SEDIBELO PLATINUM MINES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND NINE-MONTHS ENDED SEPTEMBER 30, 2020

November 30, 2020

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the three and nine months ended September 30, 2020 contains ''forward-looking information'' which may include, but is not limited to, statements with respect to the future financial and operating performance of Sedibelo Platinum Mines Limited (the "Company" or "SPM"), its subsidiaries and affiliated companies (which together with Sedibelo Platinum Mines Limited is referred to as "the Group"), and its mineral projects, the future price of 4E metals (commonly used to refer to platinum, palladium, rhodium and gold), 4E production levels, mining rates, the future price of copper and nickel, future exchange rates, the estimation of mineral resources and reserves, the realization of mineral resource estimates or their conversion into reserves, costs and future costs of production, capital and exploration expenditures, including ongoing capital expenditure at the Pilanesberg Platinum Mine ("PPM"), costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations and exploration operations, timing and receipt of approvals, licenses, and conversions under South African mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as ''plans'', ''expects'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'', "targeted" or ''believes'' or variations (including negative variations) of such words and phrases, or state that certain actions, events or results ''may'', ''could'', ''would'', ''might'' or ''will'' be taken, occur or be achieved.

Forward-looking statements in this market release, amongst others, forecast production; recovery rates and grade; targets, estimates and assumptions in respect of 4E metal prices and production; allocation of funds for current commitments; future operations; the Covid-19 issues currently occurring; the resolution of current litigation and the timing and completion of bankable feasibility engineering studies for the Magazynskraal and Mphahlele projects.

Such forward-looking statements are based on a number of material factors and assumptions, including, that contracted parties provide goods and/or services on the agreed time frames, that budgets and production forecasts are accurate, that equipment necessary for construction and development is available as scheduled and does not incur unforeseen break downs, that no labour shortages or delays are incurred, that plant and equipment function as specified, that geological or financial parameters do not necessitate future mine plan changes, that no unusual geological or technical problems occur, and that grades and recovery rates are as anticipated in mine planning.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration and mining activities; development and operational risks; title risks; regulatory risks; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the South African rand; changes in project parameters as plans continue to be refined; future prices of 4E metals; possible variations of ore grade or recovery rates (including the existence of potholes, faults and other geological conditions that may affect the existence or recovery of resources and reserves); failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes, industrial unrest and strikes and other risks of the mining industry; political instability, insurrection or war; the effect of HIV/AIDS on labour force availability and turnover; the Covid-19 issues currently occurring, delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors communicated in the section entitled ''Risk Factors'' of the Company's current annual information form ("AIF") and its final short form prospectus dated March 31, 2011, which can both be viewed at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements contained herein are made as of the date of this MD&A and Sedibelo Platinum Mines Limited disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

1. Introduction

1.1 Incorporation of Sedibelo Platinum Mine Limited's shares

Sedibelo Platinum Mines Limited ("the Company") is a registered Guernsey company. The Company reports in accordance with the provisions of The Companies (Guernsey) Law, 2008.

1.2 Principal activity

Sedibelo Platinum Mines Limited and its subsidiaries (together "the Group") is a natural resources group of companies engaged in the acquisition, exploration, development and operation of Platinum Group Metals ("PGM's") mineral deposits in South Africa. Through its 100% owned subsidiary, Pilanesberg Platinum Mines Proprietary Limited, the Group has established the Pilanesberg Platinum Mines ("PPM") on the Western Limb of the Bushveld Complex.

PPM is the Group's primary operating asset and consists of:

- the opencast West Pit on the farm Tuschenkomst 135JP;
- a PGM concentrator, adjacent to West Pit and
- a chromite removal plant, adjacent to West Pit.

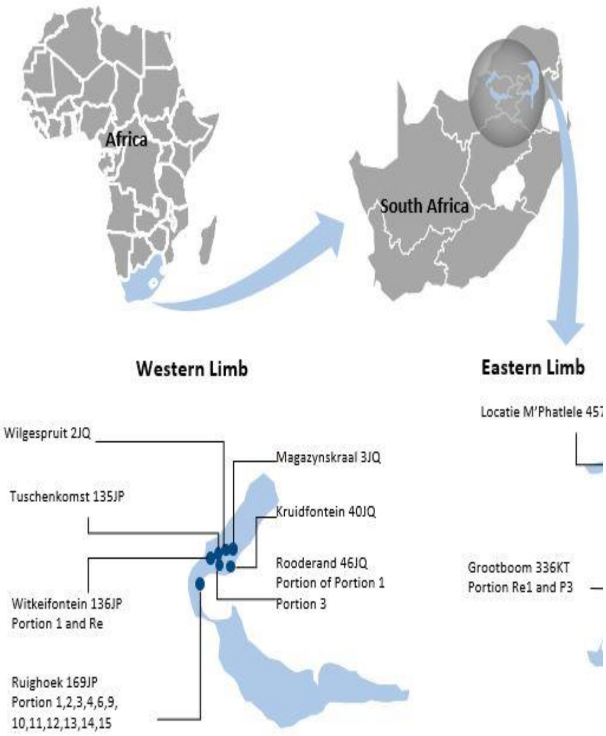
PPM management supervises the haul contractor and contractors specialising in drilling, blasting and run of mine ore preparation, and manages the PGM concentrator and chromite plant.

PPM renewed an exclusive three-year offtake agreement with Impala Platinum Limited ("Impala") during Q2 in 2019. During the nine-months ended September 30, 2020 PGM concentrate was toll refined via a contract with Impala to produce platinum, palladium, rhodium, and gold (collectively referred to as "4E"), plus iridium, ruthenium, copper and nickel.

The principal focus of the Group is to maximise profitable metal output from the concentrator. The consolidation of PGM mineral rights on the farms Tuschenkomst 135JP, Wilgespruit 2JQ and Magazynskraal 3JQ, created a single block of mineral rights.

As at December 31, 2019 the block of mineral rights on the Western Limb comprised 25.9 million 4E PGM Measured & Indicated Resource ounces and 44.6 million 4E PGM Inferred Resource ounces. These ounces will be developed with new mining infrastructure, utilizing the current processing infrastructure at PPM to extract both PGM's and chromite. This includes 13.6 million 4E ounces mineral reserves of which 2.7 million will be accessed via open cast mining methods. Surface and shallow underground mining enjoy embedded cost advantages.

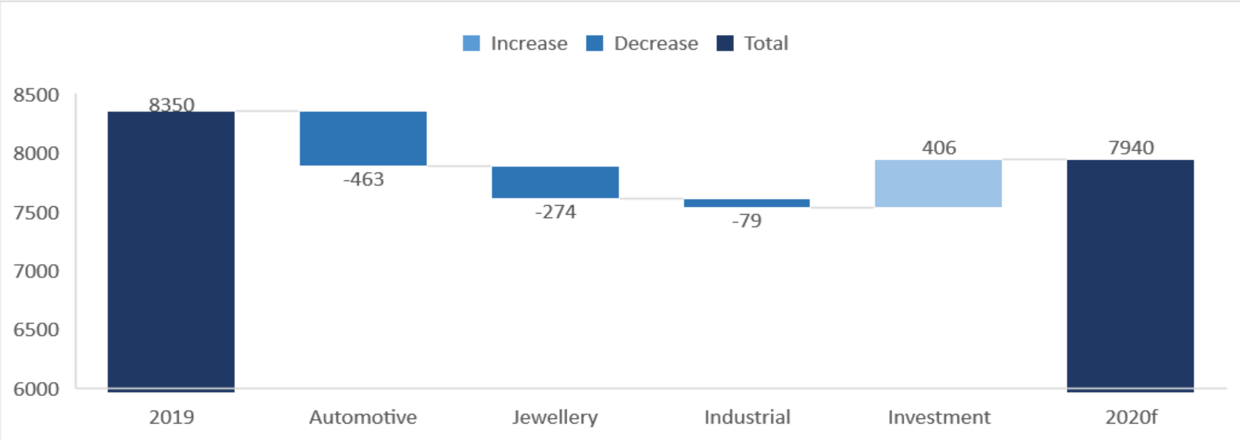
The Group also holds valuable interests in PGM deposits on the Eastern Limb of the Bushveld Complex through its two exploration and development projects namely Mphahlele and Grootboom, comprising of 2.1 million 4E PGM Measured & Indicated Resource ounces and 14.4 million 4E PGM Inferred Resource ounces. The Loskop rights expired in July 2019 and have been relinquished.



Market trends and outlook

World Platinum Investment Council ("WPIC") forecasts in 2020 total platinum demand to be 5% lower than in 2019 due to reduced demand in the automotive (-463 koz), jewellery (-274 koz), and industrial (-79 koz) segments. However, weakness in these demand segments is expected to be partially offset by continued strong investment demand, with investment volumes expected to be up 32% (+406 koz) to a record high of 1,659 koz. Heightened global risk is expected to continue to drive investor demand for hard assets, with 2020 bar and coin demand forecast to grow by 123% to 629 koz.

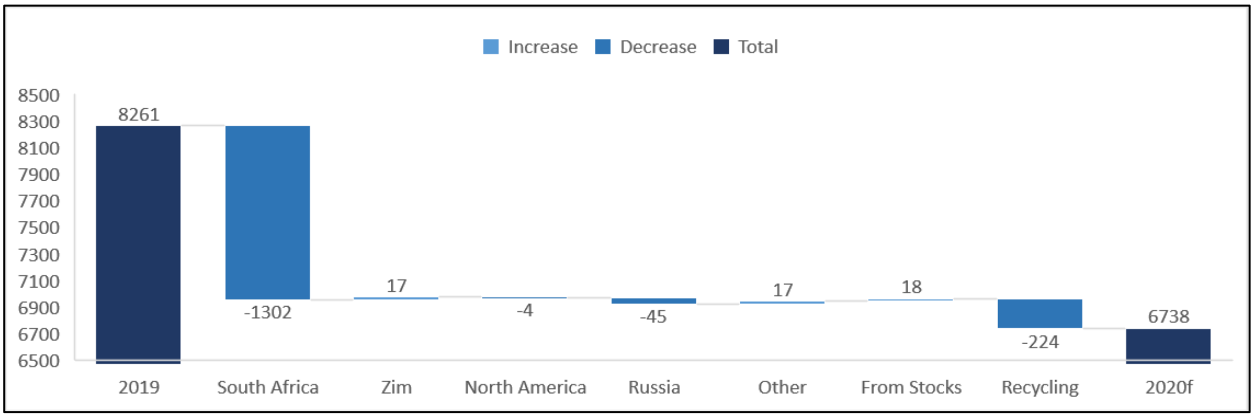
Figure 1. Total annual demand and annual change (koz)



The negative COVID-19 pandemic effects continued through the third quarter, but widespread easing of restrictive pandemic control measures, combined with government stimulus measures, saw economic activity accelerate globally compared to activity levels in the second quarter. Platinum supply and demand picked up significantly through the quarter, with mines ramping back towards full capacity, refined processing capacity returning to more normal levels, and demand in the automotive and jewellery segments experiencing sharp V-shaped recoveries. However, forecasts of supply and demand not just for 2020, but also for 2021, are likely to continue to be subject to change due to the ongoing impacts of the pandemic. Parts of the Western world, notably in Europe, have been pitched back into strict lockdowns to combat a second wave of COVID-19 infections.

The combination of supply losses due to pandemic-driven mine closures, ongoing South African processing disruption, and strong investment demand more than offsets lower COVID-19-impacted automotive, jewellery and industrial demand. Total platinum supply in 2020 is forecast to fall 18% (-1,523 koz) below that in 2019. Supply expectations for the year, already impacted during the first two quarters by COVID-related mine closures and the Anglo American Platinum converter plant (ACP) outage, have been further downgraded due to a similar, additional ACP closure until year-end, announced in early November.

Figure 2. Total annual supply and annual change (koz)



Source: WPIC "Platinum Quarterly, Q3 2020"

1.3 Purpose of this MD&A

This Management Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided to enable the reader to assess and understand the financial position and results of operations for the three and nine-month periods ended September 30, 2020, in comparison to previous corresponding periods. Certain information in this MD&A must be read in conjunction with the audited consolidated financial statements of Sedibelo Platinum Mines Limited for the year ended December 31, 2019 and the notes thereto (collectively, the annual financial statements) prepared in accordance with International Financial Reporting Standards ("IFRS").

These documents can be found at www.sedibeloplatinum.com and www.sedar.com.

2. Review of Operations

2.1 Pilanesberg Platinum Mine

History

Stripping of topsoil and waste overburden began during March 2008. Reef mining commenced during December 2008. Delivery of the first concentrate to the Northam smelter took place during April 2009. Commercial production was declared on January 1, 2011.

Extraction and processing of ore

Due to the close proximity of the PGM bearing Merensky and Pseudo reefs ("the silicate package") and the U2D package (containing the UG2 reef) in this part of the Bushveld complex, both of these ore bodies are extracted in the West pit. The silicate package is processed in the Merensky circuit of the concentrator and the U2D package routed through the Dense-Medium Separator ("DMS") and then processed in the UG2 circuit. The concentrates from both reef packages are blended and sent to local smelters for further processing into refined metals, in terms of tolling agreements.

Construction of a chromite removal plant commenced during January 2017. The extraction of chromite from the UG2 circuit as an additional revenue stream, and at a small incremental operational cost, is a positive contributor to operating results. The plant was commissioned during September 2017 and the first revenue was received during March 2018. Care is taken not to compromise PGM production in the process of improving the production of the by-product.

Operations

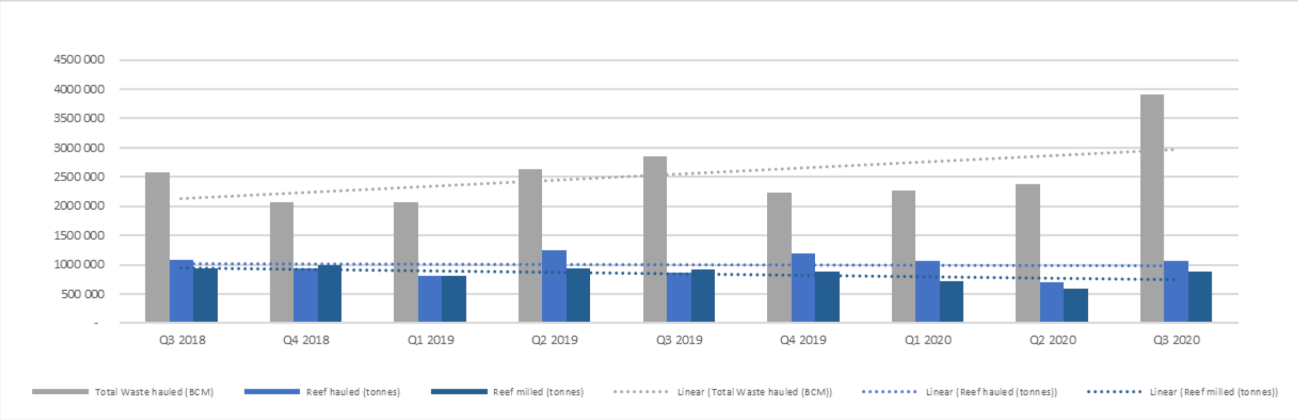
Table 1. Operational performance during the three and nine-month periods ended September 30, 2020

		For the three months ended		For the nine months ended	
	Unit	Sep 30, 2020	Sep 30, 2019	Sep 30, 2020	Sep 30, 2019
Reef delivered to the ROM pad	Tonnes	1,066,731	868,950	2,834,084	2,924,124
Reef processed	Tonnes	986,684	1,018,590	2,407,618	2,899,897
Reef milled	Tonnes	890,391	910,933	2,186,427	2,644,708
Average milled head grade	g/t	1.74	1.60	1.71	1.57
Average recovery rate	%	73	74	71	69
Average recovered grade	g/t	1.26	1.18	1.23	1.09
4E ounces dispatched and sold*	Oz	36,197	34,864	86,888	95,078
4E basket price **					
- USD	USD	2,059	1,330	1,886	1,219
- ZAR	ZAR	34,803	19,530	31,370	17,520
Total revenue per 4E ounce	ZAR	38,997	22,999	33,776	19,789
Gross revenue from metal sales					
- USD	USD'000	83,264	54,614	178,559	130,238
- ZAR	ZAR'000	1,411,564	801,822	2,934,771	1,881,502

*Metal produced and declared is based on provisional assay results and therefore subject to change until such time that final assay results are received. These changes are not material. **Basket price for 4E i.e. platinum, palladium, rhodium and gold.

An increase in the PGM basket price and the ZAR weakening against the Dollar over the three and nine-month periods ending September 30, 2020, resulted in an increase in revenue compared to the prior year comparative periods.

Figure 3. Production Volume

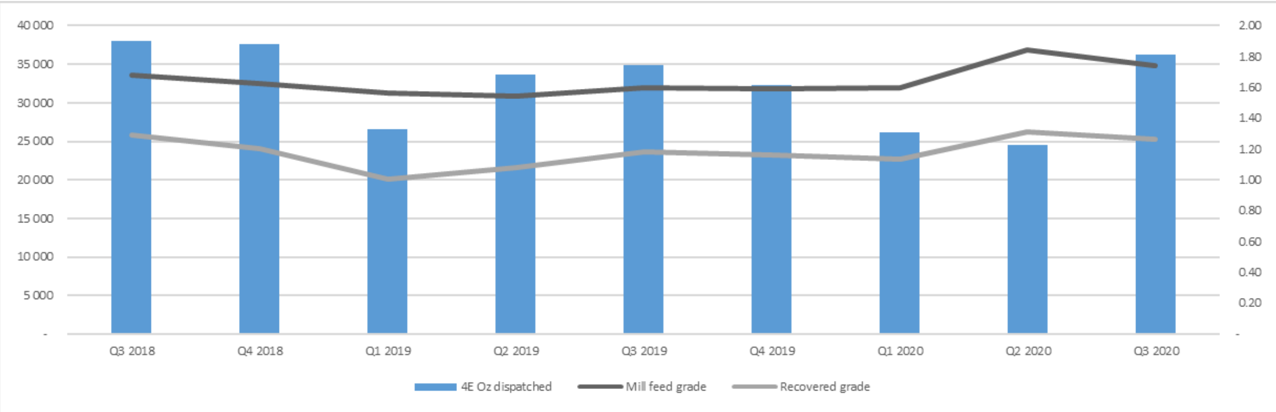


No production was recorded in the month of April 2020 due to the National lockdown that was instituted on March 26, 2020. Mining operations resumed production during the last week of April, whereas the concentrator resumed operations on May 5, 2020, due to the force majeure imposed by the Impala Smelter.

Mining volumes have increased in Q3 2020 compared to Q2 2020 and these volumes are planned to continue at Q3 2020 production levels. The increase in waste mining will expose adequate reef faces in the current open pit operation to support the required plant feed.

The current mining plan has been revised due to the delayed start-up of Wilgespruit.

Figure 4. Production Performance



The Plant performance increased during Q3 of 2020 from the previous quarter as a result of improved plant throughput and milling volumes despite a decrease of the grade of the reef treated.

2.2 Exploration and development of other PGM properties

2.2.1 Pilanesberg exploration projects (on the Western Limb of the Bushveld Complex)

The total exploration expenditure on various Pilanesberg exploration projects was USD179 thousand (ZAR2.996 million) for the quarter ended September 30, 2020. Total exploration expenditure since the inception of the Pilanesberg exploration projects of USD5.903 million (ZAR100.214 million) has been capitalised in accordance with the Group's accounting policies as part of "Exploration and evaluation assets".

Work program

The Pilanesberg exploration projects consist of properties adjacent to PPM. The feasibility study assuming unhindered access to the Wilgespruit property for the Magazynskraal project was completed in July 2020.

2.2.2 Mphahlele Project (on the Eastern Limb of the Bushveld Complex)

During the quarter ended September 30, 2020, USD158 thousand (ZAR2.650 million) was spent on the Mphahlele Project bringing the cumulative expenditure to date on the project to USD8.264 million (ZAR140.294 million), excluding acquisition costs. In accordance with the Group's accounting policies, these costs have been capitalised as part of "Exploration and evaluation assets".

Work program

As the board has decided to focus resources and management on bringing PPM into profitable production, the Mphahlele Project has been placed on a reduced work program in the short term. The work on a new feasibility study continues and is expected to be completed in Q4 of 2020. The aim of the new study is to change the mining method, reduce the upfront capital investment and reduce peak funding, in order to enhance the return on investment.

2.2.3 Grootboom Project (on the Eastern Limb of the Bushveld Complex)

During the quarter ended September 30, 2020, the Company did not spend on Grootboom, keeping the cumulative expenditure to date on the project to USD2.608 million (ZAR44.284 million). In accordance with the Group's accounting policies, these costs have been capitalised as part of "Exploration and evaluation assets".

Work program

Due to the focus on achieving profitable production at PPM, this project has also been placed on a reduced work program in the short term.

2.2.4 Loskop Project (on the Eastern Limb of the Bushveld Complex)

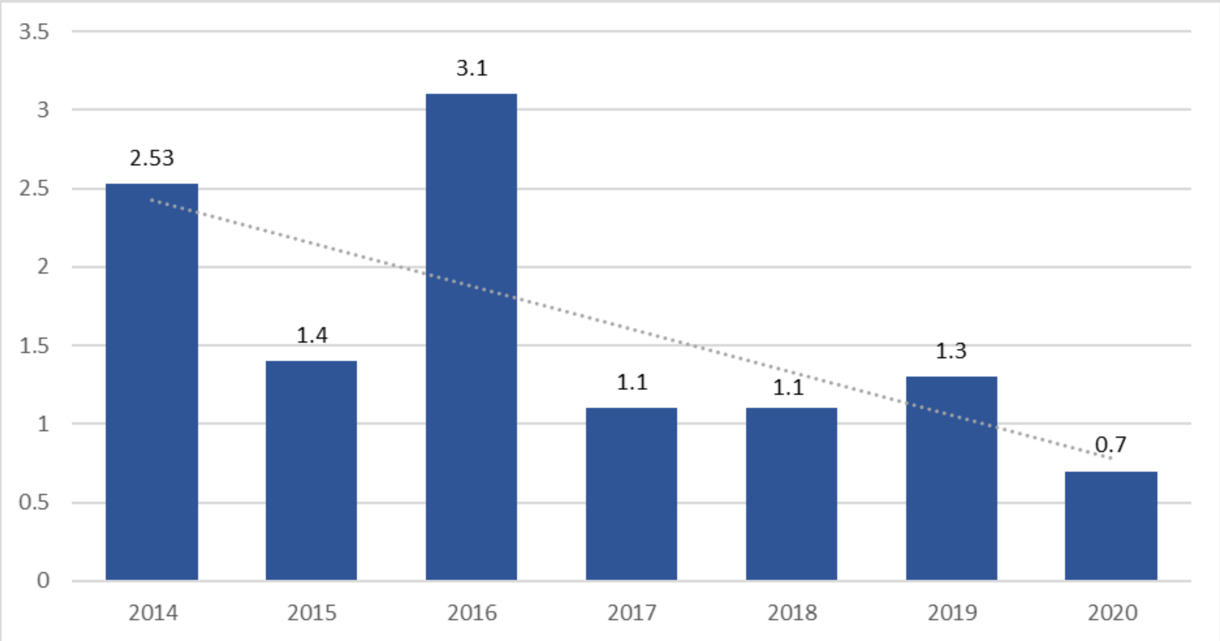
Lonmin Plc (incorporated into Sibanye-Stillwater) was the operator of the Loskop Project and acquired its 50% interest in the joint venture in August 2006 and expenditure since then has been shared on a 50/50 basis. The Group's interest in the Loskop project was 23.5%, with Lonmin holding a 50% interest (remainder held by Anglo American Platinum's Rustenburg Platinum Mines).

The Loskop prospecting rights located on the Eastern Limb expired in July 2019. The Group has taken a decision to relinquish these rights. The total cumulative exploration expenditure on this project since inception (USD220 thousand or ZAR3.941 million) was written off during the quarter ended March 31, 2019. In accordance with the Group's accounting policies, these costs were previously capitalised as part of "Exploration and evaluation assets".

2.3 Safety

The Group strives for zero harm to employees. PPM has recorded 5.967 million Fatality Free Shifts ("FFS") at September 30, 2020. The FFS extend over an eleven-year period. PPM endeavours to intensify the drive towards a zero-harm culture across all its operations. Notably, the Concentrator Operation achieved 1,246 days without any Lost Time Injury ("LTI") at September 30, 2020. In addition, since 2016, PPM has managed to significantly reduce the Lost Time Injury Frequency Rate ("LTIFR").

Figure 5. 2014 – 2020 Lost Time Injury Frequency Rate (Annual)



2.4 Environmental Matters

Overview

The Company conducts exploration on its key projects and prospects subject to mineral exploration permit applications made to and issued by The Department of Mineral Resources and Energy ("DMRE"). For each exploration program, a rehabilitation plan is included with the application and where required, the appropriate bond or funds are lodged with the relevant agent of the DMRE in respect of the rehabilitation work which may have to be carried out when the exploration program is complete and no further work is planned on the property. All such environmental plans or bonds are in the normal course of the business.

Environmental guarantees are released by the DMRE on completion of the obligations in terms of the rehabilitation plans contained within either the application for the prospecting permits, or the Mining Right.

PPM rehabilitation

As at September 30, 2020, the Company had USD20.626 million (ZAR350.155 million) in guarantees with the DMRE. The guarantees have been provided on an insurance basis with a portion of the total guarantee value being paid over into a separate bank account controlled by the Group and ceded in favour of the insurance company.

Rehabilitation of other development projects

Guarantees required by the DMRE for prospecting and mining rights held by the Group were provided by way of both cash and insurance backed guarantees. The insurance backed guarantees were issued by the Lombard Insurance Group. Ongoing contributions are made by the Group to fund the balance of the liability over the remaining life of the prospecting permit. As at September 30, 2020 the Group had USD1.539 million (ZAR26.132 million) in guarantees with the DMRE for other projects.

3. Overall Performance

3.1 Reporting currency and periods

As mining and exploration activities are conducted in South Africa and most transactions are transacted in South African rand ("ZAR" or "Rand"), the functional currency is the South African Rand ("ZAR"). In this MD&A the financial amounts have been converted to and are reported in United States dollars ("USD"), the Group's presentation currency.

Table 2. Relevant exchange rates to the USD

	At Sep 30, 2020	Average nine months ended Sep 30, 2020	Average three months ended Sep 30, 2020	At Dec 31, 2019	Average nine months ended Sep 30, 2019	Average three months ended Sep 30, 2019
South African Rand (USD:ZAR)	16.98	16.75	16.92	14.12	14.36	14.68

3.2 Financial condition

Table 3. Financial condition for the nine-months ended September 30, 2020

	As at Sep 30, 2020 USD'000	As at Dec 31, 2019 USD'000
Cash and cash equivalents	48,019	43,393
Other current assets	105,881	79,848
Total current assets	153,900	123,241
Restricted cash investments and guarantees	15,012	15,885
Other non-current assets	795,370	961,144
Total non-current assets	810,382	977,029
Total Assets	**964,282**	**1,100,270**
Current liabilities	49,732	56,825
Non-current liabilities	46,694	58,806
Total liabilities	**96,426**	**115,631**
Total shareholders' equity	874,856	991,247
Non-controlling interests	(7,000)	(6,608)
Total equity	**867,856**	**984,639**
Other information:		
Key Financial Ratios:		
Current ratio [1]	3.09	2.17
Working capital [2]	104,168	66,417
Debt/Equity ratio [3]	11.02%	11.67%

1 Current ratio = Current Assets / Current liabilities

2 Working capital = Current Assets – Current Liabilities

3 Debt to equity ratio = Total Liabilities/Shareholders' equity

The balances at September 30, 2020 compared to the balances at December 31, 2019 are influenced by the conversion from the Group's functional (ZAR) to the Group's presentation (USD) currency. The ZAR spot price at September 30, 2020 weakened by 20% from the spot price at December 31, 2019. This resulted in a material decrease to all balances at September 30, 2020.

SPM’s asset base is primarily comprised of non-current assets such as mining assets and property plant and equipment, reflecting the capital-intensive nature of mining. Other significant assets include intangible assets and trade and other receivables. Trade receivables include the PGM sales pipeline, which is the PGM and base metal deliveries to clients of up to 3 months.

Total assets decreased by USD135.988 million during the nine-months ended September 30, 2020. This movement is primarily due to:

- A decrease in total assets of USD173.283 million in presentation currency as a result of the 20% weaker Rand; offset by
- A USD25.646 million increase in Trade and other Receivables, a result of a higher PGM sales pipeline due to the improved Palladium and Rhodium market price combined with a weaker Rand; and
- Additions totalling USD4.227 million to fixed assets.

Total liabilities decreased by USD19.205 million during the nine-months ended September 30, 2020. The decrease is primarily due to a decrease in total liabilities of USD21.039 million in presentation currency as a result of the weaker Rand. Repayment of interest and capital has commenced on the loan from the IDC.

SPM working capital increased from USD66.417 million at December 31, 2019 to USD104.168 million at September 30, 2020 primarily due to a USD25.646 million increase in Trade and other Receivables, a USD4.626 million increase in cash and cash equivalents since December 31, 2019 (USD12.398 net of foreign exchange translation differences) and a USD5.772 million decrease in the Revolving Commodity Facility. The Group’s current ratio strengthened from a current ratio of 2.17 as at December 31, 2019 compared to a current ratio of 3.09 as at September 30, 2020. Current assets increased as a result of a higher market value of the PGM sales pipeline.

SPM’s capital structure comprises of shareholders’ equity with low levels of debt. As at September 30, 2020 the debt-to-equity ratio was 11.02% compared to a debt-to-equity ratio of 11.67% as at December 31, 2019. The decrease in debt is mainly a result of the decrease in the RCF, with no draw downs made during the national lockdown period, and a decrease in borrowings due to the capital repayment on the IDC loan of USD2.5 million.

3.3 Financial performance for the three and nine-month periods ended September 30, 2020

The Group recorded a net profit of USD32.419 million and USD53.541 million for the three and nine-month periods ended September 30, 2020 compared to a net profit of USD8.008 million and a loss of USD24.567 for the three and nine-month periods ended September 30, 2019.

Revenue and cost compared to prior year period are influenced by the conversion from the Group's functional (ZAR) to the Group's presentation (USD) currency. The ZAR weakened by 15% and 17% from the comparative three and nine-month periods.

Table 4. Financial performance for the three and nine-month period ended September 30, 2020

	For the three-months ended		For the nine-months ended	
	Sep 30, 2020 USD'000	Sep 30, 2019 USD'000	Sep 30, 2020 USD'000	Sep 30, 2019 USD'000
Revenue	**83,264**	**54,614**	**178,559**	**130,238**
Cost of operations	**(43,124)**	**(48,914)**	**(110,118)**	**(138,810)**
On mine operations	(20,297)	(18,549)	(49,650)	(51,335)
Concentrator plant operations	(11,884)	(11,893)	(30,361)	(35,415)
Beneficiation and transport	(3,614)	(4,159)	(9,075)	(11,227)
Salaries	(4,446)	(5,220)	(12,961)	(13,715)
Subtotal	*(40,241)*	*(39,821)*	*(102,047)*	*(111,692)*
Depreciation of operating assets	(3,565)	(8,777)	(9,302)	(27,484)
Change in inventories	682	(316)	1,231	366
Gross profit/(loss)	**40,140**	**5,700**	**68,441**	**(8,572)**
Administrative and general expenses	**(6,239)**	**(5,073)**	**(15,226)**	**(15,703)**
Employee expenses	(2,142)	(2,064)	(5,456)	(5,861)
General operating expenses	(2,599)	(2,318)	(6,576)	(7,680)
Amortisation and depreciation	(186)	(303)	(560)	(886)
Consulting and professional fees	(853)	(189)	(1,463)	(449)
Royalty tax	(384)	(199)	(879)	(597)
Audit fees	(75)	-	(292)	(230)
Other (expenses)/income	**(297)**	**8,571**	**3,898**	**1,664**
Other income	21	31	102	866
Foreign exchange (loss)/income	(318)	8,540	3,796	798
Net finance cost	**(837)**	**(919)**	**(2,384)**	**(1,442)**
Finance income	913	1,463	3,356	5,378
Finance costs	(1,750)	(2,382)	(5,740)	(6,820)
Share of loss from investments accounted for using the equity method	**(348)**	**(271)**	**(1,188)**	**(514)**
Profit/(Loss) before taxation	**32,419**	**8,008**	**53,541**	**(24,567)**
Income tax	-	-	-	-
Profit/(Loss) for the period	**32,419**	**8,008**	**53,541**	**(24,567)**
Other comprehensive income/(loss)	**15,728**	**(73,227)**	**(170,324)**	**(47,378)**
Exchange difference on loans designated as net investments	8,691	-	63,054	-
Exchange difference on translation from functional to presentation currency	7,040	(72,994)	(233,088)	(47,129)
Other comprehensive share of investment accounted for using the equity method	13	(300)	(467)	(298)
Movements in Other reserves	(16)	67	177	49
Total comprehensive income/(loss)	**48,147**	**(65,219)**	**(116,783)**	**(71,945)**
EBITDA*	**37,007**	**18,007**	**65,787**	**5,245**

**EBITDA – Earnings Before interest, tax, depreciation and amortisation*

Revenue

The Group generated revenues of USD83.264 million and USD178.559 million based on metal sales during the three and nine-month periods ended September 30, 2020. USD78.085 million and USD166.048 million relates to 4E revenue and USD5.179 million and USD12.511 million relates to iridium, ruthenium, copper, nickel and chrome. Revenues represent the amounts recorded when PGM concentrates are physically delivered to the smelter and when chrome is sold. Metal prices and assayed quantities at the point of sale are provisional. Adjustments in respect of final assayed quantities and/or prices arising between the date of recognition and the date of settlement are recognised in the period in which the adjustment arises and reflected through revenue and receivables.

Sales of 4E metal contributed approximately 94% and 93% (2019: 90% and 90%) to the gross revenue earned by PPM during the three and nine-month periods ended September 30, 2020. Chrome contributed USD776 thousand and USD1.355 million to revenue during the three and nine-month periods ended September 30, 2020 compared to September 30, 2019 where chrome contributed USD457 thousand and USD2.040 million respectively.

Revenue for the three-month period ended September 30, 2020 was 52% higher than the comparative period in 2019. The net movement was a result of:

- A 4% increase in 4E ounces dispatched; and
- A 78% increase in the average ZAR 4E basket price year-on-year; offset by:
- A 15% weaker Rand translating into presentation currency.

Revenue for the nine-month period ended September 30, 2020, increased by 37% from the comparative period in 2019. This increase was the net result of:

- An 79% increase in the average ZAR 4E basket price year-on-year; offset by:
- A 17% weaker Rand translating into presentation currency; and
- A 9% decrease in 4E ounces dispatched.

Figure 6. PGM Price Evolution

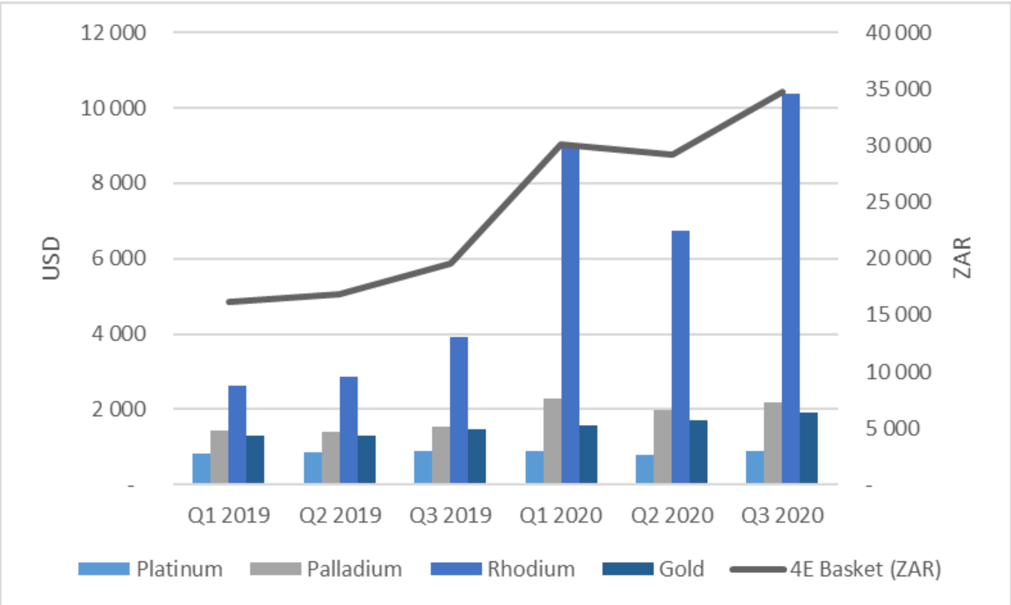
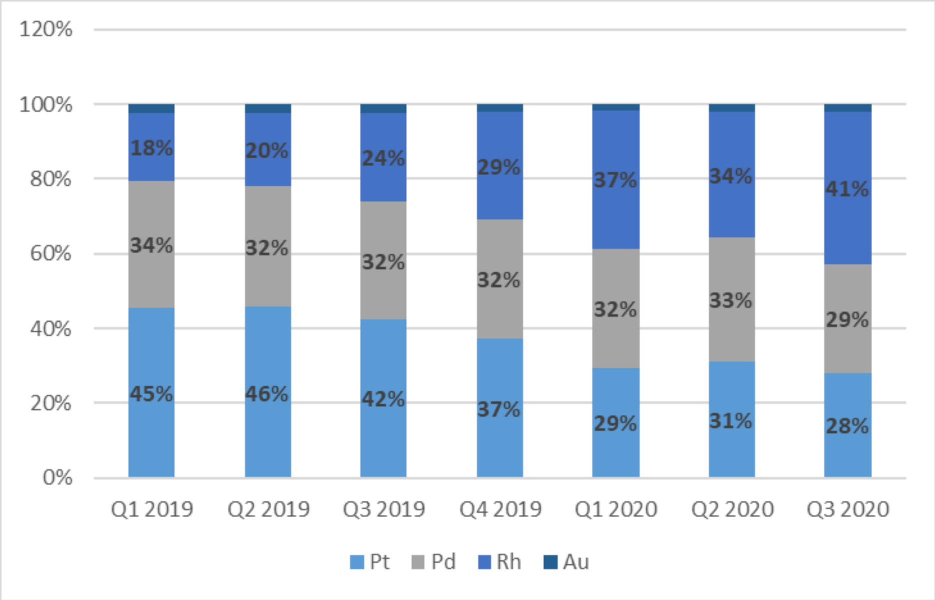


Figure 7. Metal Contribution to 4E Revenue



The decrease in 4E ounces dispatched for the nine-month period compared to the previous periods, was the result of production lost (35-day full production loss, but due to additional start up and other activities, a total of 41 days of production were lost) during national lockdown period in South Africa when the operations were placed on care and maintenance or still ramping up after the lockdown period.

Cost of operations

Cost of operations totalled USD43.124 million and USD110.118 million for the three and nine-month periods ended September 30, 2020, compared to USD48.914 million and USD138.810 million for the three and nine-month periods ended September 30, 2019.

The decrease for the three-month period ended September 30, 2020, measured in presentation currency, was due to the weaker Rand exchange rate used to convert to presentation currency. Measured in ZAR, the cost of operations increased by 4%. The net movement measured in ZAR was a result of:

- A 26% increase in mining cost; and
- A 12% increase in electricity cost; offset by
- A positive stock adjustment and
- ZAR68 million decrease in depreciation.

Cost of operations for the nine-month period ended September 30, 2020, measured in presentation currency, decreased by 21%. Measured in ZAR, cost of operations for the nine-month period ended September 30, 2020 decreased by 8%. The net movement measured in ZAR was a result of:

- A 11% increase in mining cost; offset by
- A positive stock adjustment and
- ZAR242 million decrease in depreciation.

The increase in mining cost for the three and nine-month periods ended September 30, 2020 was due to a 37% and 14% increase in waste hauled in the three and nine-months periods ended respectively. Decrease in depreciation was a result of an extended life of mine due to an increase in market price and good progress made in gaining access to the Wilgespruit property for the second open pit operation.

Administrative and general expenses

Administrative and general expenses totalled USD6.239 million and USD15.226 million for the three and nine-month periods ended September 30, 2020, compared to USD5.073 million and USD15.703 million for the three and nine-month periods ended September 30, 2019.

The increase for the three-month period ended September 30, 2020, measured in presentation currency, was mainly due to an increase in consulting and legal fees incurred. Consulting and legal fees are ongoing and relate to both the settlement of the Wilgespruit land matter and the ongoing litigation with the South African Revenue Services ("SARS") relating to unpaid Diesel rebates.

The decrease for the nine-month period ended September 30, 2020, measured in presentation currency, was mainly due to a weaker Rand exchange rate used to convert to presentation currency and a 14% decrease in general operating expenditure due to certain variable costs not incurred during the care and maintenance period.

Other expenses/income

Other expenses/income was an expense of USD297 thousand and an income of USD3.898 million for the three and nine-month periods ended September 30, 2020, compared to an income of USD8.571 million and USD1.664 million for the three and nine-month periods ended September 30, 2019. The movement is as a result of foreign exchange movements on the revaluation of cash, trade payables and loans in foreign currency.

Finance income

The decrease in finance income to USD913 thousand and USD3.356 million during the three and nine-month periods ended September 30, 2020, compared to USD1.463 million and USD5.378 million during the three and nine-month periods ended September 30, 2019, was a result of a weaker Rand exchange rate used to convert to presentation currency, a decrease of 3% in the prime interest rate since December 31, 2019 and a ZAR10 million finance income recognised in 2019 on a credit note received from Eskom.

Finance cost

The decrease in finance cost to USD1.750 million and USD5.740 million during the three and nine-month periods ended September 30, 2020, compared to USD2.382 million and USD6.820 million during the three and nine-month periods ended September 30, 2019, was a result of a weaker Rand exchange rate used to convert to presentation currency, a decrease of 3% in the South African prime interest rate since December 31, 2019.

Cash flows

Cash and cash equivalents at September 30, 2020 increased to USD48.019 million from USD43.393 million at December 31, 2019. This increase was both a result of a weaker Rand exchange rate used to convert to presentation currency as well as an improved cashflow from operations due to high metal prices, for all 4E PGM's. Cash, net of foreign exchange losses, decreased by USD193 thousand for the three month-period ended September 30, 2020, with a capital repayment to the IDC which started on September 30, 2020. The increase in cash, net of foreign exchange losses, is USD12.398 million for the nine-month period ended September 30, 2020 and is mainly due to improved Palladium and Rhodium market prices combined with a weaker ZAR:USD exchange rate.

Events or uncertainties during the three and nine-month period ended September 30, 2020

Metal dispatches were 4% higher and 9% lower for the three and nine-month periods ended September 30, 2020 respectively, compared to the prior year period. The nine month-period metal dispatches were negatively affected by COVID-19 and the national lockdown response to the pandemic. This resulted in a 35-day full production loss, but due to additional start up and other activities, a total of 41 days of production were lost. The current open pit mined by PPM is nearing its forecasted life term, which negatively effects flexibility in the pit as well as the amount of reef faces available for mining at any one time. This increasing pit inflexibility renders any unforeseen adverse changes, such as in grade, availability of reef faces, weather, power availability or labour action, increasingly difficult to respond to. The mining focus is on exposing sufficient reef faces to accommodate a mine plan that can provide sufficient reef volumes to the concentrator to yield profitable (cash positive) ounces.

4. Summary of Quarterly Results

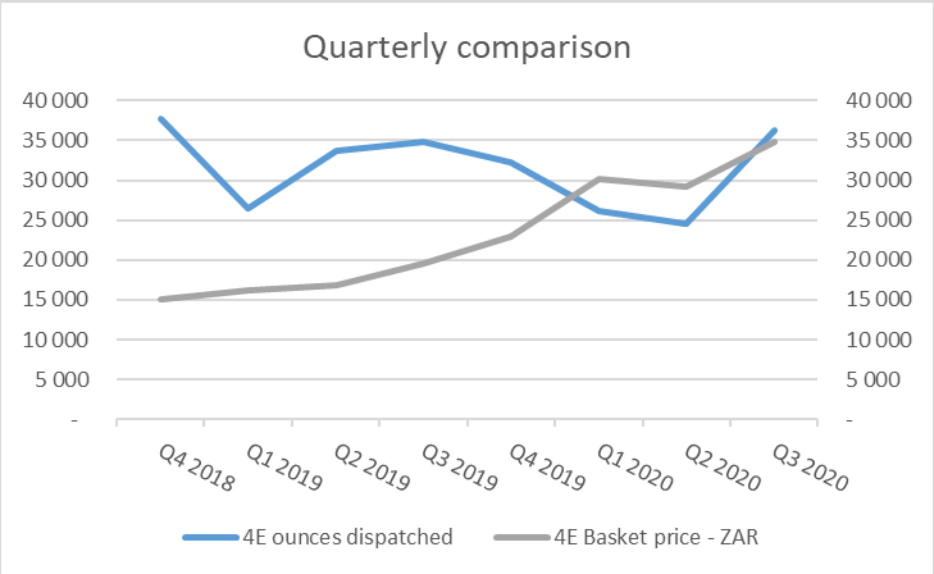
Table 5. Summary of quarterly results

	In accordance with IFRS							
USD'000	Sep '20	Jun '20	Mar '20	Dec '19	Sep '19	Jun '19	Mar '19	Dec '18
Revenue	83,264	39,558	55,737	51,099	54,614	40,138	35,488	42,844
Cost of operations	(43,124)	(28,345)	(38,649)	(47,861)	(48,914)	(49,746)	(40,150)	(48,315)
Gross profit/(loss)	40,140	11,213	17,088	3,238	5,700	(9,608)	(4,662)	(5,471)
Other operating (cost)/ Income	(6,536)	(4,382)	(410)	(6,073)	3,498	(9,802)	(7,762)	385
Net finance cost	(837)	(599)	(948)	(979)	(919)	(93)	(430)	(1,052)
Loss from associate	(348)	(402)	(438)	(998)	(271)	(154)	(89)	(848)
Profit/(loss) before taxation	32,419	5,830	15,292	(4,812)	8,008	(19,657)	(12,943)	(6,986)
Profit/(loss) for the period	32,419	5,830	15,292	(4,832)	8,008	(19,657)	(12,943)	(6,986)
ZAR:USD	16.92	17.97	15.35	14.72	14.68	14.39	14.01	14.27

These financial statements of the Company and the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as issued by the International Accounting Standards Board ("IASB") applicable to a going concern with the requirements of The Companies (Guernsey) Law, 2008 applicable to companies reporting under IFRS.

The financial information has been prepared under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value and is presented in US dollars ("USD"). The conversion rate for the three-months ended September 30, 2020 is 15% weaker than the rate for the period ended September 30, 2019.

Figure 8. 4E ounces dispatched and 4E Basket price



5. Liquidity

5.1 Unrestricted cash

The Company had unrestricted cash and cash equivalents of USD48.019 million at September 30, 2020 (USD43.393 million at December 31, 2019). The Industrial Development Corporation of South Africa ("IDC") provided PPM with a ZAR500 million loan facility in 2018 which will continue to provide access to funding for short-term cash flow requirements for the operation at PPM. Interest payments on this facility commenced in March 2020 and capital repayments in September 2020.

Based on the current cash flow projections for the Group, management has a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future and therefore the annual financial statements continue to be prepared on a going concern basis, which assumes the realisation of assets and discharge of liabilities in the normal course of business within the foreseeable future.

Development of exploration and mineable assets may require new funding.

5.2 Restricted cash

The Group had restricted cash investments and guarantees forming part of its non-current assets totalling USD15.012 million at September 30, 2020 (USD15.885 million at December 31, 2019). The movement in the restricted cash was a result of a weaker Rand exchange rate used to convert to presentation currency offset by a monthly contribution of USD178 thousand (ZAR2 million). This cash is held by Rand Merchant Bank on long-term deposits and ceded in favour of Lombard Insurance. Lombard Insurance provides the Group with guarantees for both Eskom and the DMRE. The facility with Lombard is 55% cash-backed at September 30, 2020.

5.3 Contractual Obligations

The Group's contractual obligations are as follows:

Table 6. Commitments as at September 30, 2020

Contractual obligations USD'000	Total	< 1 year	1-3 years	After 3 years
Employee entitlements (1)	1,766	1,766	-	-
Asset Retirement Obligation (2)	19,374	-	-	19,374
Mining costs (3)	15,039	15,039	-	-
Loan from IDC	35,299	12,837	22,462	-
Open Purchase Orders	4,749	4,749	-	-
Total Contractual Obligations	**76,227**	**34,391**	**22,462**	**19,374**

(1) The employee entitlements include the leave pay due to employees in terms of their employment contracts.
(2) The amount of USD19.374 million represents the gross asset retirement obligation to rehabilitate the opencast pit and plant at PPM and Sedibelo at the end of life of mine, in accordance with the mining licence and approved Environmental Management Programme ("EMP").
(3) Committed mining expenses include the estimated cost that will be incurred by the main mining contractors to carry out the opencast mining operations for the required notice period, should the contract with the main mining contractor be cancelled.

6. Capital Resources

6.1 Working capital

As at September 30, 2020, Sedibelo Platinum Mines' total working capital was USD104.168 million (December 31, 2019: USD66.417 million). Working capital is based on the total unrestricted cash plus cash equivalents (USD48.019 million), plus inventory (USD10.105 million) and trade and other receivables (USD95.776 million) less short term borrowings (USD12.837 million), trade payables, accrued liabilities (USD22.772 million) and the outstanding revolving commodity facility balance (USD14.123 million). Sedibelo Platinum Mines' cash and cash equivalents are held in short term and liquid interest earning deposits at reputable financial institutions within the Republic of South Africa and in the United Kingdom.

As part of working capital management and ensuring sufficient cash is available for operational needs, the RCF with Investec is utilised on a continuous basis. The current RCF is available up to March 31, 2021.

6.2 Restrictions on the repayments of inter-group loans

The Company's principal subsidiary, Platinum Investor Consortium Proprietary Limited ("PIC"), operates in South Africa and as a result is subject to the South African Reserve Bank (''SARB'') Exchange Control Regulations. Any repayment of foreign currency loans by a South African company to an offshore company is subject to prior approval by the SARB.

The shareholder loan from Sedibelo Platinum Mines to PIC amounted to USD1.68 billion (ZAR28.48 billion) at September 30, 2020 and has been used to fund the development of PPM and the acquisition of PGM assets on the Western Limb in 2012.

There is a restriction in the IDC loan agreement limiting the advance and repayment of intercompany loans from PPM.

7. Critical accounting estimates

The Company's significant accounting principles and methods of application are disclosed in the notes of the Company's consolidated financial statements for the year ended December 31, 2019. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The primary areas in which estimates and judgements are applied are as follows:

Determination of consolidation

Management applies judgement when determining whether the Company should consolidate entities where it owns less than half of the voting power of an entity. An investor controls an investee if and only if the investor has all of the following elements:

- a power over the investee, i.e. the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's return.

Management have further consolidated Defacto Investments 275 Proprietary Limited, Dream World Investments 226 Proprietary Limited and Taung Platinum Exploration Proprietary Limited even though the Group owns less than half of the share capital of those entities as it was determined that the Group manages the financial and operating policies of those entities.

Management have accounted for its interest in KellTech Limited as a joint venture through the equity method of accounting due to the nature of the joint arrangement.

Impairment of non-current assets

Management uses the guidance in *IAS 36 – Impairment of assets* when assessing whether indicators for impairment exist for mining assets, intangible assets and property, plant and equipment. Management uses certain assumption in calculating the assets value in use. Assumptions such as PGM prices, South African Rand: United States Dollar exchange rates and inflation are based on the most recent information available in the market.

Inventory

Metal inventory is held in a wide variety of forms across the value chain reflecting the stage of refinement. Prior to production as final metal the inventory is always contained within a carrier material. As such inventory is typically sampled and assays taken to determine the metal content and how this is split by metal. Measurement and sampling accuracy can vary quite significantly depending on the nature of the vessels and the state of the material. Management judgement, therefore, is also applied.

Decommissioning and rehabilitation provision

The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision represents management's best estimate of the present value of the rehabilitation costs anticipated to be incurred at the end of the mine's life. See Note 13 of the consolidated financial statements.

Reserves and Resources

The estimation of reserves impacts the depreciation of certain categories of property, plant and equipment (deferred stripping costs, decommissioning assets and producing mines), the recoverable amount of mining assets and property, plant and equipment and the timing of rehabilitation expenditure. The reserves and resources statement is prepared by an independent expert that complies with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("SAMREC code").

Factors impacting the determination of proved and probable reserves are:

- the grade of mineral reserves may vary
- actual commodity prices and commodity price assumptions
- operational issues at mine sites; and
- capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Depreciation – units of production

Various units-of-production ("UOP") depreciation methodologies are available to management e.g. tonnes processed, tonnes milled, tonnes mined or ounces produced. Management elected to depreciate deferred stripping, decommissioning asset and producing mines using the ore tonnes mined methodology and plant and equipment using the ore tonnes processed methodology.

The calculation of the UOP rate of depreciation will be impacted to the extent that actual production in the future is different from current forecast production based on proved and probable mineral reserves.

8. Other

8.1 Off-Balance Sheet Arrangements

At September 30, 2020, the Group had USD27.848 million in guarantees to the DMRE and Eskom, of which USD15.012 million is funded.

8.2 Proposed Transactions

The Company continues to evaluate opportunities in the market with a view to expand the current business. At the current time there are no reportable proposed transactions.

8.3 Financial Instruments and Other Instruments

The Group has the following financial instruments measured at amortised cost: cash and cash equivalents, restricted cash investments and guarantees, loans receivable, trade payables and accrued liabilities and long-term borrowings. These instruments fair values approximate their carrying values.

The Group's trade receivables and the revolving commodity facility are measured at fair value.

8.4 Carbon tax

Carbon tax imposes an initial levy of ZAR120 per tonne of carbon dioxide equivalent ("CO2e") of greenhouse gas emissions above stipulated tax-free allowances. Various tax-free allowances could translate into an effective carbon tax rate range between ZAR6 to ZAR48 per tonne of CO2e. The Company received its 2019 assessment and the impact is immaterial..A similar result is expected for 2020.

8.5 Changes in Accounting Policies including Initial Adoption

There were no changes in the accounting policies applied since the issue of the audited consolidated financial statements for the year ended December 31, 2019 except for the adoption of the standards set out below:

- IAS 1 and IAS 8 (Amendments): Definition of Material
- The Conceptual Framework for Financial Reporting (revised) - The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event.

These amendments did not have a material impact on the Group.

9. Outstanding share data

As at September 30, 2020, the Company had 3,095,401,663 common shares in issue.

10. Risks and uncertainties

The Company is in the business of the exploration and development of mineral properties and the operation of mines directly or through third parties. There are numerous risks associated with these activities and specific risks with regards to the South African mining environment.

10.1 Legal proceedings

Access to mining property

There continues to be a delay in the mining of Wilgespruit due to concerns raised by local communities. Access to the land, in order to execute a mining right to mine the minerals, has been restricted as a result of the continued occupation of the land by factions of the local community.

There have been numerous court challenges and on 25 October 2018, the Constitutional Court ("ConCourt") proclaimed that PPM would be required to exhaust all the remedies available in terms of Section 54 of the Mineral and Petroleum Resources Development Act, before an eviction order could be considered. PPM was instructed to negotiate with the lawful occupiers and engage with the Regional Manager of the DMRE for assistance in resolving the dispute.

In line with the judgement from the ConCourt, PPM has engaged with the lawful occupiers and their representatives. A Settlement Agreement was concluded on November 30, 2019 and an Addendum was signed on June 6, 2020. A relocation plan has been compiled that includes moving farmers temporarily, identifying an alternative farm for permanent relocation; and engaging on other salient terms in the Settlement Agreement. The relocation plan is currently being implemented; individual farmers have begun signing Relocation Agreements and are currently relocating.

Diesel rebates

The matter is currently the subject of litigation between the South African Revenue Services ("SARS") and PPM on periods claimed since April 2008. USD23.79 million (ZAR404 million) is outstanding from SARS at September 30, 2020 owing to PPM and USD3.65 million (ZAR62 million) is claimed by SARS on refunds they allowed before 2011.

10.2 Liquidity

The Group operates in a cyclical industry where levels of cash flow have historically been materially influenced by market prices for commodities and exchange rates. Material uncertainties, such as exposure to ZAR:USD exchange rate and PGM prices, cast significant strain on the Group's liquidity position. See disclosure around going concern in Note 1 of the consolidated financial statements for the year ended December 31, 2019.

11. Internal control over financial reporting

Management has evaluated or caused to be evaluated, the effectiveness of the Company's disclosure controls and procedures and the internal control over financial reporting and concluded that the Company's disclosure and internal control over financial reporting was effective as of the end of the nine-months ended September 30, 2020. The Company has identified no material weakness in the design of its internal controls over financial reporting. There has been no change in the Company's internal controls over financial reporting since its year-end MD&A for the period ended December 31, 2019 or during the nine-month period ended September 30, 2020, that has materially affected, or is reasonably likely to materially affect its internal controls over financial reporting.