interests of JOGMEC and Hanwa have been consolidated into a 21.95% interest for HJM going forward, with JOGMEC to fund 75% of future equity investments into HJM and Hanwa the remaining 25%.

The Company currently holds a controlling 50.02% interest in Waterberg JV Co., comprised of a direct 37.05% interest and an indirect 12.97% interest by way of its 49.9% shareholding in Black Economic Empowerment ("**BEE**") partner Mnombo. Mnombo owns a 26.0% direct interest in Waterberg JV Co., Implats a 15.0% direct interest, and HJM a 21.95% direct interest.

Mining Right

On January 28, 2021, the South African Department of Mineral Resources and Energy ("**DMRE**") issued a letter to Waterberg JV Co. notifying the Company that a mining right (the "**Waterberg Mining Right**") had been granted over the Waterberg Project area as applied for in 2018. The Waterberg Mining Right was notarially executed on April 13, 2021, was registered at the Mineral and Petroleum Titles Registration Office on July 6, 2021 and currently remains active.

Project Area and Location

At August 31, 2023, the Waterberg Project consisted of active prospecting rights, applied for prospecting rights and the Waterberg Mining Right with a combined active project area of 29,161 hectares, located on the Northern Limb of the Bushveld Igneous Complex, approximately 85 km north of the town of Mokopane. Of the total project area, 20,482 hectares are covered by the Waterberg Mining Right. On March 9, 2022, Waterberg JV Co. passed a resolution to apply for closure on 50,951 gross hectares of prospecting rights, of which 14,209 hectares are now held within the granted mining right, leaving a net 36,742 hectares of uneconomic prospecting rights closed or in process of being closed. Capitalized costs of \$223 associated with the prospecting right closures were written off during the previous year.

Appeals and Legal Matters

On and following March 5, 2021, three notices of appeal were filed by individual appellants against the January 28, 2021 granting of the Waterberg Mining Right. Waterberg JV Co. filed formal rebuttals to each action. On October 13, 2022, the Minister of the DMRE ruled to dismiss all these appeals. In his ruling

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the Minister provided the regulatory reasons why each appeal was denied and also confirmed the DMRE's assessment that Waterberg JV Co. has complied with BEE requirements and social and labour plan community consultation procedures.

On May 7, 2021, an opposition group filed an application for an order in the High Court of South Africa to review and set aside the decision by the Minister of the Department of Forestry, Fisheries and the Environment to refuse condonation for the late filing of that group's appeal against the grant of an EA for the Waterberg Mine in November 2020. The attorneys acting for Waterberg JV Co. filed a notice to oppose the application and required the group's legal counsel to file proof of the mandate to represent the appellant group. Since filing their review application, the appellants have done nothing to progress their action and their legal counsel has not filed a proof of mandate.

On July 30, 2021, a group located near planned surface infrastructure filed an urgent interdict application. Waterberg JV Co. promptly filed an answering affidavit denying urgency and arguing that the application was without merit. The applicants did not respond and were obliged to remove their application from the urgent court roll. Host community Ketting applied to join as an interested party to the application and another host community submitted a confirmatory affidavit, both communities being in support of the Waterberg Mine. In July 2022 Waterberg JV Co. filed a Notice of Set Down with the High Court in Limpopo and a hearing to rule on the interdict application occurred on May 22, 2023, at which hearing the court dismissed the urgent interdict application and ordered the applicants to pay costs to the defendants.

Implats Transaction

On November 6, 2017, the Company and JOGMEC closed a transaction (the "**Implats Transaction**"), whereby Implats purchased an aggregate 15% equity interest in Waterberg JV Co. for \$30 million. The Company sold an 8.6% interest for \$17.2 million and JOGMEC sold a 6.4% interest for \$12.8 million. As part of the transaction, Implats also acquired an option to increase its holdings in Waterberg JV Co. to 50.01% (the "**Purchase and Development Option**") in exchange for certain payments and project funding, and a right of first refusal to enter into an offtake agreement, on commercial arm's-length terms, for the smelting and refining of mineral products from the Waterberg Project ("**Offtake ROFR**") if Waterberg JV Co. proposes an offtake agreement with a third party. JOGMEC or its nominee retains a right to direct the marketing of Waterberg concentrate and to receive, at market prices, platinum, palladium, rhodium, gold, ruthenium, iridium, copper and nickel in refined mineral products at the volumes produced from the Waterberg Project.

On June 15, 2020, Implats delivered a formal notice of their election not to exercise their Purchase and Development Option due to increased economic uncertainty and reduced risk appetite in the short, medium and long-term as a result of the COVID-19 pandemic. Implats currently retains a 15.0% direct participating interest in Waterberg JV Co. and the Offtake ROFR.

Acquisition and Development of the Waterberg Project

In October 2009, PTM RSA, JOGMEC and Mnombo entered into a joint venture agreement regarding the Waterberg Project (the "**JOGMEC Agreement**"). Under the terms of the JOGMEC Agreement JOGMEC completed a \$3.2 million work requirement to earn a 37% interest in the Waterberg JV property, leaving the Company with a 37% interest and Mnombo with a 26% interest. Following JOGMEC's earn-in, the Company funded Mnombo's 26% share of costs, totalling \$1.12 million, until the earn-in phase of the joint venture ended in May 2012.

On November 7, 2011, the Company entered an agreement with Mnombo to acquire 49.9% of the issued and outstanding shares of Mnombo in exchange for a cash payment of R1.2 million and the Company's agreement to pay for Mnombo's 26% share of costs on the Waterberg JV property until the completion of a feasibility study. Mnombo's share of expenditures prior to this agreement, and Mnombo's share of expenditures post DFS, are still owed to the Company (\$8.7 million at August 31, 2023, including accrued interest). The portion of Mnombo not owned by the Company is accounted for as a non-controlling interest, calculated at \$8.5 million at August 31, 2023 (\$7.8 million – August 31, 2022).

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To August 31, 2023, an aggregate total of \$85.4 million has been funded by all parties for exploration and engineering on the Waterberg Project. Until the Waterberg prospecting rights were transferred to Waterberg JV Co., all costs incurred by other parties were treated as cost recoveries by the Company.

5. LION BATTERY TECHNOLOGIES INC.

Lion was incorporated on June 17, 2019, with the objective to research new lithium battery technology utilizing platinum and palladium. The Company received 400,000 common shares of Lion, valued at a price of \$0.01 per share, as the original founder of Lion. On July 12, 2019, the Company and Anglo American Platinum Limited ("**Amplats**") entered investment, shareholder and research agreements to facilitate Lion's objectives. Initially the Company and Amplats agreed to equally invest up to an aggregate of \$4.0 million into Lion and on July 6, 2021 the Company and Amplats agreed to increase the planned funding to Lion by a further \$2.73 million, to a total of up to \$6.73 million, in order to allow the acceleration of certain research and commercialization activities (see below). All agreed funding into Lion by the Company and Amplats is to be exchanged for preferred shares of Lion at a price of \$0.50 per share over an approximate three to five year period. Amplats and the Company have funded Lion equally for an aggregate \$4.15 million as of August 31, 2023 as follows:

Date	Gross Funding to Lion
July 2019	\$1,100
June 2020	\$700
February 2021	\$700
February 2022	\$500
February 2023	\$590
June 2023	\$560
Total	\$4,150

The Company accounts for Lion using equity accounting as Lion is jointly controlled with Amplats. Lion pays a fee of \$3 per month to the Company for general and administrative services.

Research Program - Florida International University

On July 12, 2019, Lion entered into a Sponsored Research Agreement ("**SRA**") with Florida International University ("**FIU**") to fund a \$3.0 million research program over approximately three years. On July 6, 2021 Lion agreed to increase the planned amount of research funding to FIU by a further amount of \$1.0 million, for a total of up to \$4.0 million. As the research developed and milestones were achieved further tranches have been forwarded to FIU with the sixth tranche of funding of \$350 being forwarded in June 2023. Lion has provided aggregate research funding in the amount of \$3.7 million to FIU as of August 31, 2023.

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

On June 21, 2023 the Company reported that Lion had engaged The Battery Innovation Center ("**BIC**") in Newberry, Indiana to help drive commercialization of its next generation lithium-sulfur and enhanced lithium-ion (NMC) technology using the unique catalytic properties of platinum and palladium. Under an agreed scope of work (the "**SOW**"), during late calendar 2023 and early 2024 BIC is to conduct independent small scale and large scale trials to validate Lion's proprietary platinum and palladium based

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electrode composition, slurry, and films in both lithium-sulfur and lithium-ion (NMC811) coin and pouch cells. The SOW also includes additional research and development focused on improving performance and scale-up with the goal of creating prototypes for commercialization consideration.

6. PROPERTY, EQUIPMENT AND OTHER

	Buildings		Other		Right to Use Asset		Total
August 31, 2021	\$	215	\$	73	\$	182	\$ 470
Additions		-		41		-	41
Disposals		-		(3)		-	(3)
Depreciation		(11)		(24)		(70)	(105)
Foreign Exchange		(32)		(12)		(7)	(51)
August 31, 2022	\$	172	\$	75	\$	105	\$ 352
Additions		-		94		312	406
Disposals		-		(4)		-	(4)
Depreciation		(10)		(31)		(66)	(107)
Foreign Exchange		(16)		(8)		(3)	(27)
August 31, 2023	\$	146	\$	126	\$	348	\$ 620

In 2023 the Company capitalized \$24 of depreciation to mineral properties (2022 - \$14)

7. SPROTT LOAN

In August, 2019, the Company entered a \$20 million senior secured credit facility (the “**Sprott Facility**”) with Sprott Private Resource Lending II (Collector), LP (“**Sprott**”) which was to mature on August 14, 2022, but was fully repaid in February 2022. During the year ended August 31, 2022, the Company repaid the then outstanding \$9.4 million principal balance recognizing a loss on settlement of \$279. During the year ended August 31, 2022, interest payments of \$293 were made and effective interest of \$378 was recognized. Upon full repayment of the Sprott Facility in February 2022, the Company’s pledge of its South African assets as security was fully released.

8. CONVERTIBLE NOTES

On June 30, 2017, the Company closed a private placement of \$20 million aggregate principal amount of convertible senior subordinated notes due in 2022 (the “**Convertible Notes**”). The Convertible Notes bore interest at a rate of 6 7/8% per annum, payable in cash or at the election of the Company, in common shares of the Company or a combination of cash and common shares. During the year ended August 31, 2022 effective interest of \$1,275 was recognized on the Convertible Notes.

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

9. LEASE

The Company recognizes lease liabilities and a right of use asset in relation to leases. The right to use asset is recorded in Property, equipment and other and is in relation to an office lease. The office lease was extended for five years during 2023. Lease payments due for leases with terms less than one year total \$31.

The following table summarizes the Company’s lease liabilities:

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As at	August 31, 2023	August 31, 2022
Balance, beginning of year	\$ 125	\$ 203
Additions	312	-
Accretion of interest	20	14
Payments	(88)	(87)
Foreign Exchange	(3)	(5)
Balance, End of year	\$ 365	\$ 125
Current (included in Accounts Payable)	48	81
Non-current	317	44
Balance, End of year	365	125

10. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Shares Issued

Fiscal 2023

On July 27, 2022, the Company entered into an equity distribution agreement with BMO Nesbitt Burns Inc. as Canadian Agent, and BMO as U.S. Agent, for a new at-the-market equity program (the "**2022 ATM**") to distribute up to \$50,000 of common shares. No common shares were sold pursuant to the 2022 ATM prior to August 31, 2022. In the year ended August 31, 2023 the Company sold 1,089,503 shares at an average price of \$1.81 for gross proceeds of \$1,975 and net proceeds of \$1,527 after share issuance costs of \$448 were deducted.

Fiscal 2022

During the year ended August 31, 2022, the Company sold an aggregate of 7,923,842 shares pursuant to an at-the-market offering governed by the terms of a February 2021 equity distribution agreement with BMO Capital Markets (the "**2021 ATM**"). The Company sold these shares at an average price of \$2.48 for gross proceeds of \$19,656. Total share issuance costs of \$1,554 were recognized during the year.

On February 11, 2022, the Company closed a non-brokered private placement with Deepkloof Limited ("**Deepkloof**"), a subsidiary of existing major shareholder Hosken Consolidated Investments Limited ("**HCI**") for 3,539,823 common shares at a price of \$1.695 each for gross proceeds of \$6,000 maintaining HCI's ownership in the Company at approximately 26% at that time.

On February 4 and 10, 2022, the Company issued 7,073,746 and 4,719,763 shares respectively at a price of \$1.695 each in connection with the repayment of the Convertible Notes (See Note 8 for further details).

(c) Incentive stock options

The Company has entered into Incentive share purchase option agreements under the terms of its share compensation plan with directors, officers, consultants and employees. Under the terms of the share purchase option agreements, the exercise price of each option is set, at a minimum, at the fair value of the common shares at the date of grant. Options of the Company are subject to vesting provisions. All exercise prices are denominated in Canadian Dollars.

The following tables summarize the Company's outstanding share purchase options:

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	Number of Share Options	Average Exercise Price in CAD
Options outstanding at August 31, 2021	3,808,521	\$ 3.96
Granted	1,273,000	\$ 2.36
Expired	(1,256,517)	\$ 4.08
Exercised	(158,333)	\$ 1.86
Options outstanding at August 31, 2022	3,666,671	\$ 3.45
Granted	1,358,000	\$ 2.36
Forfeited	(170,167)	\$ 3.20
Exercised	(60,667)	\$ 1.81
Options outstanding at August 31, 2023	4,793,837	\$ 3.17

In fiscal 2023, the weighted average share price when options were exercised was \$2.31 (2022 \$1.91).

Number Outstanding at August 31, 2023	Number Exercisable at August 31, 2023	Exercise Price in CAD	Average Remaining Contractual Life (Years)
937,000	644,778	\$ 6.58	2.30
99,000	66,000	\$ 3.90	2.94
42,000	14,000	\$ 3.40	3.06
601,836	666,836	\$ 2.61	0.61
21,000	7,000	\$ 2.52	3.50
1,113,000	-	\$ 2.37	4.09
1,135,000	388,333	\$ 2.32	3.29
200,000	-	\$ 2.28	4.69
645,001	645,001	\$ 1.81	1.26
4,793,837	2,431,948		2.72

During the year ended August 31, 2023, the Company granted 1,158,000 share purchase options, which will vest in three tranches on the first, second and third anniversary of the grant. A further 200,000 share purchase options were issued with 50,000 vesting September 8, 2023 and 150,000 vesting when certain performance conditions are met.

During the year ended August 31, 2022, the Company granted 1,273,000 share purchase options, which will vest in three tranches on the first, second and third anniversary of their respective grants.

During the year ended August 31, 2023, the Company recorded \$1,757 of stock compensation expense (August 31, 2022 - \$2,278) related to share purchase options, of which \$1,649 was expensed (August 31, 2022 - \$2,103) and \$108 was capitalized to mineral properties (August 31, 2022 - \$175).

The Company used the Black-Scholes model to determine the grant date fair value of share purchase options granted. The following assumptions were used in valuing share purchase options granted during the years ended August 31, 2023 and August 31, 2022:

Year ended	August 31, 2023	August 31, 2022
Risk-free interest rate	3.45%	1.18%
Expected life of options	3.9 years	3.5 years
Annualized volatility ¹	89%	87%
Forfeiture rate	0.6%	2.0%
Dividend rate	0.0%	0.0%

¹The Company uses its historical volatility as the basis for the expected volatility assumption in the Black Scholes option pricing model.

PLATINUM GROUP METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise stated except share and per share data)

(d) Deferred Share Units

The Company has established a deferred share unit (“DSU”) plan for non-executive directors. Each DSU has the same value as one Company common share. DSUs must be retained until the director leaves the Board of Directors, at which time the DSUs are redeemed.

During the year ended August 31, 2023, director fees of \$178 (August 31, 2022 - \$161) were paid by the issuance of DSU’s. A recovery of \$143 (August 31, 2022 - \$483) was recorded in share based compensation for the revaluation of fully vested DSU’s.

At August 31, 2023 a total of 715,191 DSUs were issued and outstanding.

(e) Restricted Share Units

The Company has established a restricted share unit (“RSU”) plan for officers and certain employees of the Company. Each RSU represents the right to receive one Company common share following the attainment of vesting criteria determined at the time of the award. RSUs vest over a three-year period.

During the year ended August 31, 2023, a stock compensation expense of \$496 was recorded (August 31, 2022 - \$611) of which \$476 was expensed (August 31, 2022 - \$544) and \$20 was capitalized (August 31, 2022 - \$67). During the year ended August 31, 2023 the Company issued 274,649 RSUs which vest evenly on the first, second and third anniversary of issuance. At August 31, 2023, 435,239 RSUs were issued and outstanding, with Nil being vested.

11. NON-CONTROLLING INTEREST

Company	Proportion of ownership and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2023	2022	2023	2022	2023	2022
Mnombo Wethu Consultants (Pty) Limited	50.1%	50.1%	-	-	\$ 8,503	\$ 7,828
Waterberg JV Co ¹	63.05%	63.05%	-	-	13,142	11,226
				Total	\$21,645	\$ 19,054

¹Includes the 26% owned by Mnombo

12. RELATED PARTY TRANSACTIONS

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

- During the year ended August 31, 2023, \$314 (August 31, 2022 - \$314) was paid or accrued to independent directors for directors’ fees and services.
- During the year ended August 31, 2023, the Company paid or accrued payments of \$53 (August 31, 2022 - \$57) from West Vault Mining Inc., for accounting and administrative services. The Company and West Vault Mining have one officer in common.
- In May 2018, Deepkloof made a strategic investment in the Company by way of participation in a public offering and a private placement. Through the terms of the May 2018 private placement, HCI acquired a right to nominate one person to the board of directors of the Company and a right to participate in future equity financings of the Company to maintain its pro-rata interest. HCI has exercised its right to nominate one person to the board of directors. As of August 31, 2023, HCI’s ownership of the Company was reported at 24,837,349 common shares, representing a 24.8%

PLATINUM GROUP METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise stated except share and per share data)

interest in the Company. Subsequent to year end, HCI subscribed to a private placement of 2,118,645 common shares at US\$1.18 per share for gross proceeds to the Company of \$2.5 million, (see Subsequent Events (Note 20) for further details).

- (d) During the year ended August 31, 2022, the Company purchased and cancelled, on a private placement basis, the outstanding principal balance of \$8 million of the Convertible Notes from affiliates of Franklin Templeton Investments (See Note 7 for further details).

Key Management Compensation

The remuneration the CEO, CFO and other key management personnel and the directors during the years ended August 31, 2023 to 2021 is as follows:

Year ended	August 31, 2023	August 31, 2022	August 31, 2021
Salaries	\$ 889	\$ 899	\$ 1,236
Severance ¹	-	-	828
Directors' fees	314	289	241
Share-based payments – management	1,359	1,882	2,556
Share-based payments – directors ²	14	(465)	617
Total	\$ 2,576	\$ 2,605	\$ 5,478

¹During fiscal 2021, the Company's former President and CEO resigned from the Company.

²Share-based payments – directors, includes the revaluation of fully vested DSU's

13. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements in Canada and South Africa total approximately \$574 to February 2029.

From year end the Company's aggregate commitments are as follows:

Payments Due by Year					
	< 1 Year	1 – 3 Years	4 – 5 Years	> 5 Years	Total
Lease Obligations	\$ 118	\$ 284	\$ 151	\$ -	\$ 553
Environmental Bonds	43	129	86	-	258
Totals	\$ 161	\$ 413	\$ 237	\$ -	\$ 811

Africa Wide Legal Action - Dismissed

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

In September 2018, Africa Wide instituted legal proceedings in South Africa against PTM RSA, RBPlat and Maseve seeking to set aside the sale of Maseve. A trial to hear evidence occurred in the High Court of South Africa in October, 2021. On June 14, 2022, the High Court dismissed Africa Wide's challenge. Africa Wide appealed the ruling, which was ultimately dismissed by the South Africa Supreme Court of Appeal on November 10, 2022. Africa Wide was ordered to make payment of the defendants' costs.

On July 10, 2023, the Company received notice that Africa Wide had applied to the President of the Supreme Court of Appeal for a reconsideration of the November 10, 2022 ruling of the Supreme Court of Appeal. On October 6, 2023, the South African Supreme Court of Appeal dismissed Africa Wide's application, ruling that no exceptional circumstances warranting reconsideration or variation of the decision refusing their application for leave to appeal were established. Africa Wide was again ordered to pay costs. The Company has made no accruals for the awards of costs due to the uncertainty of the

PLATINUM GROUP METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise stated except share and per share data)

recoverable amount.

14. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital:

Year ended	August 31, 2023	August 31, 2022
Amounts receivable, prepaid expenses and other assets	\$ (172)	\$ (173)
Accounts payable and other liabilities	(473)	(66)
	\$ (645)	\$ (239)

15. SEGMENTED REPORTING

Segmented information is provided on the basis of geographical segments as the Company manages its business through two geographical regions – Canada and South Africa. The Chief Operating Decision Maker (“**CODM**”) reviews information from the below segments separately so the below segments are separated.

The Company evaluates performance of its operating and reportable segments as noted in the following table:

At August 31, 2023	Assets	Liabilities
Canada	\$ 5,787	\$ 2,213
South Africa	44,234	434
	\$ 50,021	\$ 2,647

At August 31, 2022	Assets	Liabilities
Canada	\$ 12,037	\$ 1,777
South Africa	41,642	347
	\$ 53,679	\$ 2,124

Loss for the year ended	August 31, 2023	August 31, 2022
Canada	\$ 5,016	\$ 6,965
South Africa	647	1,278
	\$ 5,663	\$ 8,243

PLATINUM GROUP METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise stated except share and per share data)

16. GENERAL AND ADMINISTRATIVE EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES	Year Ending August 31, 2023	Year Ending August 31, 2022	Year Ending August 31, 2021
Salaries and benefits	\$ 1,220	\$ 1,594	\$ 1,794
Legal	320	754	505
Technical consulting fees	549	364	405
Accounting	383	317	331
Insurance	353	368	311
Regulatory fees	209	276	252
Shareholder relations	184	108	235
Depreciation	83	91	122
Travel	282	196	96
Severance	-	-	828
Other	311	273	242
Total	\$ 3,894	\$ 4,341	\$ 5,121

17. CAPITAL RISK MANAGEMENT

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of share capital, contributed surplus, accumulated other comprehensive loss and accumulated deficit.

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

In order to facilitate the management of its capital requirements, the Company regularly updates the Board of Directors with regard to budgets, forecasts, results of capital deployment and general industry conditions. The Company does not currently declare or pay out dividends.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. As required by IFRS 13, Fair Value Measurement, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are unobservable (supported by little or no market activity).

The fair values of the Company's cash and cash equivalents, trade and other payables approximate their carrying values, which are the amounts recorded on the consolidated statement of financial position, due to their short-term nature. The Company's other liabilities are categorized as Level 2

Risk Management

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks.

PLATINUM GROUP METALS LTD.

Notes to the Consolidated Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise specified except share and per share data)

(a) *Credit risk*

Credit risk arises from the risk that the financial asset counterparty, may default or not meet its obligations timeously. The Company minimizes credit risk by monitoring the reliability of counterparties to settle assets. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets.

(i) *Cash*

In order to manage credit and liquidity risk the Company holds cash only with Canadian chartered and South African banks. The Company limits its exposure to credit loss by placing the majority of its cash and cash equivalents with two major financial institutions in Canada and South Africa and investing only in short-term obligations that are guaranteed by the Canadian government or by Canadian and US chartered banks with expected credit losses estimated to be de minimus.

(ii) *Performance Bonds*

In order to explore and develop its properties in South Africa, the Company was required to post performance bonds as financial guarantees against future reclamation work. These funds are held with Standard Bank of South Africa Limited with the DMR as beneficiary in accordance with the Mineral and Petroleum Resources Development Act (the “MPRDA”) and the Company’s environmental management programme.

(b) *Liquidity risk*

The Company has in place a planning and budgeting process to help determine the funds required to support the Company’s normal operating requirements and its exploration and development plans. The Company regularly updates the Board of Directors with regard to budgets, forecasts, results of capital deployment and general industry conditions.

The Company may be required to source additional financing by way of private or public offerings of equity or debt or the sale of project or property interests in order to have sufficient cash to make debt repayments and working capital for continued exploration on the Waterberg Projects, as well as for general working capital purposes.

Any failure by the Company to obtain additional required financing on acceptable terms could cause the Company to delay development of its material projects or could result in the Company being forced to sell some of its assets on an untimely or unfavourable basis. Any such delay or sale could have a material and adverse effect on the Company’s financial condition, results of operations and liquidity.

(c) *Currency risk*

The Company’s functional currency is the Canadian dollar, while the consolidated presentation currency is the United States Dollar. The functional currency of all South African subsidiaries is the Rand, while the functional currency of Lion is the US Dollar. The Company’s operations are in both Canada and South Africa; therefore, the Company’s results are impacted by fluctuations in the value of foreign currencies in relation to the Rand and Canadian and United States dollars. The Company’s significant foreign currency exposures on financial instruments comprise cash, accounts payable and accrued liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The Company is exposed to foreign exchange risk through the following financial instruments denominated in a currency other than Canadian dollars:

PLATINUM GROUP METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise stated except share and per share data)

Year ended	August 31, 2023	August 31, 2022
Cash (Rand)	\$ 1,918	\$ 1,527
Cash (USD)	4,934	10,689
Accounts receivable (Rand)	176	250
Accounts payable (Rand)	434	347

The Company's comprehensive loss is affected by changes in the exchange rate between its operating currencies and the United States dollar. At August 31, 2023, based on this exposure a 10% strengthening/weakening in the United States dollar versus Rand foreign exchange rate and Canadian dollar would give rise to a decrease/increase in comprehensive loss for the year presented of approximately \$4.6 million, (August 31, 2022 - \$4.6 million).

(d) Interest rate risk

The Company's interest income earned on cash and on short term investments is exposed to interest rate risk. At August 31, 2023, based on this exposure an increase/decrease of 1% (eg. 4% to 5%) in the average interest rate would give rise to an increase/decrease in the net loss for the year of approximately \$97.

At August 31, 2023, the carrying amounts of cash, amounts receivable, performance bonds and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

19. INCOME TAXES

The income taxes shown in the consolidated earnings differ from the amounts obtained by applying statutory rates to the earnings before provision for income taxes due to the following:

	2023	2022	2021
Loss before income taxes	\$ 5,621	\$ 8,250	\$ 13,008
Income tax recovery at statutory rates	(1,518)	(2,227)	(3,512)
Difference of foreign tax rates	(7)	(13)	19
Non-deductible expenses and non-taxable portion of capital gains	921	983	1,061
Changes in unrecognized deferred tax assets and other	646	1,250	2,487
Income tax expense (recovery)	42	(7)	55
Income tax (recovery) expense consists of:			
Current income taxes	\$ -	\$ -	\$ -
Deferred income taxes	42	(7)	55
	\$ 42	\$ (7)	\$ 55

The gross movement on the net deferred income tax account is as follows:

	2023	2022	2021
Deferred tax liability at the beginning of the year	\$ -	\$ -	\$ -
Tax recovery (expense) relating to the loss from continuing operations	(42)	-	(55)
Tax recovery relating to components of other comprehensive loss	42	(7)	55
Tax recovery recorded in deficit	-	-	-
Deferred tax liability at the end of the year	\$ -	\$ -	\$ -

PLATINUM GROUP METALS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the year ended August 31, 2023

(in thousands of United States Dollars unless otherwise stated except share and per share data)

The significant components of the Company's net deferred income tax liabilities are as follows:

	2023	2022	2021
Convertible notes	\$ -	\$ -	\$ (389)
Loans payable	-	-	(180)
Mineral properties	(2,090)	(2,241)	(2,597)
Loss carry-forwards	2,090	2,241	3,166
	\$ -	\$ -	\$ -

Unrecognized deductible temporary differences, unused tax losses and unused tax credits are attributed to the following:

	2023	2022	2021
<u>Tax Losses:</u>			
Operating loss carry-forwards – Canada	\$ 158,670	\$ 159,298	\$ 158,619
Operating loss carry-forwards – South Africa	133,524	103,917	35,958
Net capital loss carry-forwards	-	-	-
	\$ 292,194	\$ 263,215	\$ 194,577
<u>Temporary Differences:</u>			
Mineral properties	\$ 7,394	\$ 7,632	\$ 7,931
Financing Costs	1,948	2,993	3,611
Property, plant and equipment	675	697	728
Other	1,111	866	800
	\$ 11,128	\$ 12,188	\$ 13,070

The Company's Canadian operating loss carry-forwards expire between 2026 and 2040. The Company's South African operating loss carry-forwards do not expire. The Company's Canadian unused investment tax credit carry-forwards expire between 2029 and 2035. The Company's Canadian net capital loss carry-forwards do not expire.

20. SUBSEQUENT EVENT

On September 18, 2023, the Company announced it had completed a private placement of 2,118,645 shares at a price of US\$1.18 per common share resulting in gross proceeds of \$2.5 million to the Company. The private placement was subscribed for and issued to existing major shareholder HCI who following the placement held 26.3% of the Company's common shares.



PLG:NYSE American
PTM:TSX

Platinum Group Metals Ltd.

(A Development Stage Company)

Supplementary Information and Management's Discussion and Analysis

For the year ended August 31, 2023

This Management's Discussion and Analysis is prepared as of November 21, 2023

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("**MD&A**") of Platinum Group Metals Ltd. ("**Platinum Group**", the "**Company**" or "**PTM**") is dated as of November 21, 2023, and focuses on the Company's financial condition, cash flows and results of operations as at and for the year ended August 31, 2023. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2023, together with the notes thereto (the "**Financial Statements**").

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

PRELIMINARY NOTES

Note Regarding Forward-Looking Statements

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

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

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

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

- the Company's additional financing requirements;
- the effect of future debt financing on the Company and its financial condition;
- the Company's history of losses and expectations that will continue to incur losses until the Waterberg Project reaches commercial production on a profitable basis, which may never occur;
- the Company's negative operating cash flow;
- uncertainty of estimated mineral reserve and mineral resource estimates, production, development plans and cost estimates for the Waterberg Project;
- the Company's ability to bring properties into a state of commercial production;
- the potential impact of international conflict and geopolitical tensions and events on the Company;

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

- delays in obtaining, or a failure to obtain, permits necessary for current or future operations or failures to comply with the terms of such permits;
- any adverse decision in respect of the Company's mineral rights and projects in South Africa under the Mineral and Petroleum Resources Development Act of 2002 (the "**MPRDA**");
- risks of doing business in South Africa, including but not limited to, labour, economic and political instability and potential changes to and failures to comply with legislation;
- the failure to maintain or increase equity participation by historically disadvantaged South Africans in the Company's prospecting and mining operations and to otherwise comply with the Amended Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, 2018 (the "**Mining Charter 2018**");
- certain potential adverse Canadian tax consequences for foreign-controlled Canadian companies that acquire common shares of the Company ("**Common Shares**");
- socio economic instability in South Africa or regionally, including risks of resource nationalism;
- labour disruptions and increased labour costs;
- interruptions, shortages or cuts in the supply of electricity or water;
- characteristics of and changes in the tax and royalties systems in South Africa;
- a change in community relations;
- South African foreign exchange controls impacting repatriation of profits;
- land restitution claims or land expropriation;
- restriction on dividend payments;
- the risk that the Common Shares may be delisted;
- volatility in the price of the Common Shares;
- the exercise or settlement of stock options, restricted share units, or warrants resulting in dilution to the holders of Common Shares;
- future sales of equity securities decreasing the value of the Common Shares, diluting investors' voting power, and reducing our earnings per share;
- enforcing judgements based on the civil liability provisions of United States federal securities laws;
- pandemics and other public health crises;
- global financial conditions;
- government imposed shutdowns or expense increases;
- water license risks; and
- other risks disclosed under the heading "Risk Factors" in this MD&A and in the Company's Annual Information Form for the year ended August 31, 2023 ("**2023 AIF**") and annual report on Form 40-F for the year ended August 31, 2023 as filed with the United States Securities and Exchange Commission ("**2023 40-F**").

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

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

Legislation and Mining Charter 2018

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

For a comprehensive discussion of Mining Charter 2018 and the Generic BEE Codes, please refer to the section entitled "Risk Factors" in the 2023 AIF and the separate 2023 40-F, which was also filed by the Company, as well as in the documents incorporated by reference therein. The 2023 AIF and the 2023 40-F may be found on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

Mineral Reserves and Resources

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

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

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

Technical and Scientific Information

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

Non-GAAP Measures

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

1. DESCRIPTION OF BUSINESS

Overview

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

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

On September 21, 2017, Waterberg JV Co. issued shares to all existing Waterberg partners pro rata to their joint venture interests, resulting in the Company holding a 45.65% direct interest in Waterberg JV Co., Japan Organization for Metals and Energy Security (formerly Japan Oil, Gas and Metals National Corporation) ("**JOGMEC**") holding a 28.35% interest and Mnombo, as the Company's BEE partner, holding 26%. Later, in March 2019, JOGMEC completed the sale of a 9.755% interest in the Waterberg JV Co. to Hanwa Co., Ltd. ("**Hanwa**").

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

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

The Waterberg DFS Update, which will include an update to the September 4, 2019 independent mineral resource and mineral reserve estimates, is currently in process and is described more fully below.

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

a Deed of Adherence, agreeing to be bound by the Waterberg JV Co, Shareholders' Agreement and Memorandum of Incorporation.

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

Lion Battery Technologies Inc.

On July 12, 2019, the Company, together with an affiliate of Anglo American Platinum Limited ("**Amplats**"), launched a venture through a jointly owned company, Lion Battery Technologies Inc. ("**Lion**"), to accelerate the development of next generation battery technology using platinum and palladium. The Company received 400,000 common shares of Lion, valued at a price of \$0.01 per share, as the original founder of Lion. Under the terms of an investment agreement, both the Company and Amplats were to equally invest up to an aggregate of \$4.0 million into Lion, of which approximately \$1.0 million would be for general and administrative expenses and the commercialization of the technology developed, subject to certain conditions. On July 6, 2021, the Company and Amplats agreed to increase the planned funding to Lion by a further \$2.7 million, to a total of up to \$6.7 million, in order to allow the acceleration of certain research and commercialization activities. All agreed funding into Lion by the Company and Amplats is to be in exchange for preferred shares of Lion at a price of \$0.50 per share over an approximate three to five year period.

On July 12, 2019, the Company and Amplats each invested \$550,000 as a first tranche of funding into Lion in exchange for 1,100,000 Lion preferred shares each. In addition to the initial investment, over the next four years an aggregate of \$3.35 million was invested by the Company and Amplats (\$1.675 million each) with 6.1 million shares in aggregate issued to the Company and Amplats (3.05 million shares each). During fiscal 2023 and included in the preceding, the Company and Amplats each invested \$575,000 for 1.15 million shares each. At August 31, 2023, the Company owned a 52.30% interest in Lion. If the Company should fail to contribute its share of a required subscription to Lion, it would be in breach of its investment agreement with Lion and Amplats and its interest in Lion may be subject to dilution.

On July 12, 2019, Lion entered into an agreement (the "**Sponsored Research Agreement**") with Florida International University ("**FIU**") to fund a \$3.0 million research program over approximately a three-year period utilizing platinum and palladium to unlock the potential of Lithium Air and Lithium Sulphur battery chemistries to increase their discharge capacities and cyclability. On July 6, 2021 Lion agreed to increase the planned amount of research funding to FIU by a further amount of \$1.0 million, for a total of up to \$4.0 million. Under the Sponsored Research Agreement, Lion will have exclusive rights to all intellectual property developed and will lead all commercialization efforts. Since 2019 Lion has funded FIU a total of \$3.7 million with \$850,000 funded in fiscal 2023.

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

During calendar year 2022 and into 2023, Company and FIU personnel held discussions with industry recognized third party battery specialists regarding Lion's intellectual property and patented technology. In December 2022 and March 2023, Company and FIU personnel visited two separate industrial battery laboratories. On June 21, 2023, the Company reported

that Lion had engaged The Battery Innovation Center (“**BIC**”) in Newberry, Indiana to help drive commercialization of its next generation lithium-sulfur and enhanced lithium-ion (NMC) technology using the unique catalytic properties of platinum and palladium. Under an agreed scope of work (the “**SOW**”), BIC is to conduct independent small scale and large scale trials to validate Lion’s proprietary platinum and palladium based electrode composition, slurry, and films in both lithium-sulfur and lithium-ion (NMC811) coin and pouch cells. The SOW also includes additional research and development focused on improving performance and scale-up with the goal of creating prototypes for commercialization consideration.

Personnel

The Waterberg Project is operated by the Company primarily utilizing its own staff and personnel. Contract drilling, geotechnical, engineering and support services are also utilized as required. The Company’s complement of managers, staff, and technical personnel currently consists of 8 individuals in South Africa and 5 individuals in Canada. Platinum Group Metals (RSA) Proprietary Limited, the wholly-owned South African subsidiary of the Company (“**PTM RSA**”) and Waterberg JV Co. also utilize contract services from a professional security firm as well as consultants and temporary workers from time to time. At present, in addition to the 8 individuals described above, two specialized consultants are currently engaged in South Africa to assist with the implementation and execution of the Waterberg Social and Labour Plan (“**Waterberg SLP**”) as well as community communication and engagement activities.

2. PROPERTIES

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

For more information on mineral properties, see below and Note 4 of the Financial Statements.

WATERBERG PROJECT

Recent Activities

During the year ended August 31, 2023, approximately \$4.9 million in expenditures were capitalized at the Waterberg Project for work carried out pursuant to the Initial Budget (as defined below). This work included infill and geotechnical drilling, mineral resource geology, feasibility engineering, infrastructure engineering and surveying. Baseline environmental monitoring studies continue. Work is also being carried out to identify, delineate and assess local deposits of calcrete and other aggregate materials (“**Construction Aggregate**”) that may be suitable for road building and infrastructure pad foundations. Work on community engagement and components of the Waterberg SLP are also underway.

As of August 31, 2023, \$41.6 million in accumulated net costs had been capitalized to the Waterberg Project. Total expenditures on the property since inception from all investor sources to August 31, 2023 are approximately \$85.4 million.

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

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

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

As a precursor to the Waterberg DFS Update, under the Initial Budget an infill drilling program (“**Infill Drill Program**”) commenced in early November 2022 targeting near surface, modelled inferred mineral resource blocks that had good potential for conversion to higher confidence levels, which might allow them to be added to early mine plans, potentially reducing early capital expenditure and the period to first mining. The Infill Drill Program was successfully completed in February 2023 and consisted of 16 T Zone NQ boreholes and 16 F Zone NQ boreholes. Details and assay results from the Infill Drill Program can be found in news releases dated January 26, 2023 and March 30, 2023 respectively. Mineralized material recovered from the Infill Drill Program has been assayed and was also utilized to produce a sample concentrate for further metallurgical study. The waste rock material remaining after assaying and sample concentrate production is to be processed to determine dry-stack tailings characteristics. If dry stack tailings methods are implemented in the Waterberg DFS Update, estimated mine water consumption could be reduced by 40% to 50%.

During May 2023, Waterberg JV Co. also completed the drilling of one exploration borehole WE153 on prospecting rights owned by Waterberg JV Co. located adjacent to the north of the Waterberg Mining Right (as defined below). The borehole collar was positioned along a projected strike line approximately 16 km north from the area of delineated T Zone mineral resources and approximately 8 km north from the area of delineated F Zone mineral resources. Borehole WE153 was drilled to a depth of 2,044.35 meters. At a depth of 1,272.98 meters WE153 intercepted 7.02 meters of mineralized T Zone displaying approximately 2% to 4% blebby copper, nickel, and iron sulphides. At a depth of 1,972.19 meters WE153 intercepted an F Zone intercept of 9.42 meters displaying approximately 2% to 4% blebby copper, nickel, and iron sulphides. After a depth of 1,981.61 meters, only sporadic sulphides were observed. Before closing the hole one T Zone deflection D1 was also drilled. The drill core was logged, and the mineralized intercepts recovered were sampled and sent for assay by Intertek Genalysis Minerals in Australia.

Assay results for borehole WE153 were reported in a news release dated May 17, 2023. Results from borehole WE153 for the T Zone were strong and for the F Zone were weak but do indicate the F Zone is present. The results from borehole WE153 support the hypothesis that the T Zone and F Zone continue for a significant distance northward from the known southern deposit area, indicating a future opportunity to delineate additional mineral resources that may be accessible from planned underground mine development.

As of the date of this MD&A the board of directors of Waterberg JV Co. and its shareholders are in process to approve funding in the amount of R29.8 million (approx. \$1.62 million at November 17, 2023) for a third stage of work (the “Stage Three Budget”) covering approximately a six month period from September 2023 to February 2024. The Stage Three Budget is intended to fund work activities currently underway, including completion of the Waterberg DFS Update, and normal project maintenance. Funding for the balance of the Work Program, for approximately R241.3 million (approx. \$13.1 million as at November 17, 2023), will be considered as a stage four budget in February 2024, after the Waterberg DFS Update has been assessed in the context of prevailing market conditions in 2024.

History of Acquisition

In 2007, PTM RSA began the application process for prospecting rights over the Waterberg area located on the Northern Limb of the Bushveld Igneous Complex, approximately 70 km north of the town of Mokopane, eventually acquiring prospecting rights over two adjacent areas known as the Waterberg JV Property and the Waterberg Extension Property. In September 2009, PTM RSA, JOGMEC and Mnombo entered a joint venture agreement whereby JOGMEC could earn up to a 37% participating interest in the Waterberg JV Property while at the same time Mnombo could earn a 26% participating interest in exchange for matching JOGMEC’s expenditures on a 26/74 basis. On November 7, 2011, the Company executed an agreement with Mnombo’s shareholders to acquire 49.9% of the issued and outstanding shares of Mnombo. Effective in May 2015, the Waterberg JV Property and the Waterberg Extension Property were consolidated into the singular Waterberg Project and in September, 2017 the Waterberg Project prospecting rights were transferred into Waterberg JV Co. On November 6, 2017, the Company and JOGMEC closed the Implats Transaction and Implats acquired a 15% interest in Waterberg JV Co. and the right to match third-party offtake terms under the Offtake ROFR. In March 2019, JOGMEC completed a transfer of 9.755% of its 21.95% interest in Waterberg JV Co. to Hanwa. Under the terms of the transaction,

Hanwa also acquired the exclusive right to purchase some, or all of the metals produced from the Waterberg Project at market prices. On May 10, 2022, JOGMEC confirmed and later announced its intention to maintain JOGMEC's interests in the Waterberg Project and to support funding contributions for project development to the extent possible. On June 9, 2023, it was announced that JOGMEC and Hanwa established HJM to hold and fund their future equity interests in the Waterberg Project.

In calendar year 2021, Waterberg JV Co. filed for the closure of several uneconomic prospecting rights. Afterwards, in early 2022, the Waterberg Project comprised an aggregate of approximately 65,903 hectares of active prospecting rights and rights under application, including 20,482 hectares covered by the Waterberg Mining Right. During 2022, Waterberg JV Co. filed for closure on further 50,951 gross hectares of prospecting rights, of which 14,209 hectares were held within the granted mining right, leaving a net 36,742 hectares of uneconomic prospecting rights to be terminated. Once all the closure applications become effective, the project area will cover approximately 29,161 hectares, being comprised of the Waterberg Mining Right covering 20,482 hectares, 4,190 hectares in active prospecting rights and 4,489 hectares of rights under application.

Concentrate Offtake

Before a construction decision can be undertaken arrangements will be required for Waterberg Project concentrate offtake or processing. The Company and Waterberg JV Co. are assessing commercial alternatives for mine development financing and concentrate offtake. Obtaining reasonable terms for Waterberg concentrate offtake from an existing smelter/refiner in South Africa is considered the preferred option. The Company is in discussion with several South African smelter operators, including Implats, with a view to establishing formal concentrate offtake arrangements for the Waterberg Project. Although discussions continue, to date no formal concentrate offtake terms have been achieved. The Offtake ROFR would allow Implats the opportunity to match concentrate offtake terms offered to Waterberg JV Co. by a bona fide third-party.

As an alternative to a traditional concentrate offtake arrangement, the Company is also assessing the possibility of constructing a matte furnace and base metal refinery for the processing of Waterberg Project concentrate to produce an upgraded product for sale in the market without the need for treatment by a third-party offtaker. The Waterberg DFS stated that "Additional smelting capacity may need to be constructed in the industry to be able to treat the flotation concentrate from Waterberg and the other potential Platreef miners."

The Company is conducting internal research and formal studies to evaluate the economic feasibility of establishing a smelter and base metal refinery business, jointly with third-party investors or partners, capable of processing Waterberg concentrate. Conceptually, a Waterberg matte furnace and base metal refinery would be operated as a separate business from the Waterberg Project. Such a facility could provide fair market offtake terms to Waterberg JV Co., and possibly to other PGM miners, allowing for the production of an upgraded product for sale in the market without the need for treatment by a third-party smelter operator.

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

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

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

Waterberg DFS

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

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

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

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

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

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

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

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

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

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

Notes:

- (1) 4E elements are platinum, palladium, rhodium and gold.
- (2) Cut-offs for mineral resources were established by a QP after a review of potential operating costs and other factors.
- (3) Conversion factor used for kilograms ("kg") to ounces ("oz") is 32.15076.
- (4) A 5% and 7% geological loss was applied to the measured/indicated and inferred mineral resources categories, respectively.
- (5) The mineral resources are classified in accordance with NI 43-101. Mineral resources that are not mineral reserves do not have demonstrated economic viability and inferred mineral resources have a high degree of uncertainty.

- (6) The mineral resources are provided on a 100% Project basis, inferred and indicated categories are separate and the estimates have an effective date of September 4, 2019.
- (7) Mineral resources were completed by Mr. CJ Muller of CJM Consulting.
- (8) Mineral resources were estimated using kriging methods for geological domains created in Datamine from 441 mother holes and 583 deflections. A process of geological modelling and creation of grade shells using indicating kriging was completed in the estimation process.
- (9) The mineral resources may be materially affected by metal prices, exchange rates, labour costs, electricity supply issues or many other factors detailed in the Company's 2023 AIF.
- (10) The data that formed the basis of the mineral resources estimate are the drill holes drilled by Platinum Group as project operator, which consist of geological logs, drill hole collars surveys, downhole surveys and assay data. The area where each layer was present was delineated after examination of the intersections in the various drill holes.
- (11) Numbers may not add due to rounding.

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

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

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

Probable Mineral Reserve Estimate at 2.5 g/t 4E cut-off										
		Pt	Pd	Rh	Au	4E	Cu	Ni	4E Metal	
Zone	Tonnes	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	Kg	Moz
T Zone	12,936,870	1.23	2.10	0.02	0.82	4.17	0.19	0.09	53,987	1.736
F Central	52,719,731	0.86	1.97	0.05	0.14	3.02	0.07	0.18	158,611	5.099
F South	15,653,961	1.06	2.03	0.05	0.15	3.29	0.04	0.13	51,411	1.653
F North	36,984,230	0.90	2.12	0.05	0.16	3.23	0.09	0.20	119,450	3.840
F Boundary North	13,312,581	0.98	1.91	0.05	0.17	3.11	0.10	0.23	41,369	1.330
F Boundary South	7,616,744	0.92	1.89	0.04	0.13	2.98	0.06	0.18	22,737	0.731
F Zone Total	126,287,248	0.91	2.01	0.05	0.15	3.12	0.08	0.18	393,578	12.654
Waterberg Project Total	139,224,118	0.94	2.02	0.05	0.21	3.22	0.09	0.18	447,564	14.390

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

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

Notes:

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

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

Waterberg DFS Price Deck Assumptions in US\$

Parameter	Unit	Spot Prices (Sept 4, 2019)	Three Year Trailing Prices (Sept 4, 2019)
US\$ / Rand (Long-term Real)	US\$/Rand (Real July 2019)	15.00	15.95
Platinum	US\$/oz (Real July 2019)	980	931
Palladium	US\$/oz (Real July 2019)	1,546	1,055
Gold	US\$/oz (Real July 2019)	1,548	1,318
Rhodium	US\$/oz (Real July 2019)	5,036	1,930
Basket Price (4E)	US\$/oz (Real July 2019)	1,425	1,045
Copper	US\$/lb (Real July 2019)	2.56	2.87
Nickel	US\$/lb (Real July 2019)	8.10	5.56
Smelter Payability: 4E Metal	% Gross Sale Value	85%	85%
Smelter Payability: Copper	% Gross Sale Value	73%	73%
Smelter Payability: Nickel	% Gross Sale Value	68%	68%

Readers are directed to review the full text of the Waterberg DFS, available for review under the Company's profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov for additional information.

The declared deposit strike length on the Waterberg Project is 13 km long so far, remains open along strike and begins from a depth of 140 meters vertical. The Waterberg DFS mine plan covers a strike length of approximately 8.5 km. The Waterberg Project and the deposit is still open for expansion. Based on borehole intercepts, the deposit is known to continue down dip below the arbitrary 1,250 meter cut off depth applied to the deposit for resource estimation purposes. Based on airborne geophysical information and recent exploration borehole WE153 (as described above), the deposit is believed to continue for several kilometres on strike to the north.

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

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

Waterberg DFS Update

The Waterberg DFS Update is currently in process and is expected to be completed by the end of calendar year 2023 or early in 2024. Once completed, it is expected that the Waterberg DFS Update will supersede the Waterberg DFS. A construction decision has not yet occurred and although some pre-production work is underway on the Waterberg project, a formal start date has not yet been declared as of the date of this MD&A.

Mining Right Grant

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

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

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

On July 30, 2021, Waterberg JV Co. received an urgent interdict application to the High Court seeking to restrain the activities of Waterberg JV Co. on certain surface rights over a portion of the project area. The appellants claimed to be interested and affected parties located near planned surface infrastructure. Waterberg JV Co. promptly filed an answering affidavit denying urgency and providing arguments why the application was without merit. The appellants did not respond. On November 16, 2021 the host Ketting community filed an application to join as a respondent and documenting their

support for the Waterberg Mine. Once again, the appellants did not respond. To force the interdict application to a conclusion, in July 2022 Waterberg JV Co. filed a Notice of Set Down with the High Court in Limpopo. A hearing to rule on the interdict application occurred on May 22, 2023, at which the court dismissed the urgent interdict application and ordered the applicants to pay costs to the defendants.

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

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

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

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

Community Considerations

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

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

The establishment of servitudes for power line routes and detailed planning and permitting with ESKOM are also advancing. Power line environmental and servitude work is being completed by TDx Power in coordination with ESKOM. TDx Power has progressed electrical power connection planning for approximately a 70 km, 132MvA line to the Waterberg Project. Engineering refinement of steady state power requirements has resulted in a reduced demand of approximately 90MvA at steady state. Bulk power design and costing work for steady state requirements has commenced. ESKOM is engaged with project engineers to determine electrical power sources and availability. A temporary power line for the construction period from the nearby grid at Bochum is being designed and costed. Community engagement regarding power line routes and completion of an EIA for the power line routes is in process. ESKOM is experiencing power generation constraints leading to load-shedding, being the deliberate and scheduled shutdown of electric power in parts of its power-distribution network, when the demand strains the capacity of the system.

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

Social and Labour Plans

The Waterberg SLP was developed pursuant to DMRE guidelines for social and labour plans and has been submitted in accordance with section 46 of the MPRDA together with the Waterberg Mining Right application, which right was granted on January 28, 2021, and registered on July 6, 2021. The objective of the Waterberg SLP is to align the Company's social and labour principles with the related requirements established under the Mining Charter, as applicable from time to time. These requirements include promoting employment and avoiding retrenchments, advancement of the social and economic welfare of all South Africans, contributing toward the transformation of the mining industry and contributing towards the socio-economic development of the communities proximal to the Waterberg Project. Contractors will be required to comply with the Waterberg SLP and policies, including commitment to employment equity and BEE, proof of competence in terms of regulations, commitment to undertake training programs, compliance with all policies relating to recruitment, training, health and safety, etc. In terms of human resources training, the Waterberg SLP will establish objectives for adult-based education training, learnerships and development of the skills required by mining industry, portable skills training for transition into industries other than mining, education bursaries and internships. The Waterberg SLP also envisages a plan to establish local economic development objectives for projects such as infrastructure and educational support to local schools, the equipping and extension of a clinic/health facility, water and reticulation projects, housing development, and various other localized programs for small scale industry, agriculture, entrepreneurship and health and education.

To support the Waterberg SLP for affected communities near the Waterberg Project, we have budgeted expenditures amounting to an aggregate R428.9 million (approx. \$22.93 million at August 31, 2023) over a five-year period. Expenditures are subject to the grant of all required permits and the commencement of development activities on site. At the end of each five-year period a new social and labour plan will be established, considering actual expenditures to date and changes to adjust for community feedback, needs and preferences. The Waterberg SLP includes the following provisions:

- ***Human Resource Development***

Waterberg JV Co. is aware of the importance of human resources to accomplish its business objectives. Skills development is the foundation for attaining competent and productive employees who can contribute to meeting the mine's business objectives and contribute to the upliftment of their communities through their own personal economic success. The skills development plan for the Waterberg Project budgets R13.3 million (\$0.71 million at August 31, 2023) for the achievement of future career development opportunities within the mining industry and beyond the needs of the mine's operational requirements. The skills development plan seeks to achieve portable skills through accredited qualification by certified training providers and programmes. Emphasis is to be applied to employment equity and to participation by historically disadvantaged South Africans and women. Learnership, internship, bursary and youth training programs are planned. Targets have been established for procurement and employment levels for women and for people from the local community.

- ***Local Economic Development***

The Local Economic Development ("LED") program will seek to enable local communities to become economically stronger by improving infrastructure, business skills, entrepreneurship, job creation and income. An amount of R405.6 million (\$21.69 million at August 31, 2023) has been budgeted for LED projects seeking to amplify opportunities as well as alleviate poverty within the surrounding communities of the mine. Programmes are to include infrastructure and educational support to local schools, mine and community bulk water supply and reticulation, extension and equipping of existing clinic/health facilities, and road construction.

- ***Management of Downscaling***

A budget of R10.0 million (\$0.53 million at August 31, 2023) has been established for training and skills development. We conducted a social audit and needs and skills assessment of the communities near the Waterberg Project to learn about these communities and to help direct our efforts towards the matters of importance to them. This work will guide

our long-term training programs intended to increase skilled employment opportunities for local community members. Investment in human resource development and facilitation of training during the lifetime of the Waterberg Project intends to sustain skills that will support employment for workers beyond the life of the mine. The mine intends to comply with the Basic Conditions of Employment Act, No. 75 of 1997 and the Social and Labour Plan Guidelines with the goal of establishing skills that will be of value to employees at a future time of downscaling and retrenchment.

Environmental, Social and Governance (“ESG”)

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

• ESG Approach and Objectives

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

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

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

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

• ESG Reporting and Assessment

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

be recorded and monitored.

The Company has worked with Digbee Ltd. (“**Digbee**”) since 2021 to independently assess its ESG development and disclosure at both the corporate and project level as it moves toward the construction phase of the Waterberg Project. The Digbee ESG platform is aligned with over 25 global reporting standards to generate an appropriate ESG score for development stage mining companies and address real risk.

As part of the Waterberg Mining Right application process the Company developed a wide ranging set of studies and plans in relation to potential ESG impacts. These studies and plans were leveraged to form the basis of the Digbee ESG assessment and subsequent outcomes.

For 2023, an independent team of ESG experts evaluated the Company's ESG submission against a set of rigorous and standardized scoring criteria. To ensure accuracy and credibility, these scores were finalized after being peer reviewed. Platinum Group achieved an overall score of BBB with a range of C to AAA based on the information provided. The BBB score is an improvement from the BB score achieved in 2022. The total score shown below reflects the calculated average of the average corporate and project scores awarded.

Awarded ESG Ratings (September 2023)



High Level Positive Outcomes

- The Waterberg Project is finalizing the Waterberg DFS Update and has approved in principle the budget for infrastructure for roads, power and water. ESG is taken into consideration in the Waterberg DFS Update, in particular a reduced TSF footprint.
- The ESG component in the strategy was augmented in 2023 to include better understanding of ESG threats and opportunities than has been presented in previous years.
- ESG key performance indicators were introduced in the 2023 fiscal year and expanded in 2023 for the 2024 fiscal year.
- Understanding of the local surroundings has been improved, this includes updated detailed studies on the underground water environment and enhanced relations with the local community with a relevant picture of skills needs and requirements.

High Level Potential Risks and Opportunities

- Diversity of the workforce (both employees and contractors) has improved; however, these are primarily only gender focused rather than inclusive of broader diversity such as ethnicity.
- No formal risk management framework to identify and manage risks and opportunities is as yet in place, though it should be noted that publicly available documentation suggests that integrated risk management is taking place with the corporate.

- The plan for continuity of decision making from project to operational phase is yet to be drafted, in part due to the timeline anticipated; however, it might be expected that the current workforce plan would detail how this handover will take place in the future.

- *ESG - Environmental*

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

The Company has carried on advancing the Waterberg DFS Update in 2023. The upcoming Waterberg DFS Update will take into consideration studies completed in 2020–2021 on the use of battery electric equipment for the Waterberg Project and the use of dry stacking solutions for tailings to reduce water use.

Since its initiation in 2023, environmental monitoring has advanced in the areas of climatic data, surface water chemistry, groundwater and air quality. As the Waterberg Project develops, environmental monitoring will be expanded to include monitoring of noise and biodiversity. In line with this, environmental management and mitigation measures will be implemented accordingly.

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

- *ESG - Social*

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

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

In 2023 the Company has continued working with local communities to create community trusts. To ensure communities are well represented, the Company is covering the costs of legal representation for the communities. The Limpopo Provincial Government and the Regional DMRE Office in Limpopo are preparing to facilitate workshops with community leadership and other stakeholders to support and build their understanding of the mining legal framework and their rights and obligations in respect thereto. The Company intends to benefit from these efforts.

The Company has further supported a local skills audit and the development of profiles of our local communities. These reports will help the Company better understand and respond to the needs of our local community members. The Company has also appointed two additional consultants to work with our local communities at the Waterberg Project. These consultants are assisting with community engagement and the implementation of the Social and Labour Plan. This year, the Company has granted bursaries to local youth and provided portable skills training to local community

members.

Based on community meetings and direct feedback, and in part due to the Company's efforts to engage and support local communities, we believe local community residents support the development of the Waterberg Project and understand the expected economic benefits.

- *ESG - Governance*

In keeping with its dedication to maintaining the highest standards of governance, the Company has implemented an Environmental, Health, Safety and Technical Advisory Committee, a Governance and Nomination Committee and a number of policies to help create secure work environments that prioritize equality, integrity and respect for all.

Environmental, Health, Safety and Technical Advisory Committee

As part of its mandate to assist the Board in its oversight of capital projects and material transactions undertaken by the Company, its subsidiaries or its affiliates from an environmental, technical, financial and scheduling perspective, the Environmental, Health, Safety and Technical Advisory Committee (the "**EHST Committee**") is responsible for developing and monitoring standards for ensuring a safe and healthy work environment and to promote sustainable development. The EHST Committee is also responsible for providing oversight of the Environmental, Health, Safety, and Social Responsibility Policies (the "**EHSSR Policies**"), the Human Rights Policy, and for monitoring the Company's practices in these areas, including the monitoring of (a) risks, challenges and opportunities to the Company's business associated with environmental, health, safety and social responsibility matters; (b) the Company's sustainability conduct, including environmental, health, safety and social policies and programs and overseeing performance in such areas; (c) the Company's compliance and applicable legal and regulatory requirements associated with environmental, health, safety, and community conduct; and (d) the Company's external reporting in relation to health, safety, environmental and community conduct.

Governance and Nomination Committee

The Governance and Nomination Committee of the Board also plays an important role in assisting the Board with its oversight of ESG matters. The Governance and Nomination Committee is responsible for developing and implementing governance guidelines and principles, providing governance leadership to the Company and monitoring governance programs and policies, including without limitation, the Code of Business and Conduct and the Commitment to Anti-Bribery Conduct. The Governance and Nomination Committee reviews the Company's policies to ensure compliance with the applicable rules and regulations, and where necessary or desirable on account of governance trends that are appropriate for the Company, recommends changes, or the adoption of further policies, to the Board for approval.

Environmental, Health, Safety, and Social Responsibility Policies

The EHSSR Policies supplement the requirements, guidelines, and standards of conduct specified in Platinum Group's other policies and affirm the Company's commitment to health and safety, social license and sustainable development, environmental stewardship, and human rights. The EHSSR Policies are intended to be a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of Platinum Group. The EHSSR Policies outline the Company's ESG expectations for all employees, directors, contractors, and consultants performing services for or on behalf of the Company.

Human Rights Policy

Along with integrating human rights into its risk assessment and due diligence processes, the Company is dedicated to fostering a culture of respect for human rights in the workplace. It also actively seeks out positive interactions and collaborations with stakeholders who are impacted by its operations. The EHST Committee assists the Board in the oversight of the Human Rights Policy including: reviewing the effectiveness and compliance of this policy on a regular basis, monitoring the Company's performance, challenges and commitments in the prevention or mitigation of any human rights issues, and reviewing the proposed public disclosure of any Company human rights matters.

The Company has also adopted a Code of Business Conduct and Ethics, a Commitment to Anti-Bribery Conduct, a

Clawback Policy, and a Whistleblower Policy, amongst other customary policies. Copies of the policies and committee charters may be found on the Company's website at www.platinumgroupmetals.net.

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

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

3. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

(A) Liquidity and Capital Resources

Recent Equity Financings

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

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

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

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

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

On July 27, 2022, the Company filed a supplement to the Shelf Prospectus and announced a new equity distribution agreement with BMO Capital Markets and BMO Nesbitt Burns Inc. whereby the Company can sell its Common Shares from time to time until July 21, 2024 for up to \$50 million in aggregate sales proceeds in "at the market" transactions (the "**2022 ATM**"). No common shares were sold pursuant to the 2022 ATM prior to August 31, 2022. For the year ended August 31, 2023, the Company has sold 1,089,503 shares at an average price of US\$1.81 for gross proceeds of \$1.97 million and net proceeds of \$1.6 million after deducting fees and expenses including \$0.05 paid to BMO Capital Markets. Of this amount Nil shares were sold during the three-month period ended August 31, 2023.

On September 18, 2023, the Company completed a non-brokered private placement with Deepkloof where the Company issued 2,118,645 common shares at US\$1.18 per share for gross proceeds to the Company of \$2.5 million.

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

Use of Proceeds	2021 ATM Offering	Repayment of Convertible Notes	February 11, 2022 Private Placement	2022 ATM Offering	Aggregate Proceeds	Actual Use of Proceeds to August 31, 2023
Repayment of the Sprott Facility	\$6,400	\$0	\$3,000	\$0	\$9,400	\$9,400
Repayment of Convertible Notes	\$0	\$19,990	\$0	\$0	\$19,990	\$19,990
General corporate purposes	\$13,300	\$0	\$3,000	\$1,975	\$18,275	\$17,345
TOTAL	\$19,700	\$19,990	\$6,000	\$1,975	\$47,665	\$46,735

Convertible Notes

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

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

Sprott Facility

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

Liquidity

The Company currently has limited financial resources and does not generate revenue from the Waterberg Project. However, the Company has repaid in full both the Sprott Facility and the Convertible Notes, leaving the Company with materially reduced cash obligations over the next 12 months (see below). Current cash on hand (\$7.0 million at August 31, 2023) is projected to be sufficient to cover the Company’s budgeted expenditures over the next 12 months. Should the Company decide to begin construction of the Waterberg Mine in the next 12 months additional financing would be required.

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

Contractual Obligations

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

Payments Due by Year					
	< 1 Year	1 – 3 Years	4 – 5 Years	> 5 Years	Total
Lease Obligations	\$ 118	\$ 284	\$ 151	\$ -	\$ 553
Environmental Bonds	43	129	86	-	258
Totals	\$ 161	\$ 413	\$ 237	\$ -	\$ 811

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

Accounts Receivable and Payable

Accounts receivable at August 31, 2023, totaled \$0.2 million (August 31, 2022 - \$0.4 million) being comprised mainly of South African value added taxes.

Accounts payable and accrued liabilities at August 31, 2023, totaled \$1.4 million (August 31, 2022 - \$1.1 million).

(B) Results of Operations

Year ended August 31, 2023

For the year ended August 31, 2023, the Company incurred a net loss of \$5.7 million (August 31, 2022 - \$8.3 million loss). General and administrative expenses totaled \$3.9 million (August 31, 2022 - \$4.3 million) with the decrease primarily due to reduced legal fees incurred in the current year. For the year ended August 31, 2023, there were no interest expenses (August 31, 2022 - \$1.6 million) as both the Convertible Notes and Sprott Facility were fully repaid in the second quarter of fiscal 2022. During the year ended August 31, 2023, a foreign exchange gain of \$0.2 million was recognized primarily on cash held by the Company (August 31, 2022 - \$0.3 million). Joint Venture expenditures for Lion totaled \$0.6 million (August 31, 2022 - \$0.3 million). Finance income of \$0.6 million was recognized during fiscal 2023 (August 31, 2022 - \$0.2 million) with the increase due to higher interest rates and higher average cash balances in the current year. In the previous year, the Company wrote-off \$0.2 million in previously capitalized costs on prospecting rights the Company chose to close (August 31, 2023 - \$Nil). Stock compensation expense was \$2.0 million during fiscal 2023 (August 31, 2022 - \$2.2 million). The currency translation adjustment recognized in the year ended August 31, 2023 was a loss of \$4.2 million (August 31, 2022 - \$6.9 million loss) due predominantly to the Rand decreasing in value relative to the U.S. Dollar. During the year, \$4.9 million was spent at the Waterberg Project (August 31, 2022 - \$3.0 million).

Three Month Period August 31, 2023

For the three-month period ended August 31, 2023, the Company incurred a net loss of \$1.6 million (August 31, 2022 - \$1.0 million). General and administrative expenses totaled \$0.9 million in the current quarter (August 31, 2022 - \$1.1 million). A foreign exchange gain of \$0.04 million was recognized in the current period (August 31, 2022 \$0.4 million gain), with the gain the previous comparable period being due to an increase in value of the US Dollar versus the Canadian Dollar. The currency translation adjustment recognized in the three-month period ended August 31, 2023 was a loss of \$1.6 million (August 31, 2022 - \$4.1 million loss) due predominantly to the Rand decreasing in value relative to the U.S. Dollar during both periods. During the three-month period ended August 31, 2023 \$1.4 million was spent at the Waterberg Project (August 31, 2022 - \$0.4 million).

Quarterly Financial Information

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

Quarter ended	Aug. 31, 2023	May 31, 2023	Feb. 28, 2023	Nov. 30, 2022
Net finance income ⁽¹⁾	\$ 119	\$ 144	\$ 183	\$ 138
Net loss ⁽²⁾	1,614	1,236	1,199	1,614
Basic loss per share ⁽³⁾	0.02	0.01	0.01	0.02
Total assets	50,021	48,169	51,150	54,545

Quarter ended	Aug. 31, 2022	May 31, 2022	Feb. 28, 2022	Nov. 30, 2021
Net finance income ⁽¹⁾	\$ 85	\$ 40	\$ 26	\$ 25
Net loss ⁽²⁾	990	1,310	2,634	3,316
Basic loss per share ⁽³⁾	0.01	0.01	0.03	0.04
Total assets	53,679	58,246	53,859	50,994

Notes:

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

Annual Financial Information *(in thousands of dollars, except for share data)*

	Year ended August 31, 2023	Year ended August 31, 2022	Year ended August 31, 2021
Interest Income	\$584 ⁽¹⁾	\$176 ⁽¹⁾	\$97 ⁽¹⁾
Net loss	\$5,663	\$8,243	\$13,063
Basic loss per share	\$0.06 ⁽²⁾	\$0.09 ⁽²⁾	\$0.18 ⁽²⁾
Diluted loss per share	\$0.06 ⁽²⁾	\$0.09 ⁽²⁾	\$0.18 ⁽²⁾
Total assets	\$50,021	\$53,679	\$51,199
Short term debt	-	-	\$9,088
Convertible Notes	-	-	\$18,716
Dividends	Nil	Nil	Nil

Notes:

- (1) The Company's only source of income during the years ending August 31, 2021 to 2023 was interest income from interest bearing accounts held by the Company.
- (2) Basic loss per share is calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contract to issue common shares were exercised or converted to common shares. In periods where a loss is incurred, the effect of potential issuances of shares under options and share purchase warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

4. DIVIDENDS

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

5. RELATED PARTY TRANSACTIONS

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

- (i) During the year ended August 31, 2023, an amount of \$314 (August 31, 2022 – \$314) was paid or accrued to independent directors for directors' fees and services.
- (ii) During the year ended August 31, 2023, the Company was paid or accrued payments of \$53 (August 31, 2022 - \$57) from West Vault Mining Inc., a company with one officer in common, for accounting and administrative services.

- (iii) In fiscal 2018, Deepkloof made a strategic investment in the Company by way of a private placement. Through the terms of the May 2018 private placement, HCI acquired a right to nominate one person to the board of directors of the Company and a right to participate in future equity financings of the Company to maintain its pro-rata interest. HCI has exercised its right to nominate one person to the board of directors. As of August 31, 2023, HCI's ownership of the Company was reported at 24,837,349 common shares, representing a 24.8% interest in the Company. In September 2023, Deepkloof subscribed to a private placement of 2,118,645 common shares at US\$1.18 per share for gross proceeds to the Company of \$2.5 million.
- (iv) During the year ended August 31, 2022, the Company purchased and cancelled on a private placement basis the outstanding principal balance of \$8 million of the Convertible Notes from affiliates of Company shareholder Franklin Templeton Investments. The Company does not have any further ongoing contractual or other commitments with respect to the Convertible Notes.

Key Management Compensation

The remuneration paid to the CEO, CFO and other key management personnel and the directors during the years ended August 31, 2023 to 2021 follows:

Year ended	August 31, 2023	August 31, 2022	August 31, 2021
Salaries	\$ 889	\$ 899	\$ 1,236
Severance ¹	-	-	828
Directors' fees	314	289	241
Share-based payments – management	1,359	1,882	2,556
Share-based payments – directors ²	14	(465)	617
Total	\$ 2,576	\$ 2,605	\$ 5,478

Notes:

(1) During fiscal 2021, the Company's former President and CEO resigned from the Company.

(2) Includes the revaluation of fully vested deferred share units as share price is marked to market each period

6. OFF-BALANCE SHEET ARRANGEMENTS

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

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of Common Shares authorized for issuance without par value. At August 31, 2023, there were 100,258,030 Common Shares, 4,793,837 incentive stock options and 435,429 restricted share units outstanding. At November 21, 2023, there were 102,376,675 Common Shares, 5,383,787 incentive stock options and 730,238 restricted share units outstanding.

8. RISK FACTORS

The Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on results, business prospects or financial position. For a comprehensive list of the risks and uncertainties affecting our business, please refer to the section titled "Risk Factors" in the 2023 AIF and 2023 40-F, and the documents incorporated by reference therein. The Company's 2023 AIF and 2023 40-F may be found on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. Certain risk factors are discussed below in more detail.

International Conflicts

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy, supply chain and financial markets. Russia's 2022 invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a

destabilizing effect on commodity prices, supply chain and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business and financial condition.

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

Africa Wide Legal Action

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

In September 2018, Africa Wide instituted legal proceedings in South Africa against PTM RSA, RBPlat and Maseve seeking to set aside the sale of Maseve. A trial to hear evidence occurred in the High Court in October, 2021. On June 14, 2022, the High Court dismissed Africa Wide's challenge and awarded costs to the defendants. Africa Wide appealed the ruling, which was later dismissed by the South Africa Supreme Court of Appeal on November 10, 2022. Africa Wide was again ordered to make payment of the defendants' costs.

On July 10, 2023 Africa Wide applied for reconsideration of the ruling of the Supreme Court of Appeal. On October 6, 2023, the Supreme Court of Appeal dismissed Africa Wide's application, ruling that "no exceptional circumstances warranting reconsideration or variation of the decision refusing their application for leave to appeal were established". Africa Wide was for a third time ordered to pay the defendants' costs. The Company will pursue settlement of costs by Africa Wide, but has made no accruals for the award of costs as of August 31, 2023.

9. OUTLOOK

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

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

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

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

Notwithstanding some weakness during 2020 due to the economic effects of the COVID-19 pandemic, the markets for PGEs generally improved over the preceding several years until peaking in 2021/22. Since 2021 PGE prices have been

somewhat volatile, due in part to geopolitical tensions caused by the threat of Russian PGE exports being cut back or sanctioned, representing a significant supply risk. Notwithstanding this volatility, in general PGE prices have been declining since their peak in 2021/22 due to global economic uncertainty. In the months and years ahead, a prolonged period of falling PGE prices may result in the closure of uneconomic PGE mines, or cause the delayed start up of new PGE projects. Major South African PGE producers are currently operating under recent wage settlement agreements. Supply risk due to union strike action at present appears to be unlikely. Power shortages due to rolling blackouts implemented by South African power utility Eskom are beginning to negatively impact PGE production in South Africa. The projected market penetration of battery electric vehicles in the future could soften the market for palladium in the longer term as demand for internal combustion engines with catalytic converters is potentially reduced. Other metals to be produced at Waterberg, being platinum, rhodium, gold, copper and nickel, are projected to see strong future demand and prices in the longer term. Copper and nickel are important metals for battery electric vehicles and other electrical equipment. Platinum is projected to see strong pricing looking forward due to supply constraints and increased demand for utilization in hydrogen fuel cells and the equipment used to produce hydrogen.

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

As well as the discussions within this MD&A, the reader is encouraged to also see the Company's disclosure made under the heading "Risk Factors" in the 2023 AIF and separate 2023 40-F.

10. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's consolidated financial statements in conformity with IFRS required management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as income and expenses. The Company's accounting policies are described in Note 2 of the Company's audited financial statements for the year ended August 31, 2023.

Assessment of Impairment for Mineral Properties

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

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

The Company has judged that it controls Mnombo for accounting purposes as it owns 49.9% of the outstanding shares of Mnombo and has contributed all material capital to Mnombo since acquiring its 49.9% share. From inception to date, the Company has funded both the Company's and Mnombo's share of expenditures on the Waterberg Project. At August 31, 2023, Mnombo owed the Company approximately \$8.7 million for funding provided. Currently there are no other sources of funding known to be available to Mnombo. If in the future Mnombo is not deemed to be controlled by the Company, the assets and liabilities of Mnombo would be derecognized at their carrying amounts. Amounts recognized in other comprehensive income would be transferred directly to retained earnings. If a retained interest remained after the loss of control, it would be recognized at its fair value on the date of loss of control. Although the Company controls Mnombo for accounting purposes, it does not have omnipotent knowledge of Mnombo's other shareholders activities. Mnombo's 50.01% shareholders are historically disadvantaged South Africans. The Company also determined that it controls Waterberg JV Co. given its control over Mnombo as well as its power over the investee.

11. DISCLOSURE CONTROLS AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company maintains a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to both the SEC and Canadian Securities Administrators requirements are recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the applicable securities legislation is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. The CEO and CFO have evaluated the Company's disclosure controls and procedures as at August 31, 2023 through inquiry review and testing, as well as by drawing upon their own relevant experience. The CEO and the CFO have concluded that the Company's disclosure controls and procedures were effective as at August 31, 2023.

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting, no matter how well designed, has inherent limitations. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at August 31, 2023. In making its assessment, management has used the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the Company's internal control over financial reporting. Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as at that date.

The effectiveness of the Company's internal control over financial reporting as at August 31, 2023 has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report, which is included with the Financial Statements. There has been no change in the Company's internal control over financial reporting during the year ended August 31, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

12. OTHER INFORMATION

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

13. LIST OF DIRECTORS AND OFFICERS

Directors

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

Officers

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