UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

[ ] REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended **August 31, 2019**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

OR

[ ] SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report _____

Commission file number: **001-33562**

PLATINUM GROUP METALS LTD.

(Exact name of Registrant as specified in its charter)

British Columbia
(Jurisdiction of incorporation or organization)

Suite 838 - 1100 Melville Street
Vancouver, British Columbia
Canada V6E 4A6
(Address of principal executive offices)

Frank R. Hallam
Telephone: (604) 899-5450
Facsimile: (604) 484-4710
Platinum Group Metals Ltd.
Suite 838 - 1100 Melville Street
Vancouver, British Columbia
Canada V6E 4A6
(Name, Telephone, E-Mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, no par value	**NYSE American**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 58,575,787 common shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]	Accelerated filer [ ]	Non-accelerated filer [X]	Emerging growth company [ ]

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. [ ]

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP [ ]	International Financial Reporting Standards as issued by the International Accounting Standards Board [X]	Other [ ]

If "Other" has been checked in response to previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 [ ] Item 18 [ ]

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

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INTRODUCTION

The information contained in this annual report on Form 20-F for the year ended August 31, 2019 (the "**Annual Report**") of Platinum Group Metals Inc. (the "**Company**" or "**Platinum Group**") is current as of November 25, 2019, except where a different date is specified.

Financial information is presented in accordance with the Handbook of the Canadian Institute of Charted Accountants, in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by International Accounting Standards Board ("**IASB**"), applicable to the preparation of consolidated financial statements and in accordance with accounting policies based on IFRS standards and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations.

For further information please refer to Note 2 to the accompanying consolidated financial statements.

Currency and Foreign Exchange Rates

All monetary amounts set forth in this Annual Report are expressed in United States Dollars ("**USD**" or "**$**" or "**US$**"), except where otherwise indicated. The Company's accounts are based on a Canadian Dollar ("**CDN**" or "**C$**" or "**CAD**") and are reported in a USD presentation currency. The Company's South African subsidiaries use the South African Rand ("**Rand**" or "**R**" or "**ZAR**") as a functional currency.

The following table sets forth the rate of exchange for the USD expressed in CAD in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the posted Bank of Canada exchange rates.

Canadian Dollars as expressed in U.S. Dollars	Year Ended August 31,		
	2019	2018	2017
Rate at end of period	$1.3295	$1.3055	$1.2536
Average rate for period	$1.3255	$1.2776	$1.3212
High for period	$1.3642	$1.3310	$1.4559
Low for period	$1.2803	$1.2128	$1.2536

The daily average exchange rate on November 25, 2019 as reported by the Bank of Canada for the conversion of USD into CDN was $1.00 equals C$25.

The following table sets forth the rate of exchange for the USD expressed in Rand in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the posted rates by The Federal Reserve of New York.

South African Rand as expressed in U.S. Dollars	Year Ended August 31,		
	2019	2018	2017
Rate at end of period	R15.1925	R14.6883	R13.0190
Average rate for period	R14.3372	R12.9572	R13.4711
High for period	R15.4725	R14.7841	R16.8406
Low for period	R13.285	R11.5584	R13.0228

The daily average exchange rate on November 25, 2019 as reported by the Federal Reserve of New York for the conversion of USD into Rand was $1.00 equals R14.7578.

Share Consolidations

On January 28, 2016, the Company's common shares ("**Common Shares**" or "**shares of Common Stock**") were consolidated on the basis of one new share for ten old shares (1:10) (the "**2016 Share Consolidation**").

On December 13, 2018, the Common Shares were further consolidated on the basis of one new share for ten old shares (1:10) (the "**2018 Share Consolidation**", and together with the 2016 Share Consolidation, the "**Consolidations**"). The purpose of the Consolidations was to increase the Common Share price to be in compliance with the NYSE American's low selling price requirement.

The conversion rate of the Company's convertible senior subordinated $20 million aggregate principal amount of 6 7/8% convertible notes, issued June 30, 2017 and maturing on July 1, 2022 (the "**Notes**"), and the exercise prices of any outstanding options and warrants, and the number of Common Shares for which such securities are exercisable, were appropriately adjusted to give effect to the Consolidations, as applicable, in accordance with the terms of their governing instruments.

Unless otherwise indicated, all information included in this Annual Report, including, without limitation, all share and per share amounts, trading and per share prices, note conversion rates and option and warrant exercise prices, is presented after giving effect to the Consolidations.

Units of Conversion

The following table sets forth certain standard conversions from the International System of Units (metric units) to the Standard Imperial Units:

Conversion Table

Metric		Imperial
1.0 millimetre (mm)	=	0.039 inches (in)
1.0 metre (m)	=	3.28 feet (ft)
1.0 kilometre (km)	=	0.621 miles (mi)
1.0 hectare (ha)	=	2.471 acres (ac)
1.0 gram (g)	=	0.032 troy ounces (oz)
1.0 metric tonne (t)	=	1.102 short tons (ton)
1.0 g/t	=	0.029 oz/ton

Forward-Looking Statements

This Annual Report 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", "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 Annual Report include, without limitation, statements with respect to:

- the timely completion of additional required financings and potential terms thereof;
- the repayment, and compliance with the terms of, indebtedness;
- any potential exercise by Impala Platinum Holdings Ltd. ("**Implats**") of the Purchase and Development Option (as defined below);
- the projections set forth or incorporated into, or derived from, the September 2019 Technical Report (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 mining right for, and other developments related to, the Waterberg Project (defined below);
- the adequacy of capital, financing needs and the availability of and potential for obtaining further capital;
- cash flow estimates and assumptions;
- future events or future performance;
- development of next generation battery technology by the Company's new battery technology joint venture (described below);
- 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;
- 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 and tax audits; and
- potential changes in the ownership structures of the Company's projects.

Forward-Looking Statements reflect the current expectations of beliefs of the Company based on information currently available to the Company. 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 inability of the Company to generate sufficient additional cash flow or raise sufficient additional capital to make payment on its indebtedness under the 2019 Sprott Facility (defined below) and the Notes, and to comply with the terms of such indebtedness, and the restrictions imposed by such indebtedness;
- the Company's additional financing requirements;
- the Company's secured credit facility (the "**2019 Sprott Facility**") with Sprott Private Resource Lending II (Collector), LP ("**Sprott**") and the other lenders party thereto (the "**Sprott Lenders**") is, and any new indebtedness may be, secured and the Company has pledged its shares of Platinum Group Metals (RSA) Proprietary Limited, the Company's wholly owned subsidiary located in South Africa ("**PTM RSA**"), and PTM RSA has pledged its shares of Waterberg JV Resources Proprietary Limited ("**Waterberg JV Co.**") to Sprott under the 2019 Sprott Facility, which potentially could result in the loss of the Company's interest in PTM RSA and the Waterberg Project, the group of exploration projects that came from a regional target initiative by the Company targeting a previously unknown extension to the Northern Limb of the Bushveld Complex in South Africa, in the event of a default under the 2019 Sprott Facility or any new secured indebtedness;
- the Company's history of losses and negative cash flow;
- the Company's ability to continue as a going concern;
- uncertainty of estimated production, development plans and cost estimates for the Waterberg Project;
- 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;
- Implats may not exercise the Purchase and Development Option;
- approval of the Definitive Feasibility Study for the Waterberg Project ("**DFS**") by the shareholders of Waterberg JV Co.;
- the possibility that the Company may become subject to the Investment Company Act of 1940, as amended (the "**Investment Company Act**");
- 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 Company's other shareholders of Waterberg JV Co. or Mnombo Wethu Consultants (Pty) Ltd., a South African Broad-Based Black Economic Empowerment company ("**Mnombo**");
- 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 inability of Waterberg JV Co. to obtain the mining right for the Waterberg Project for which it has applied;
- the ability of the Company to retain its key management employees and skilled and experienced personnel;

- 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" and potential adverse U.S. federal income tax consequences for U.S. shareholders;
- litigation or other legal or administrative proceedings brought against the Company, including the current litigation brought by Africa Wide Mineral Prospecting and Exploration (Pty) Limited ("**Africa Wide**"), the former 17.1% shareholder of Maseve Investments 11 Proprietary Limited ("**Maseve**");
- 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 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 access rights and 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 Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry, 2018 ("**Mining Charter 2018**");
- certain potential adverse Canadian tax consequences for foreign-controlled Canadian companies that acquire the Common Shares;
- the risk that the Common Shares may be delisted;
- volatility in the price of the Common Shares;
- possible dilution to holders of Common Shares upon the exercise or conversion of any outstanding stock options, warrants or the Notes, as applicable; and
- other risks disclosed under the heading "Risk Factors" in this Annual Report.

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.

The mineral resource and mineral reserve figures referred to in this Annual Report and the documents incorporated herein by reference are estimates and no assurances can be given that the indicated levels of platinum ("**Pt**"), palladium ("**Pd**"), rhodium ("**Rh**") and gold ("**Au**") 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.

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 as a result of new information, future events or results or otherwise.

Cautionary Note to U.S. Investors

Estimates of mineralization and other technical information included or incorporated by reference herein have been prepared in accordance with Canada's National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7 of the U.S. Securities and Exchange Commission (the "**SEC**"). Under SEC Industry Guide 7 standards, a "final", "definitive" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. As a result, the reserves reported by the Company in accordance with NI 43-101 may not qualify as "reserves" under the current SEC standards. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and have not normally been permitted to be used in reports and registration statements filed with the SEC. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or prefeasibility studies, except in rare cases. See "Reserve and Mineral Resource Disclosure". Additionally, disclosure of "contained ounces" in a resource is permitted disclosure under Canadian securities laws; however, SEC Industry Guide 7 normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measurements. Accordingly, information contained in this Annual Report and the documents incorporated by reference herein containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of SEC Industry Guide 7. The Company has not disclosed or determined any mineral reserves under the current SEC Industry Guide 7 standards in respect of any of its properties.

On October 31, 2018, the SEC adopted a final rule ("**New Final Rule**") that will replace Industry Guide 7 with new disclosure requirements that are more closely aligned with current industry and global regulatory practices and standards, including NI 43-101. Companies must comply with the New Final Rule for the company's first fiscal year beginning on or after January 1, 2021, which for Platinum Group would be the fiscal year beginning September 1, 2021. While early voluntary compliance with the New Final Rule will be permitted, Platinum Group has not elected to comply with the New Final Rule at this time.

Reserve and Mineral Resource Disclosure

Due to the uncertainty that may be attached to inferred mineral resource estimates, it cannot be assumed that all or any part of an inferred mineral resource estimate will be upgraded to an indicated or measured mineral resource estimate as a result of continued exploration. Confidence in an inferred mineral resource estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances set out NI 43-101. Inferred mineral resource estimates are excluded from estimates forming the basis of a feasibility study.

NI 43-101 requires mining companies to disclose reserves and resources using the subcategories of proven reserves, probable reserves, measured resources, indicated resources and inferred resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

A "mineral reserve" is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, governmental and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses which may occur when the material is mined or extracted. A "proven mineral reserve" is the economically mineable part of a measured mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support detailed mine planning and final evaluation of the economic viability of the deposit. A "probable mineral reserve" is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the appropriate application of technical and economic parameters in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

A "mineral resource" is a concentration or occurrence of solid material in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. A "measured mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. An "indicated mineral resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of technical and economic parameters in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade continuity between points of observation. Mineral resources that are not mineral reserves do not have demonstrated economic viability. An "inferred mineral resource" is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes.

A "feasibility study" is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, governmental and other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. A "preliminary feasibility study" or "pre-feasibility study" is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the applicable mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social, governmental and other relevant operational factors and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be converted to a mineral reserve at the time of reporting. "Cut-off grade" means (a) in respect of mineral resources, the lowest grade below which the mineralized rock currently cannot reasonably be expected to be economically extracted, and (b) in respect of mineral reserves, the lowest grade below which the mineralized rock currently cannot be economically extracted as demonstrated by either a preliminary feasibility study or a feasibility study. Cut-off grades vary between deposits depending upon the amenability of ore to mineral extraction and upon costs of production and metal prices.

GLOSSARY OF TECHNICAL TERMS

"3E" means platinum, palladium and gold.

"4E" or **"PGE"** means platinum, palladium, rhodium and gold.

"anomalous" refers to a sample or location that either (i) the concentration of an element(s) or (ii) geophysical measurement is significantly different from the average background values in the area.

"anorthosite" is a rock comprised of largely feldspar minerals and minor mafic iron-magnesium minerals.

"assay" is an analysis to determine the quantity of one or more elemental components.

"Au" refers to gold.

"BIC" is an abbreviation for the Bushveld Igneous Complex in South Africa, the source of most of the world's platinum and is a significant producer of palladium and other platinum group metals (PGM's) as well as chrome.

"cm" is an abbreviation for centimetres.

"Cu" refers to copper.

"exploration stage" refers to the stage where a company is engaged in the search for minerals deposits (reserves) which are not in either the development or production stage.

"fault" is a fracture or break in a rock across which there has been displacement.

"gabbro" is an intrusive rock comprised of a mixture of mafic minerals and feldspars.

"grade" is the concentration of an ore metal in a rock sample, given either as weight percent for base metals (i.e., Cu, Zn, Ni Pb) or in grams per tonne (g/t) or ounces per short ton (oz/t) for precious or platinum group metals.

"g/t" refers to grams per tonne.

"h" is an abbreviation for hectare.

"hectare" is an area totaling 10,000 square metres or 100 metres by 100 metres.

"intrusive" is a rock mass formed below earth's surface from molten magma, which was intruded into a pre-existing rock mass and cooled to solid.

"km" is an abbreviation for kilometre.

"m" is an abbreviation for metres.

"mafic" is a rock type consisting of predominantly iron and magnesium silicate minerals with little quartz or feldspar minerals.

"mineralization" refers to minerals of value occurring in rocks.

"Mt" is an abbreviation for million tonnes.

"Ni" is an abbreviation for nickel.

"outcrop" refers to an exposure of rock at the earth's surface.

"overburden" is any material covering or obscuring rocks from view.

"Pd" refers to palladium.

"PGM" refers to platinum group metals in accordance with the periodic table of elements, including platinum, palladium, rhodium and gold.

"Pt" refers to platinum.

"pyroxenite" refers to a relatively uncommon dark-coloured rock consisting chiefly of pyroxene; pyroxene is a type of rock containing sodium, calcium, magnesium, iron, titanium and aluminum combined with oxygen.

"quartz" is a common rock-forming mineral (SiO_2)

"Rh" refers to rhodium, a platinum metal. Rhodium shares some of the notable properties of platinum, including its resistance to corrosion, its hardness and ductility. Wherever there is platinum in the earth, there is rhodium as well. In fact, most rhodium is extracted from a sludge that remains after platinum is removed from the ore. A high percentage of rhodium is also found in certain nickel deposits in Canada.

"ultramafic" refers to types of rock containing relatively high proportions of the heavier elements such as magnesium, iron, calcium and sodium; these rocks are usually dark in color and have relatively high specific gravities.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. Selected Financial Data

The Company's selected financial data as at August 31, 2019 and 2018 and for the fiscal years ended August 31, 2019, 2018 and 2017 are derived from its consolidated financial statements which have been audited by PricewaterhouseCoopers LLP as indicated in their independent auditors' report which is included elsewhere in this Annual Report. The selected financial data as at August 31, 2017 and 2016 and for the fiscal year ended August 31, 2016 are derived from audited consolidated financial statements which are not included in this Annual Report.

The selected financial data should be read in conjunction with the financial statements and notes thereto as well as the information appearing under Item 5 - Operating and Financial Review and Prospects.

Summary of Financial Data

The Company's financial statements and the table set forth below have been prepared in accordance with IFRS, as issued by the IASB. All figures presented are in USD. On September 1, 2015, the first day of the 2016 fiscal year, the Company changed its presentation currency from CDN to USD. As a result, historical financial information from and after September 1, 2014 was also restated in USD.

SELECTED FINANCIAL DATA
(in thousands of USD, except share and per share data)

	Year Ended 31-Aug-19	Year Ended 31-Aug-18	Year Ended 31-Aug-17	Year Ended 31-Aug-16
Other Income	1,759	2,056	3,143	1,133
Net Loss	16,776	41,024	590,371	36,651
Loss Per Share	0.52	0.20	4.30	0.26
Dividends per Share	-	-	-	-
	31-Aug-19	**31-Aug-18**	**31-Aug-17**	**31-Aug-16**
Working Capital	(554)	7,744	13,258	(20,683)
Total Assets	43,663	41,849	100,528	519,858
Long Term Liabilities	37,911	57,807	61,046	56,823
Mineral Properties	36,792	29,406	22,900	22,346
Property Plant and Equipment	451	1,057	1,543	469,696
Shareholder's Equity	(1,157)	(19,530)	(23,226)	419,448
Capital Stock	855,270	818,454	800,894	714,190
Number of Shares	58,575,787	29,103,411	14,846,938	8,885,703

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The Company's securities should be considered a highly speculative investment due to the nature of the Company's business and present stage of exploration and development of its mineral properties. Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production. Investors should carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company. Without limiting the foregoing, the following risk factors should be given special consideration when evaluating an investment in the Company's securities. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations.

Risks Relating to the Company

The Company may be unable to generate sufficient cash to service its debt or otherwise comply with the terms of its debt, the terms of the agreements governing the Company's debt may restrict its current or future operations and the indebtedness may adversely affect the Company's financial condition and results of operations.

The Company's ability to make scheduled payments on its indebtedness will depend on its ability to raise additional funding by way of debt or equity offerings. It will also depend on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, or if any necessary extensions or waivers the Company's lenders are not available, the Company could face substantial liquidity problems. This could also force the Company to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all. Additionally, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations.

In addition, a breach of the covenants under the Company's debt instruments could result in an event of default under the applicable indebtedness, or other events of default could occur. Such default could result in secured creditors' realization of collateral. It may also allow the creditors to accelerate the related debt, result in the imposition of default interest, and result in the acceleration of any other debt to which a cross acceleration or cross default provision applies. In particular, a cross default provision applies to certain of the Company's indebtedness, including the Notes. In the event a lender accelerates the repayment of the Company's borrowings, the Company may not have sufficient assets to repay its indebtedness.

The 2019 Sprott Facility includes a number of covenants that impose operating and financial restrictions on it and may limit its ability to engage in acts that may be in its long-term best interest. The Company is required to take all steps and actions as may be required to maintain the listing and posting for trading of the Common Shares on at least one of the Toronto Stock Exchange (the "**TSX**") or the NYSE American LLC (the "**NYSE American**"). The 2019 Sprott Facility also restricts the Company's ability to:

- modify material contracts;
- dispose of assets;
- use the proceeds from permitted dispositions and financings;
- incur additional indebtedness;
- enter into transactions with affiliates;
- grant security interests or encumbrances; and
- use proceeds from future debt or equity financings.

The indenture governing the Notes also includes restrictive covenants, including, without limitation, covenants restricting the incurrence of indebtedness and the use of proceeds from asset sales. As a result of these and other restrictions, the Company:

- may be limited in how it conducts its business,
- may be unable to raise additional debt or equity financing,
- may be unable to compete effectively or to take advantage of new business opportunities or
- may become in breach of its obligations to the other shareholders of Waterberg JV Co., Mnombo and others,

each of which may affect the Company's ability to grow in accordance with its strategy or may otherwise adversely affect its business and financial condition.

Further, the Company's maintenance of substantial levels of debt could adversely affect its financial condition and results of operations and could adversely affect its flexibility to take advantage of corporate opportunities. Substantial levels of indebtedness could have important consequences to the Company, including:

- limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring it to make non-strategic divestitures;
- requiring a substantial portion of the Company's cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing the Company's vulnerability to general adverse economic and industry conditions;
- exposing the Company to the risk of increased interest rates for any borrowings at variable rates of interest;
- limiting the Company's flexibility in planning for and reacting to changes in the mining industry;
- placing the Company at a disadvantage compared to other, less leveraged competitors; and
- increasing the Company's cost of borrowing.

In October 2017, the Company agreed with BMO Nesbitt Burns Inc. ("**BMO**") and Macquarie Capital Markets Canada Ltd. ("**Macquarie**") to pay BMO and Macquarie an aggregate of approximately US$2.9 million for services previously provided as soon as practicable following the repayment of the LMM Facility (as hereinafter defined) and the Company's former working capital facility with Sprott Resource Lending Partnership. These facilities have now been repaid; however, the amounts owing to BMO and Macquarie remain outstanding. As of the date hereof, neither BMO or Macquarie has demanded payment. However, no assurance can be provided that BMO or Macquarie will not demand payment or claim that the Company has failed to satisfy its obligations on a timely basis. If the Company fails to pay the amounts owing to BMO and Macquarie on a timely basis, this could have a material adverse effect on the Company, including the risk of cross-default under the Company's other indebtedness.

The Company will require additional financing, which may not be available on acceptable terms, if at all.

The Company does not have any source of operating revenues. The Company will 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 working capital for continued exploration and development on the Waterberg Project, as well as for general working capital purposes and compliance with, and repayment of, its existing indebtedness. The Company can give no assurance that financing will be available to it or, if it is available, that it will be offered on acceptable terms. Any failure to timely complete any required financing may result in a default under the 2019 Sprott Facility. Unforeseen increases or acceleration of expenses and other obligations could require additional capital as of an earlier date. If additional financing is raised by the issuance of Company equity securities, control of the Company may change, security holders will suffer additional dilution and the price of the Common Shares may decrease. If additional financing is raised through the issuance of indebtedness, the Company will require additional financing in order to repay such indebtedness. Failure to obtain such additional financing could result in the delay or indefinite postponement of further development of its properties or even a loss of property interests.

If the Company fails to obtain required financing on acceptable terms or on a timely basis, this could cause it to delay development of the Waterberg Project, result in the Company being forced to sell additional assets on an untimely or unfavorable basis or result in a default under its outstanding indebtedness. Any such delay or sale could have a material adverse effect on the Company's financial condition, results of operations and liquidity. Any default under the Company's outstanding indebtedness could result in the loss of its entire interest in PTM RSA, and therefore its interests in the Waterberg Project.

The Company has granted security interests in favour of the Sprott Lenders over all of its personal property, subject to certain exceptions, and the Company has pledged its shares of PTM RSA, and PTM RSA has pledged its shares of Waterberg JV Co. to the Sprott Lenders under the 2019 Sprott Facility, which may have a material adverse effect on the Company.

To secure the Company's obligations under the 2019 Sprott Facility, it has entered into a general security agreement under which the Company has granted security interests in favour of the Sprott Lenders over all of its present and after acquired personal property, subject to certain exceptions. The Company has also entered into share pledge agreements pursuant to which it has granted a security interest in favour of the Sprott Lenders over all of the issued shares in the capital of PTM RSA. PTM RSA has also guaranteed the Company's obligations to the Sprott Lenders and pledged the shares the Company holds in Waterberg JV Co. in favour of the Sprott Lenders. These security interests and guarantee may impact the Company's ability to obtain project financing for the Waterberg Project or its ability to secure other types of financing. The 2019 Sprott Facility has various covenants and provisions, including payment covenants and financial tests that must be satisfied and complied with during the term of the 2019 Sprott Facility. There is no assurance that such covenants will be satisfied. Any default under the 2019 Sprott Facility, including any covenants thereunder, could result in the loss of the Company's entire interest in PTM RSA, and therefore the Company's interests in the Waterberg Project.

The Company has a history of losses and it anticipates continuing to incur losses.

The Company has a history of losses. The Company anticipates continued losses until it can successfully place one or more of its properties into commercial production on a profitable basis. It could be years before the Company receives any profits from any production of metals, if ever. If the Company is unable to generate significant revenues with respect to its properties, the Company will not be able to earn profits or continue operations.

The Company has a history of negative operating cash flow and may continue to experience negative operating cash flow.

The Company has had negative operating cash flow in recent financial years. The Company's ability to achieve and sustain positive operating cash flow will depend on a number of factors, including the Company's ability to advance the Waterberg Project into production. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow. The 2019 Sprott Facility requires that the Company maintain consolidated cash and cash equivalents of at least US$1.0 million and working capital in excess of US$500,000. There can be no assurance that additional debt or equity financing or other types of financing will be available if needed or that these financings will be on terms at least as favorable to the Company as those obtained previously. The Company may be required to raise additional funds through the issuance of additional equity or debt securities to satisfy the minimum cash balance requirements under the 2019 Sprott Facility. The 2019 Sprott Facility provides, however, that 50% of the proceeds of such financings are required to be paid to the Sprott Lenders in partial repayment of the 2019 Sprott Facility. There can be no assurance that additional debt or equity financing or other types of financing will be available if needed or that these financings will be on terms at least as favorable to us as those obtained previously.

The Company may not be able to continue as a going concern.

The Company has limited financial resources. The Company's ability to continue as a going concern is dependent upon, among other things, the Company establishing commercial quantities of mineral reserves and successfully establishing profitable production of such minerals or, alternatively, disposing of its interests on a profitable basis. Any unexpected costs, problems or delays could severely impact the Company's ability to continue exploration and development activities. Should the Company be unable to continue as a going concern, realization of assets and settlement of liabilities in other than the normal course of business may be at amounts materially different than the Company's estimates. The amounts attributed to the Company's exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value. The Company has suffered recurring losses from operations and significant amounts of debt payable without any current source of operating income. Also, the Company had a net capital deficiency that raised substantial doubt about its ability to continue as a going concern.

The Company's properties may not be brought into a state of commercial production.

Development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Company's control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render reserves and deposits containing relatively lower grades of mineralization uneconomic. The development of the Company's properties will require obtaining land use consents, permits and the construction and operation of mines, processing plants and related infrastructure. The Company is subject to all of the risks associated with establishing new mining operations, including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities and related infrastructure;
- the availability and cost of skilled labour and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain and maintain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;
- the availability and cost of electricity;

- in the event that the required permits are not obtained in a timely manner, mine construction and ramp-up will be delayed and the risks of government environmental authorities issuing directives or commencing enforcement proceedings to cease operations or administrative, civil and criminal sanctions being imposed on the Company, its directors and employees;

- the availability of funds to finance construction and development activities;

- potential opposition from non-governmental organizations, environmental groups or local community groups which may delay or prevent development activities; and

- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies and foreign exchange rates.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Waterberg Project, with additional challenges related thereto, including water and power supply and other support infrastructure. For example, water resources are scarce at the Waterberg Project. If the Company should decide to mine at the Waterberg Project, it will have to establish sources of water and develop the infrastructure required to transport water to the project area. Similarly, the Company will need to secure a suitable location by purchase or long-term lease of surface or access rights at the Waterberg Project to establish the surface rights necessary to mine and process.

It is common in new mining operations to experience unexpected costs, problems and delays during development, construction and mine ramp-up. Accordingly, there are no assurances that the Company's properties, will be brought into a state of commercial production.

Estimates of mineral reserves and mineral resources are based on interpretation and assumptions and are inherently imprecise.

The mineral resource and mineral reserve estimates contained in this Annual Report and the other documents incorporated by reference herein have been determined and valued based on assumed future prices, cut off grades and operating costs. However, until mineral deposits are actually mined and processed, mineral reserves and mineral resources must be considered as estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Estimates of operating costs are based on assumptions including those relating to inflation and currency exchange, which may prove incorrect. Estimates of mineralization can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. There can be no assurance that precious metals recovered in small scale tests will be duplicated in large scale tests under onsite conditions or in production scale. Amendments to the mine plans and production profiles may be required as the amount of resources changes or upon receipt of further information during the implementation phase of the project. Extended declines in market prices for platinum, palladium, rhodium and gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to develop its properties and extract and sell such minerals, could have a material adverse effect on the Company's results of operations or financial condition.

Actual capital costs, operating costs, production and economic returns may differ significantly from those the Company has anticipated and there are no assurances that any future development activities will result in profitable mining operations.

The capital costs to take the Company's projects into commercial production may be significantly higher than anticipated. None of the Company's mineral properties has an operating history upon which the Company can base estimates of future operating costs. Decisions about the development of the Company's mineral properties will ultimately be based upon feasibility studies. Feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates of metals from the ore;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Capital costs, operating costs, production and economic returns and other estimates contained in studies or estimates prepared by or for the Company may differ significantly from those anticipated by the Company's current studies and estimates, and there can be no assurance that the Company's actual capital and operating costs will not be higher than currently anticipated. As a result of higher capital and operating costs, production and economic returns may differ significantly from those the Company has anticipated.

The Company is subject to the risk of fluctuations in the relative values of the U.S. Dollar, the Rand and the Canadian Dollar.

The Company may be adversely affected by foreign currency fluctuations. Effective September 1, 2015, the Company adopted U.S. Dollars as the currency for the presentation of its financial statements. Historically, the Company has primarily generated funds through equity investments into the Company denominated in Canadian or U.S. Dollars. In the normal course of business, the Company enters into transactions for the purchase of supplies and services primarily denominated in Rand or Canadian Dollars. The Company also has assets, cash and liabilities denominated in Rand, Canadian Dollars and U.S. Dollars. Several of the Company's options to acquire properties or surface rights in South Africa may result in payments by the Company denominated in Rand or in U.S. Dollars. Exploration, development and administrative costs to be funded by the Company in South Africa will also be denominated in Rand. Settlement of sales of minerals from the Company's projects, once commercial production commences, will be in Rand, and will be converted to U.S. Dollars. Fluctuations in the exchange rates between the U.S. Dollar and the Rand or Canadian Dollar may have a material adverse effect on the Company's financial results.

In addition, South Africa has in the past experienced double-digit rates of inflation. If South Africa experiences substantial inflation in the future, the Company's costs in Rand terms will increase significantly, subject to movements in applicable exchange rates. Inflationary pressures may also curtail the Company's ability to access global financial markets in the longer term and its ability to fund planned capital expenditures, and could materially adversely affect the Company's business, financial condition and results of operations. Downgrades, and potential further downgrades, to South Africa's sovereign currency ratings by international ratings agencies would likely adversely affect the value of the Rand relative to the Canadian or U.S. Dollar. The South African government's response to inflation or other significant macro-economic pressures may include the introduction of policies or other measures that could increase the Company's costs, reduce operating margins and materially adversely affect its business, financial condition and results of operations.

Metal prices are subject to change, and low prices or a substantial or extended decline or volatility in such prices could materially and adversely affect the value of the Company's mineral properties and potential future results of operations and cash flows.

Metal prices have historically been subject to significant price fluctuations. No assurance may be given that metal prices will remain stable. Significant price fluctuations over short periods of time may be generated by numerous factors beyond the control of the Company, including:

- domestic and international economic and political trends;
- expectations of inflation;

- currency exchange fluctuations;
- interest rates;
- global or regional consumption patterns;
- speculative activities; and
- increases or decreases in production due to improved mining and production methods.

Low metal prices or significant or continued reductions or volatility in metal prices may have an adverse effect on the Company's business, including the amount of the Company's mineral reserves, the economic attractiveness of the Company's projects, the Company's ability to obtain financing and develop projects, the amount of the Company's revenues or profit or loss and the value of the Company's assets. An impairment in the value of the Company's assets would require such assets to be written down to their estimated net recoverable amount.

If Implats fails to exercise its Purchase and Development Option, this may have a material adverse effect on the Company's stock price, business and prospects.

Implats has the right, but not the obligation, to exercise its Purchase and Development Option by, among other things, purchasing an additional 12.195% equity interest from JOGMEC (as defined below) for $34.8 million and earning into the remaining interest by making a firm commitment to an expenditure of $130.0 million in development work. If Implats fails to exercise such option, the Company's stock price, business and prospects could be adversely affected. Such a decision may be viewed as a determination by Implats that the Waterberg Project is not a promising project or that it has a lesser value. If Implats does not exercise its option, the Company will, together with the other shareholders of Waterberg JV Co., evaluate the alternatives for moving the Waterberg Project forward, which may include, among other things, seeking alternative forms of funding, seeking new investors, or a possible business combination with another company financially and technically capable of developing the Waterberg Project. The timing, terms and ability of the Company and the other Waterberg JV Co. shareholders to obtain such funding or investors is uncertain.

The Company may become subject to the requirements of the Investment Company Act, which would limit or alter the Company's business operations and may require the Company to spend significant resources, or dissolve, to comply with such act.

The Investment Company Act generally defines an "investment company" to include, subject to certain exceptions, an issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 percent of the issuer's unconsolidated assets, excluding cash items and securities issued by the U.S. federal government. The Company believes that it is not an investment company and is not subject to the Investment Company Act. However, recent and future transactions that affect the Company's assets, operations and sources of income and loss, including any exercise of the Purchase and Development Option, may raise the risk that the Company could be deemed an investment company.

The Company has obtained no formal determination from the SEC as to its status under the Investment Company Act but the Company may in the future determine that it is necessary or desirable to seek an exemptive order from the SEC that it is not deemed to be an investment company. There can be no assurance that the SEC would agree with the Company that it is not an investment company and the SEC may make a contrary determination with respect to the Company's status as an investment company. If an SEC exemptive order were unavailable, the Company may be required to liquidate or dispose of certain assets, including its interests in Waterberg JV Co., or otherwise alter its business plans or activities.

If the Company is deemed to be an investment company, the Company would be required to register as an investment company under the Investment Company Act, pursuant to which the Company would incur significant registration and compliance costs, which is unlikely to be feasible for the Company. In addition, a non-U.S. company such as the Company is not permitted to register under the Investment Company Act absent an order from the SEC, which may not be available. If the Company were deemed to be an investment company and it failed to register under the Investment Company Act, it would be subject to significant legal restrictions, including being prohibited from engaging in the following activities, except where incidental to the Company's dissolution: offering or selling any security or any interest in a security; purchasing, redeeming, retiring or otherwise acquiring any security or any interest in a security; controlling an investment company that engages in any of these activities; engaging in any business in interstate commerce; or controlling any company that is engaged in any business in interstate commerce. In addition, certain of the Company's contracts might not be enforceable and civil and criminal actions could be brought against the Company and related persons. As a result of this risk, the Company may be required to significantly limit or alter its business plans or activities.

The failure of the Company or its joint venture partners to fund their pro-rata share of funds under the respective joint ventures may have a material adverse effect on the Company's business and results of operations.

Except for the potential receipt of funding if Implats exercises its Purchase and Development Option, the exercise of which is not guaranteed, funding of Waterberg Project costs is generally required to be provided by Waterberg JV Co. shareholders on a pro rata basis. Even if Implats exercises and funds its Purchase and Development Option, additional development costs are likely to be incurred. The ability of the Company, and the ability and willingness of its joint venture partners, to satisfy required funding obligations is uncertain.

The Company's only material mineral property is the Waterberg project (the "**Waterberg Project**"), which is comprised of two adjacent project areas formerly known as the Waterberg Joint Venture Project, which was created in 2009 as a joint venture between the Company, the Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") and Mnombo (the "**Waterberg Joint Venture Project**"), and the Waterberg Extension Project, which was created in 2009 as a joint venture between the Company and Mnombo (the "**Waterberg Extension Project**").

The Company agreed in the Mnombo shareholders' agreement to fund Mnombo's pro rata share of costs for the original Waterberg Joint Venture Project area through the completion of a DFS for the Waterberg Project. The Company announced the positive results of the DFS on September 24, 2019 and filed a related National Instrument 43-101 technical report on October 7, 2019. Mnombo is responsible to fund its proportionate share of costs for the Waterberg Extension Project area.

The ability of Mnombo to repay the Company for advances and accrued interest as at August 31, 2019 of approximately Rand 68.97 million (approximately $4.54 million as at August 31, 2019) or to fund future investment in the Waterberg Project is uncertain. If the Company fails to fund Mnombo's future capital obligations for the Waterberg Project, Mnombo may be required to obtain funding from alternative sources, which may not be available on favorable terms, or at all. If Mnombo is unable to fund its share of such work, this may delay project expenditures and may result in dilution of Mnombo's interest in the Waterberg Project and require the sale of the diluted interests to another qualified broad-based black economic empowerment ("**BEE**") entity.

Because the development of the Company's projects depends on the ability to finance further operations, any inability of the Company or of one or more of the other shareholders of Waterberg JV Co. or Mnombo to fund their respective funding obligations and cash calls in the future could require the other parties, including the Company, to increase their respective funding of the project. In this event, such parties may be unwilling or unable to do on a timely and commercially reasonable basis, or at all. At the Maseve Mine, the Company was adversely affected by the failure of Africa Wide to satisfy its pro rata share of funding. The occurrence of the foregoing, the failure of any shareholder, including the Company, to increase their funding as required to cover any shortfall, as well as any dilution of its interests in the Company's ventures as a result of its own failure to satisfy a cash call, may have a material adverse effect on the Company's business and results of operations.

Any disputes or disagreements with the other shareholders of Waterberg JV Co. or Mnombo could materially and adversely affect the Company's business.

The Company participates in corporatized joint ventures and may enter into other joint ventures and similar arrangements in the future. PTM RSA is a party to the Waterberg Project shareholders' agreement with joint venture partners Implats, JOGMEC, Mnombo and Hanwa Co. Ltd. ("**Hanwa**"). PTM RSA is also a 49.9% shareholder of Mnombo and the relationship among the shareholders of Mnombo is governed by the Mnombo shareholders' agreement. Any dispute or disagreement with another shareholder or joint venture partner, any change in the identity, management or strategic direction of another shareholder or joint venture partner, or any disagreement among the Mnombo shareholders, including with respect to Mnombo's role in the Waterberg Project, could materially adversely affect the Company's business and results of operations. If a dispute arises between the Company and another shareholder or joint venture partner or the other Mnombo shareholders that cannot be resolved amicably, the Company may be unable to move its projects forward and may be involved in lengthy and costly proceedings to resolve the dispute. This could materially and adversely affect the Company's business and results of operations.

If the Company is unable to retain key members of management, the Company's business might be harmed.

The Company's development to date has depended, and in the future, will continue to depend, on the efforts of its senior management including: R. Michael Jones, President and Chief Executive Officer and a director of the Company; and Frank R. Hallam, Chief Financial Officer and Corporate Secretary and a director of the Company. The Company currently does not, and does not intend to, have key person insurance for these individuals. Departures by members of senior management could have a negative impact on the Company's business, as the Company may not be able to find suitable personnel to replace departing management on a timely basis or at all. The loss of any member of the senior management team could impair the Company's ability to execute its business plan and could therefore have a material adverse effect on the Company's business, results of operations and financial condition.

If the Company is unable to procure the services of skilled and experienced personnel, the Company's business might be harmed.

There is currently a shortage of skilled and experienced personnel in the mining industry in South Africa. The competition for skilled and experienced employees is exacerbated by the fact that mining companies operating in South Africa are legally obliged to recruit and retain historically disadvantaged persons ("**HDPs**"), as defined by the MPRDA and women with the relevant skills and experience at levels that meet the transformation objectives set out in the MPRDA and Mining Charter 2018. If the Company is unable to attract and retain sufficiently trained, skilled or experienced personnel, its business may suffer, and it may experience significantly higher staff or contractor costs, which could have a material adverse effect on its business, results of operations and financial condition.

Conflicts of interest may arise among the Company's officers and directors as a result of their involvement with other mineral resource companies.

Certain of the Company's officers and directors are, and others may become, associated with other natural resource companies that acquire interests in mineral properties. R. Michael Jones, President and Chief Executive Officer and a director of the Company, is also the President and Chief Executive Officer and a director of West Kirkland Mining Inc. ("**WKM**"), a public company with mineral exploration properties in Nevada, and a director of Nextraction Energy Corp. ("**Nextraction**"), a public company which previously held oil properties in Alberta, Kentucky and Wyoming. Frank Hallam, Chief Financial Officer, Corporate Secretary and a director of the Company, is also Chief Financial Officer and Corporate Secretary of WKM, and a director of and interim Chief Financial Officer of Nextraction. John A. Copelyn, a director of the Company, is also Chief Executive Officer of Hosken Consolidated Investments Limited, a significant shareholder of the Company and the holder of a diverse group of investments including hotel and leisure, interactive gaming, media and broadcasting, transport, mining, clothing and properties. Diana Walters, a director of the Company, was formerly an executive officer of Liberty Metals & Mining, LLC ("**LMM**"), a significant shareholder of the Company and until August 21, 2019 the holder of a $40 million (original principal amount) secured loan facility to the Company (the "**LMM Facility**").

Such associations may give rise to conflicts of interest from time to time. As a result of these potential conflicts of interests, the Company may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Company's financial position. The Company's directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a subject involving a conflict of interest arises at a meeting of the board of directors, any director in a conflict must disclose his interest and abstain from voting on such matter.

The Company is currently subject to litigation and may become subject to additional litigation and other legal proceedings, that may adversely affect the Company's financial condition and results of operations.

All companies may become subject to legal claims, with and without merit. The Company's operations are subject to the risk of legal claims by employees, unions, contractors, lenders, suppliers, joint venture partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. On September 20, 2018 the Company reported the receipt of a summons issued by Africa Wide, formerly the holder of a 17.1% interest in Maseve, whereby Africa Wide had instituted legal proceedings in South Africa against the Company's wholly owned subsidiary, PTM RSA, Royal Bafokeng Platinum Limited ("**RBPlat**") and Maseve in relation to the closed sale of the Maseve Mine (the "**Maseve Sale Transaction**"). Africa Wide is seeking to set aside or be paid increased value for, the Maseve Sale Transaction. While the Company believes that the Africa Wide action is factually and legally defective, no assurance can be provided that the Company will prevail in this action. If Africa Wide were successful, it could have a material adverse effect on the Company.

The outcome of litigation and other legal proceedings that the Company may be involved in the future, particularly regulatory actions, is difficult to assess or quantify. Plaintiffs may seek recovery of very large or indeterminate amounts, or equitable remedies such as setting aside the Maseve Sale Transaction, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from the time and effort of the Company's management and could force the Company to pay substantial legal fees. There can be no assurance that the resolution of any particular legal proceeding, including the Africa Wide action, will not have an adverse effect on the Company's financial position and results of operations.

An actual or alleged breach or breaches in governance processes or fraud, bribery and corruption may lead to public and private censure, regulatory penalties, loss of licenses or permits and may damage the Company's reputation.

The Company is subject to anti-corruption laws and regulations, including the Canadian Corruption of Foreign Public Officials Act and certain restrictions applicable to U.S. reporting companies imposed by the U.S. Foreign Corrupt Practices Act of 1977, as amended, and similar anti-corruption and anti-bribery laws in South Africa, which generally prohibit companies from bribing or making other prohibited payments to foreign public officials in order to obtain or retain an advantage in the course of business. The Company's Code of Business Conduct and Ethics, among other governance and compliance processes, may not prevent instances of fraudulent behavior and dishonesty nor guarantee compliance with legal and regulatory requirements. The Company is particularly exposed to the potential for corruption and bribery owing to the financial scale of the mining business in South Africa. In March 2014, the Organisation for Economic Cooperation and Development (the "**OECD**") released its Phase 3 Report on Implementing the OECD Anti-Bribery Convention in South Africa, criticizing South Africa for failing to enforce the anti-bribery convention to which it has been a signatory since 2007. The absence of enforcement of corporate liability for foreign bribery coincides with recent growth in corporate activity in South Africa's economic environment. Allegations of bribery, improper personal influence or officials holding simultaneous business interests have been linked in recent years to the highest levels of the South African government. To the extent that the Company suffers from any actual or alleged breach or breaches of relevant laws, including South African anti-bribery and corruption legislation, it may lead to regulatory and civil fines, litigation, public and private censure and loss of operating licenses or permits and may damage the Company's reputation. The occurrence of any of these events could have an adverse effect on the Company's business, financial condition and results of operations.

Risks Related to the Mining Industry

Mining is inherently dangerous and is subject to conditions or events beyond the Company's control, which could have a material adverse effect on the Company's business.

Hazards such as fire, explosion, floods, structural collapses, industrial accidents, unusual or unexpected geological conditions, ground control problems, power outages, inclement weather, cave-ins and mechanical equipment failure are inherent risks in the Company's mining operations. These and other hazards may cause injuries or death to employees, contractors or other persons at the Company's mineral properties, severe damage to and destruction of the Company's property, plant and equipment and mineral properties, and contamination of, or damage to, the environment, and may result in the suspension of the Company's exploration and development activities and any future production activities. Safety measures implemented by the Company may not be successful in preventing or mitigating future accidents and the Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. Insurance against certain environmental risks is not generally available to the Company or to other companies within the mining industry.

In addition, from time to time the Company may be subject to governmental investigations and claims and litigation filed on behalf of persons who are harmed while at its properties or otherwise in connection with the Company's operations. To the extent that the Company is subject to personal injury or other claims or lawsuits in the future, it may not be possible to predict the ultimate outcome of these claims and lawsuits due to the nature of personal injury litigation. Similarly, if the Company is subject to governmental investigations or proceedings, the Company may incur significant penalties and fines, and enforcement actions against it could result in the cessation of certain of the Company's mining operations. If claims, lawsuits, governmental investigations or proceedings, including Section 54 stoppage notices issued under the Mine Health and Safety Act, No. 29 of 1996 (the "**MHSA**"), are resolved against the Company, the Company's financial performance, financial position and results of operations could be materially adversely affected.

The Company's prospecting and mining rights are subject to title risks.

The Company's prospecting and mining rights may be subject to prior unregistered agreements, transfers, claims and title may be affected by undetected defects. Although Waterberg JV Co. has the exclusive right to apply for a mining right in regard to the Waterberg Project by reason of its prior holding of the prospecting rights over the project area, there is no guarantee that it will be granted the mining right for which it has applied. A successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties. This could result in the Company not being compensated for its prior expenditures relating to the property. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be severely constrained. These or other defects could adversely affect the Company's title to its properties or delay or increase the cost of the development of such prospecting and mining rights.

The Company is subject to significant governmental regulation.

The Company's operations and exploration and development activities in South Africa and Canada are subject to extensive federal, state, provincial, territorial and local laws and regulation governing various matters, including:

- environmental protection;
- management and use of hazardous and toxic substances and explosives;
- management of tailings and other waste generated by the Company's operations;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;
- exports and, in South Africa, potential local beneficiation quotas;
- price controls;
- taxation;
- regulations concerning business dealings with local communities;
- labour standards, BEE laws and regulations and occupational health and safety, including mine safety; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or administrative penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures, installation of additional equipment, remedial actions or recovery of costs if the authorities attend to remediation of any environmental pollution or degradation, any of which could result in the Company incurring significant expenditures. Environmental non-profit organizations have become particularly vigilant in South Africa and focus on the mining sector. Several such organizations have recently instituted actions against mining companies. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or a more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of the Company's properties.

The Company may face equipment shortages, access restrictions and lack of infrastructure.

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. A delay in obtaining necessary equipment for mineral exploration, including drill rigs, could have a material adverse effect on the Company's operations and financial results.

Mining, processing, development and exploration activities also depend, to one degree or another, on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply and the availability of skilled labour and other infrastructure are important determinants that affect capital and operating costs. At the Waterberg Project, additional infrastructure will be required prior to commencement of mining. The establishment and maintenance of infrastructure, and services are subject to a number of risks, including risks related to the availability of equipment and materials, inflation, cost overruns and delays, political opposition and reliance upon third parties, many of which are outside the Company's control. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay development or ongoing operation of the Company's projects.

Exploration of mineral properties is less intrusive, and generally requires fewer surface and access rights, than properties developed for mining. The Company has not secured any surface rights at the Waterberg Project other than those access rights legislated by the MPRDA. If a decision is made to develop the Waterberg Project, or other projects in which the Company has yet to secure adequate surface rights, the Company will need to secure such rights. No assurances can be provided that the Company will be able to secure required surface rights on favorable terms, or at all. Any failure by the Company to secure surface rights could prevent or delay development of the Company's projects.

The Company's operations are subject to environmental laws and regulations that may increase the Company's costs of doing business and restrict its operations.

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility and potential liability for companies and their officers, directors, employees and, potentially, shareholders. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There can be no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. Environmental hazards may exist on the Company's properties which are unknown at present and which have been caused by previous or existing owners or operators for which the Company could be held liable. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South African national and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more onerous. See Item 4.B. - South African Regulatory Framework.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or a reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Environmental hazards may exist on the Company's properties that are unknown at the present time, and that may have been caused by previous owners or operators or that may have occurred naturally. These hazards, as well as any pollution caused by the Company's mining activities, may give rise to significant financial obligations in the future and such obligations could have a material adverse effect on the Company's financial performance.

The mineral exploration industry is extremely competitive.

The resource industry is intensely competitive in all of its phases. Much of the Company's competition is from larger, established mining companies with greater liquidity, greater access to credit and other financial resources, and that may have newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company requires various permits in order to conduct its current and anticipated future operations, and delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company.

The Company's current and anticipated future operations, including further exploration, development activities and commencement of commercial production on the Company's properties, require permits from various national, provincial, territorial and local governmental authorities in the countries in which the Company's properties are located. Compliance with the applicable environmental legislation, permits and land use consents is required on an ongoing basis, and the requirements under such legislation, permits and consents are evolving rapidly and imposing additional requirements. The Waterberg Project prospecting rights issued by the Department of Mineral Resources ("**DMR**") are also subject to land use consents and compliance with applicable legislation on an ongoing basis.

In addition, the duration and success of efforts to obtain, amend and renew permits are contingent upon many variables not within the Company's control. Shortage of qualified and experienced personnel in the various levels of government could result in delays or inefficiencies. Backlog within the permitting agencies could also affect the permitting timeline of the Company's various projects. Other factors that could affect the permitting timeline include the number of other large-scale projects currently in a more advanced stage of development, which could slow down the review process, and significant public response regarding a specific project. As well, it can be difficult to assess what specific permitting requirements will ultimately apply to all the Company's projects.

Risks of Doing Business in South Africa

Any adverse decision in respect of the Company's mineral rights and projects in South Africa under the MPRDA could materially affect the Company's projects in South Africa.

With the enactment of the MPRDA, the South African state became the sole regulator of all prospecting and mining operations in South Africa. All prospecting and mining licenses and claims granted in terms of any prior legislation became known as the "old order rights". All prospecting and mining rights granted in terms of the MPRDA are "new order rights". The treatment of new applications and pending applications is uncertain and any adverse decision by the relevant regulatory authorities under the MPRDA may adversely affect title to the Company's mineral rights in South Africa, which could stop, materially delay or restrict the Company from proceeding with its exploration and development activities or any future mining operations.

A wide range of factors and principles must be taken into account by the Minister when considering applications for new order rights. These factors include the applicant's access to financial resources and appropriate technical ability to conduct the proposed prospecting or mining operations, the environmental impact of the operation, whether the applicant holds an environmental authorization, water-use licence and waste management licence and, in the case of prospecting rights, considerations relating to fair competition. Other factors include considerations relevant to promoting employment and the social and economic welfare of all South Africans and showing compliance with the provisions regarding the empowerment of HDPs in the mining industry. All the Company's current prospecting rights are new order rights.

The assessment of some of the provisions of the MPRDA or the Mining Charter 2018 may be subjective and is dependent upon the views of the DMR as to whether the Company is in compliance. The Waterberg Social and Labour Plan, for instance, will contain both quantitative and qualitative goals, targets and commitments relating to the Company's obligations to its employees and community residents, the achievement of some of which are not exclusively within the Company's control.

The Minister has the discretion to cancel or suspend mining rights under Section 47(1) of the MPRDA as a consequence of the Company's non-compliance with the MPRDA, environmental legislation, Mining Charter 2018, the terms of its prospecting rights or, once granted, its Mining Right.

The Section 47 process involves multiple, successive stages which include granting the Company a reasonable opportunity to show why its rights should not be cancelled or suspended. Pursuant to the terms of the provisions of Section 6(2)(e)(iii) of the Promotion of Administrative Justice Act, No. 3 of 2000 (the "**PAJA**") read with Section 6 of the MPRDA, the Minister can direct the Company to take remedial measures. If such remedial measures are not taken, the Minister must again give the Company a reasonable opportunity to make representations as to why such remedial measures were not taken. The Minister must then properly consider the Company's further representations (which considerations must also comply with PAJA) and only then is the Minister entitled to cancel or suspend a mining right. Any such cancellation or suspension will be subject to judicial review if it is not in compliance with the MPRDA or PAJA, or it is not lawful, reasonable and procedurally fair under Section 33(1) of the South African Constitution.

Failure by the Company to meet its obligations in relation to the MPRDA, its prospecting rights or its Mining Right, once granted, or Mining Charter 2018 could lead to the suspension or cancellation of such rights and the suspension of the Company's other rights, which would have a material adverse effect on the Company's business, financial condition and results of operations.

The failure to maintain or increase equity participation by HDPs in the Company's prospecting and mining operations could adversely affect the Company's ability to maintain its prospecting and mining rights.

The Company is subject to a number of South African statutes aimed at promoting the accelerated integration of HDPs, including the MPRDA, the Broad-Based Black Economic Empowerment Act, 2003 (the "**BEE Act**"), and Mining Charter 2018. To ensure that socioeconomic strategies are implemented, the MPRDA provides for the Mining Codes which specify empowerment targets consistent with the objectives of Mining Charter 2018. The Mining Charter 2018 Scorecard requires the mining industry's commitment of applicants in respect of ownership, management, employment equity, human resource development, procurement, mine community development and housing and living conditions. For ownership by BEE groups in mining enterprises, the previous mining charter ("**Mining Charter 2010**") set a 26% target by December 31, 2014.

The South African government awards procurement contracts, quotas, licenses, permits and prospecting and mining rights based on numerous factors, including the degree of HDP ownership. The MPRDA and Mining Charter 2018 contain provisions relating to the economic empowerment of HDPs. One of the requirements which must be met before the DMR will issue a mining right is that an applicant must facilitate equity participation by HDPs in the prospecting and mining operations which result from the granting of the relevant rights.

The Company has sought to satisfy the foregoing requirements by partnering, at the operating company level, with companies demonstrating 26% HDP ownership. The Company has partnered with Mnombo in respect to the Waterberg Project and for the prospecting rights.

The Company is satisfied that Mnombo is majority-owned by HDPs. The contractual arrangements between Mnombo, the Company and the HDPs require the HDPs to maintain a minimum level of HDP ownership in Mnombo of more than 50%. However, if at any time Mnombo becomes a company that is not majority owned by HDPs, the ownership structure of the Waterberg Project and the prospecting rights and applications over the Waterberg Project may be deemed not to satisfy HDP requirements.

On September 27, 2018 the Minister of Mineral Resources announced the implementation, with immediate effect, of Mining Charter 2018.

Mining Charter 2018 sets out new and revised targets to be achieved by mining companies, the most pertinent of these being the revised BEE ownership shareholding requirements for mining rights holders. The Mining Charter 2018 no longer applies to prospecting rights. Mining Charter 2018 provides revised ownership structures for mining rights holders. New mining rights holders will be required to have a minimum 30% Black Person shareholding (which includes African, Coloured and Indian persons who are citizens of the Republic of South Africa or who became citizens of the Republic of South Africa by naturalisation before April 27, 1994, or a juristic person managed and controlled by such persons) (a 4% increase from the previously required 26% under the Mining Charter 2010), which shall include economic interest plus a corresponding percentage of voting rights, per right or in the mining company which holds the right. Applicants for mining rights whose applications have been filed and accepted before September 27, 2018 will have a period of five years from the effective date of the right within which to increase their BEE shareholding to 30%. Whether such 30% will be required to reflect the stipulated distribution to employees, communities and black entrepreneurs is not clear. Existing mining right holder who achieved a minimum of 26% BEE shareholding, or who achieved a 26% BEE shareholding but whose BEE shareholders exited prior to September 27, 2018 will be recognised as BEE ownership compliant for the duration of the mining right, but not for any period of renewal thereof.

The BEE ownership element of 30% BEE shareholding is ring fenced and requires 100% compliance at all times, other than as set out in Mining Charter 2018. The 30% BEE shareholding for new mining rights must be distributed as to -

(i) a minimum of 5% non-transferable carried interest to qualifying employees from the effective date of a mining right. The definition of qualifying employees excludes employees who already own shares in the company as a condition of their employment, except where such is a "Mining Charter" requirement;

(ii) a minimum of 5% non-transferable carried interest from the effective date of a mining right, or a minimum 5% equity equivalent benefit; and

(iii) a minimum of 20% shareholding to a BEE entrepreneur, of which 5% must preferably be for women.

A holder can claim a maximum of a 5% offset credit against the BEE entrepreneur allocation for beneficiation on the basis of a DMR approved "beneficiation equity equivalent plan". However, the baselines for beneficiation are still required to be determined by the Minister of Mineral Resources.

The Waterberg Project shareholders' agreement confirms the principles of BEE compliance and contemplates the potential transfer of equity and the issuance of additional equity to one or more broad based black empowerment partners at fair value in certain circumstances, including a change in law or imposition of a requirement upon Waterberg JV Co. In certain circumstances, Mnombo may be diluted with equity transferred or issued to different black empowerment shareholders.

The carried interest of 5% to each of the community and the employees must be issued to them at no cost and free of encumbrance. The costs to the right holder of such issue can be recovered from the development of the mineral asset.

An additional tax is also being raised for Human Resource Development. A right holder will be required to pay 5% of the "leviable amount", being the levy payable under the South African Skills Development Act, No. 97 of 1998, (excluding the mandatory statutory skills levy) towards essential skills development activities such as science, technology, engineering, mathematics skills as well as artisans, internships, apprentices, bursaries, literacy and numeracy skills for employees and non-employees (community members), graduate training programmes, research and development of solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation.

In regard to employment equity, the Draft Mining Charter sets minimum levels for the participation of Black Persons on all levels of company management and sets incremental targets for the procurement of local goods and services.

Compliance with a mining right holder's mine community development obligations, principally in terms of its approved social and labour plan ("**SLP**"), is a ring-fenced element of Mining Charter 2018 which requires 100% annual compliance for the duration of the mining right.

Subject to conditions contained in the Company's prospecting and future mining rights, the Company may be required to obtain approval from the DMR prior to undergoing any change in its empowerment status under Mining Charter 2018. In addition, if the Company or its BEE partners are found to be in non-compliance with the requirements of Mining Charter 2018 and other BEE legislation, including failure to retain the requisite level of HDP ownership, the Company may face possible suspension or cancellation of its rights under a process governed by Section 47 of the MPRDA.

In addition, Mining Charter 2018 requires that its provisions be implemented in accordance with Implementation Guidelines, anticipated to be published around November 27, 2018. This creates greater uncertainty in measuring the Company's progress towards, and compliance with, its commitments under Mining Charter 2018 and other BEE legislation.

The Company is obliged to report on its compliance with Mining Charter 2018 against Mining Charter 2018 Scorecard, including its percentage of HDP shareholding, to the DMR on an annual basis.

When the Company is required to increase the percentage of HDP ownership in any of its operating companies or projects, the Company's interests may be diluted. In addition, it is possible that any such transactions or plans may need to be executed at a discount to the proper economic value of the Company's operating assets or it may also prove necessary for the Company to provide vendor financing or other support in respect of some or all of the consideration, which may be on non-commercial terms.

Currently, the South African Department of Trade and Industry is responsible for leading government action on the implementation of BEE initiatives under the auspices of the BEE Act and the Generic BEE Codes, while certain industries have their own transformation charters administered by the relevant government department (in this case, the DMR). The Broad-Based Black Economic Empowerment Amendment Act, No. 46 of 2013 (the "**BEE Amendment Act**") came into operation on October 24, 2014. Among other matters, the BEE Amendment Act, through section 3(2), amends the BEE Act to make the BEE Act the overriding legislation in South Africa with regard to BEE requirements the Trumping Provision and will require all governmental bodies to apply the Generic BEE Codes or other relevant code of good practice when procuring goods and services or issuing licenses or other authorizations under any other laws, and penalize fronting or misrepresentation of BEE information. The Trumping Provision came into effect on October 24, 2015. On October 30, 2015 the South African Minister of Trade and Industry exempted the DMR from applying the Trumping Provision for a period of twelve months on the basis that the alignment of Mining Charter 2018 with the BEE Act and the Generic BEE Codes was an ongoing process. The Mining Charter 2018 purports to be aligned with the Generic BEE Codes. The Trumping Provision expired on October 31, 2016 and no new application for exemption was made. Generally speaking, the amended Generic BEE Codes will make BEE-compliance by mining companies more onerous to achieve. The DMR and industry bodies are aware of the implications of the Trumping Provision. Notwithstanding that there has been no further extension of the exemption in respect of the Trumping Provision, to date, the DMR continues to apply the provisions of Mining Charter 2010 and Mining Charter 2018, as applicable, and not the Generic BEE Codes. See Item 4.B. - South African Regulatory Framework - Black Economic Empowerment in the South African Mining Industry, and -Mining Charter.

The Generic BEE Codes and Mining Charter 2018 require Mnombo to be 51% held and controlled by HDPs to qualify it as a "black-controlled company" or a "BEE Entrepreneur and hence a qualified BEE entity. Mnombo is presently 50.1% owned and controlled by HDPs.

If the Company is unable to achieve or maintain its empowered status under Mining Charter 2018 or comply with any other BEE legislation or policies, it may not be able to maintain its existing prospecting and mining rights and/or acquire any new rights; and therefore, would be obliged to suspend or dispose of some or all of its operations in South Africa, which would likely have a material adverse effect on the Company's business, financial condition and results of operations.

Socio-economic instability in South Africa or regionally, including the risk of resource nationalism, may have an adverse effect on the Company's operations and profits.

The Company has ownership interests in a significant project in South Africa. As a result, it is subject to political and economic risks relating to South Africa, which could affect an investment in the Company. Downgrades, and potential further downgrades, to South Africa's sovereign currency ratings by international ratings agencies would likely adversely affect the value of the Rand relative to the Canadian or U.S. Dollar. South Africa was transformed into a democracy in 1994. The government policies aimed at redressing the disadvantages suffered by the majority of citizens under previous governments may impact the Company's South African business. In addition to political issues, South Africa faces many challenges in overcoming substantial differences in levels of economic development among its people. Large parts of the South African population do not have access to adequate education, health care, housing and other services, including water and electricity. The Company also faces a number of risks from deliberate, malicious or criminal acts relating to these inequalities, including theft, fraud, bribery and corruption. On February 15, 2018 the new president of South Africa was inaugurated. He has vowed to take a hard line against graft, corruption and government excesses.

The Company is also subject to the risk of resource nationalism, which encompasses a range of measures, such as expropriation or taxation, whereby governments increase their economic interest in natural resources, with or without compensation. Although wholesale nationalization was rejected by the ruling party, the African National Congress (the "**ANC**"), leading into the 2014 national elections, a resolution adopted by the ANC on nationalization calls for state intervention in the economy, including "state ownership". A wide range of stakeholders have proposed ways in which the State could extract greater economic value from the South African mining industry. A call for resource nationalization has also been made by the Economic Freedom Fighters, a political party under the leadership of Julius Malema.

The Company cannot predict the future political, social and economic direction of South Africa or the manner in which government will attempt to address the country's inequalities. Actions taken by the South African government, or by its people without the sanction of law, could have a material adverse effect on the Company's business. Furthermore, there has been regional, political and economic instability in countries north of South Africa, which may affect South Africa. Such factors may have a negative impact on the Company's ability to own, operate and manage its South African mining projects.

Labour disruptions and increased labour costs could have an adverse effect on the Company's results of operations and financial condition.

Although the Company's employees are not unionized at this time, trade unions could have a significant impact on the Company's labour relations, as well as on social and political reforms. There is a risk that strikes or other types of conflict with unions or employees may occur at any of the Company's operations, particularly where the labour force is unionized. Labour disruptions may be used to advocate labour, political or social goals in the future. For example, labour disruptions may occur in sympathy with strikes or labour unrest in other sectors of the economy. South African employment law sets out minimum terms and conditions of employment for employees, which form the benchmark for all employment contracts. Disruptions in the Company's business due to strikes or further developments in South African labour laws may increase the Company's costs or alter its relationship with its employees and trade unions, which may have an adverse effect on the Company's financial condition and operations. South Africa has recently experienced widespread illegal strikes and violence.

Changes in South African State royalties where many of the Company's mineral reserves are located could have an adverse effect on the Company's results of operations and its financial condition.

The Mineral and Petroleum Resources Royalty Act, No. 28 of 2008 (the "**Royalty Act**") effectively came into operation on May 1, 2009. The Royalty Act establishes a variable royalty rate regime, in which the prevailing royalty rate for the year of assessment is assessed against the gross sales of the extractor during the year. The royalty rate is calculated based on the profitability of the mine (earnings before interest and taxes) and varies depending on whether the mineral is transferred in refined or unrefined form. For mineral resources transferred in unrefined form, the minimum royalty rate is 0.5% of gross sales and the maximum royalty rate is 7% of gross sales. For mineral resources transferred in refined form, the maximum royalty rate is 5% of gross sales. The royalty will be a tax-deductible expense. The royalty becomes payable when the mineral resource is "transferred," which refers to the disposal of a mineral resource, the export of a mineral resource or the consumption, theft, destruction or loss of a mineral resource. The Royalty Act allows the holder of a mining right to enter into an agreement with the tax authorities to fix the percentage royalty that will be payable in respect of all mining operations carried out in respect of that resource for as long as the extractor holds the right. The holder of a mining right may withdraw from such agreement at any time.

The DFS covering the Waterberg Project made certain assumptions related to the expected royalty rates under the Royalty Act. If and when the Company begins earning revenue from its South African mining projects, and if the royalties under the Royalty Act differ from those assumed in the feasibility studies, this new royalty could have a material and adverse impact on the economic viability of the Company's projects in South Africa, as well as on the Company's prospects, financial condition and results of operations.

Interruptions, shortages or cuts in the supply of electricity or water could lead to disruptions in production and a reduction in the Company's operating capacity.

The Company procures all of the electricity necessary for its operations from ESKOM Holdings Limited, South Africa's state-owned electricity utility ("**ESKOM**"), and no significant alternative sources of supply are available to it. ESKOM has suffered from prolonged underinvestment in new generating capacity which, combined with increased demand, led to a period of electricity shortages. ESKOM has generally established sufficient capacity to meet South Africa's current requirements but remains severely under-capitalized and wide-spread power cuts or load-shedding are implemented when the electricity grid is under stress. Since 2008, ESKOM has invested heavily in new base load power generation capacity. Its principal new project, a power station known as Medupi, has been subject to delays, with the last unit scheduled for commissioning in 2020. ESKOM is heavily dependent on coal to fuel its electricity plants. Accordingly, if coal mining companies experience labour unrest or disruptions to production (which have occurred historically in South Africa, including a coal strike by approximately 30,000 National Union of Mineworkers members which lasted for approximately one week in October 2015), or if heavy rains, particularly during the summer months in South Africa, adversely impact coal production or coal supplies, ESKOM may have difficulty supplying sufficient electricity supply to the Company.

The Company is dependent on the availability of water in its areas of operations. Shifting rainfall patterns and increasing demands on the existing water supply have caused water shortages in the Company's areas of operations.

If electricity or water supplies are insufficient or unreliable, the Company may be unable to operate as anticipated, which may disrupt production and reduce revenues.

Characteristics of and changes in the tax systems in South Africa could materially adversely affect the Company's business, financial condition and results of operations.

The Company's subsidiaries pay different types of governmental taxes in South Africa, including corporation tax, payroll taxes, VAT, state royalties, various forms of duties, dividend withholding tax and interest withholding tax. The tax regime in South Africa is subject to change. After having published a number of papers on the introduction of a carbon tax, the South African government released the Second Draft Carbon Tax Bill 2017 (the "**Bill**") published in December 2017, together with an Explanatory Memorandum in respect of the Bill (the "**Explanatory Memorandum**"). On May 26, 2019 the Bill was signed into law as the Carbon Tax Act, No. 15 of 2019, resulting in a carbon tax being implemented on June 1, 2019. See Item 4.B. - Business Overview - Carbon Tax/Climate Change Policies.

The ANC held a policy conference in June 2012 at which the State Intervention in the Minerals Sector report (the "**SIMS Report**") commissioned by the ANC was debated. The SIMS Report includes a proposal for a super tax of 50% of all profits above a 15% return on investment, which would apply in respect of all metals and minerals. If a super tax is implemented, the Company may realize lower after-tax profits and cash flows from its current mining operations and may decide not to pursue certain new projects, as such a tax could render these opportunities uneconomic.

It is also possible that the Company could become subject to taxation in South Africa that is not currently anticipated, which could have a material adverse effect on its business, financial condition and results of operations.

During the 2014, 2015 and 2016 fiscal years, our wholly owned subsidiary PTM RSA claimed unrealized foreign exchange differences as income tax deductions in its South African corporate tax returns in the amount of Rand 1.4 billion. The exchange losses emanate from a Canadian dollar denominated shareholder loan that we advanced to PTM RSA and weakening of the Rand. Under applicable South African tax legislation, exchange losses can be claimed in the event that the shareholder loan is classified as a current liability as determined by IFRS.

For the years in question, the intercompany debt was classified as current in PTM RSA's audited financial statements. During 2018, the South African Revenue Service, or SARS, conducted an income tax audit of the 2014 to 2016 years of assessment and issued PTM RSA with a letter of audit findings on November 5, 2018. SARS proposed that the exchange losses be disallowed on the basis that SARS is not in agreement with the reclassification of the shareholder loan as a current liability. SARS also invited us to provide further information and arguments if we disagreed with the audit findings. On the advice of our legal and tax advisors, we are in strong disagreement with the proposed interpretation by SARS.

We responded to the SARS letter on January 31, 2019 and again on April 5, 2019 following a request for additional information on March 20, 2019. We also met with SARS, together with our advisors, on May 30, 2019 in order to address any remaining concerns that SARS may have. As of the date of this Annual Report, this matter is unresolved. Any additional tax assessment issued by SARS will be legally contested by PTM RSA.

In the event that the exchange losses are disallowed by SARS, we estimate for the years under review that PTM RSA's exposure would be taxable income of approximately Rand 182 million and an income tax liability of approximately Rand 51 million (approximately $3.35 million based on the exchange rate at August 31, 2019). For fiscal years 2017 and 2018, we estimate that a further Rand 266 million in income could be subject to taxation at a rate of approximately 28% if our exchange losses are disallowed by SARS. SARS may apply interest and penalties to any amounts due, which could be substantial. We believe that the accounting classification of the shareholder loan is correct and that no additional tax assessment is warranted; however, we cannot assure you that SARS will not issue a reassessment or that we will be successful in legally contesting any such assessment. Any assessment could have a material adverse effect on our business and financial condition.

Community relations may affect the Company's business.

Maintaining community support through a positive relationship with the communities in which the Company operates is critical to continuing successful exploration and development. As a business in the mining industry, the Company may come under pressure in the jurisdictions in which it explores or develops, to demonstrate that other stakeholders' benefit and will continue to benefit from the Company's commercial activities. The Company faces opposition with respect to its current and future development and exploration projects which could materially adversely affect its business, results of operations, financial condition and Common Share price, with communities seeking greater benefit from local mining operations.

Under the Mining Charter 2018 there is a greater focus on mine community development. A right holder must meaningfully contribute towards mine community development in keeping with the principles of the social license to operate. A right holder must develop its Social and Labour Plan ("**SLP**"), in consultation with relevant municipalities, mine communities, traditional authorities and affected stakeholders, and identify developmental priorities of mine communities. The identified developmental priorities must be contained in the SLP. See Item 4.B. - *South African Regulatory Framework - Mining Charter*.

South African foreign exchange controls may limit repatriation of profits.

The Company may need to repatriate funds from its foreign subsidiaries to fulfill its business plans and make payments on the 2019 Sprott Facility. Since commencing business in South Africa, the Company has loaned or invested approximately CDN$816 million (net of repayments) as at August 31, 2019 into PTM RSA in South Africa. The Company obtained approval from the SARB in advance for its investments into South Africa. Although the Company is not aware of any law or regulation that would prevent the repatriation of funds it has loaned or invested into South Africa back to the Company in Canada, no assurance can be given that the Company will be able to repatriate funds back to Canada in a timely manner or without incurring tax payments or other costs when doing so, due to legal restrictions or tax requirements at local subsidiary levels or at the parent company level, which costs could be material.

South Africa's exchange control regulations restrict the export of capital from South Africa. Although the Company is not itself subject to South African exchange control regulations, these regulations do restrict the ability of the Company's South African subsidiaries to raise and deploy capital outside the country, to borrow money in currencies other than the Rand and to hold foreign currency. Exchange control regulations could make it difficult for the Company's South African subsidiaries to: (a) export capital from South Africa; (b) hold foreign currency or incur indebtedness denominated in foreign currencies without approval of the relevant South African exchange control authorities; (c) acquire an interest in a foreign venture without approval of the relevant South African exchange control authorities and compliance with certain investment criteria; and (d) repatriate to South Africa profits of foreign operations. While the South African government has relaxed exchange controls in recent years, and continues to do so, it is difficult to predict whether or how it will further relax or abolish exchange control measures in the foreseeable future. There can be no assurance that restrictions on repatriation of earnings from South Africa will not be imposed on the Company in the future.

The Company's land in South Africa could be subject to land restitution claims or land expropriation which could impose significant costs and burdens.

To the extent that the Company's operating subsidiaries acquire privately held land, such land could be subject to land restitution claims under the Restitution of Land Rights Act, No. 22 of 1994, as amended (the "**Land Claims Act**") and the Restitution of Land Rights Amendment Act 15 of 2014 (the "**Restitution Amendment Act**"), which took effect on July 1, 2014. Under the Land Claims Act and the Restitution Amendment Act, any person who was dispossessed of rights in land in South Africa after June 19, 1913 as a result of past racially discriminatory laws or practices without payment of just and equitable compensation, and who (subject to the promulgation of further legislation) lodges a claim on or before June 30, 2019, is granted certain remedies. A successful claimant may be granted either return of the dispossessed land (referred to as "**restoration**") or equitable redress (which includes the granting of an appropriate right in alternative state-owned land, payment of compensation or "**alternative relief**"). If restoration is claimed, the Land Claims Act requires the feasibility of such restoration to be considered. Restoration of land may only be given in circumstances where a claimant can use the land productively with the feasibility of restoration dependent on the value of the property.

The South African Minister of Rural Development and Land Reform may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Land Claims Act also entitles the South African Minister of Rural Development and Land Reform to acquire ownership of land by way of expropriation either for claimants who are entitled to restitution of land, or, in respect of land over which no claim has been lodged but the acquisition of which is directly related to or affected by such claim, will promote restitution of land to claimants or alternative relief. Expropriation would be subject to provisions of legislation and the South African Constitution which provide, in general, for just and equitable compensation.

However, the ANC has declared its intention to proceed with an orderly process of land expropriation, potentially without compensation being paid to landowners. The form of this process remains unclear.

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

Risks Relating to the Common Shares

The Company has never paid dividends and does not expect to do so in the foreseeable future.

The Company has not paid any dividends since incorporation and it has no plans to pay dividends in the foreseeable future. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. In addition, the Company's ability to declare and pay dividends may be affected by the South African government's exchange controls. See Item 4.B. - South African Regulatory Framework - Exchange Control.

The Common Share price has been volatile in recent years.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development-stage mining companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

The factors influencing such volatility include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short term changes in precious metal prices or other mineral prices, currency exchange fluctuations and the Company's financial condition or results of operations as reflected in its earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the Common Shares and other securities include the following:

- the extent of analyst coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities;
- lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company;
- changes to South African laws and regulations might have a negative effect on the development prospects, timelines or relationships for the Company's material properties;
- the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and
- a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity.

Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The Company may be unable to maintain compliance with NYSE American and TSX continued listing standards.

The Common Shares are currently listed on the NYSE American and the TSX. The Company is subject to the continued listing criteria of the NYSE American and the TSX and such exchanges will consider suspending dealings in, or delisting, securities of an issuer that does not meet its continued listing standards. In order to maintain the listings, the Company must maintain certain objective standards, such as share prices, shareholders' equity, market capitalization and, share distribution targets. In addition to objective standards, the NYSE American may delist the securities of any issuer, among other reasons, if the issuer sells or disposes of principal operating assets, ceases to be an operating company or has discontinued a substantial portion of its operations or business for any reason or the NYSE American otherwise determines that the securities are unsuitable for continued trading. The Company may not be able to satisfy these standards.

On April 10, 2018 and May 23, 2018 the Company received letters from NYSE American stating that it was not in compliance with the continued listing standards as set forth in Sections 1003(a)(i), 1003(a)(ii) and 1003(a)(iii) of the NYSE American Company Guide (the "Company Guide") with respect to stockholders' equity, or in Section 1003(f)(v) of the Company Guide with respect to the selling price of the Common Shares. The Company submitted a plan of compliance to the NYSE American and on June 21, 2018, the NYSE American notified the Company that it had accepted the Company's plan of compliance and granted the Company an extension until November 23, 2018 to regain compliance with the requirements of Section 1003(f)(v) of the Company Guide and until October 10, 2019 to regain compliance with Sections 1003(a)(i), 1003(a)(ii) and 1003(a)(iii) of the Company Guide.

The Company regained compliance with Section 1003(f)(v) of the Company Guide subsequent to the 2018 Share Consolidation. On October 10, 2019, the NYSE American notified Platinum Group that the Company had resolved its listing deficiency with respect to Section 1003(a) and successfully regained compliance with the NYSE American's continued listing standards.

The exercise of outstanding stock options or settlement of outstanding restricted share units will result in dilution to the holders of Common Shares.

The issuance of Common Shares upon the exercise of the Company's outstanding stock options and settlement of the Company's outstanding restricted share units ("**RSUs**") will result in dilution to the interests of shareholders and may reduce the trading price of the Common Shares. Additional stock options, RSUs and other warrants and rights to purchase Common Shares may be issued in the future. Exercises or settlement of these securities, or even the potential of their exercise or settlement, may have an adverse effect on the trading price of the Common Shares. The holders of any issued and outstanding stock options or warrants are likely to exercise them at times when the market price of the Common Shares exceeds the exercise price of the securities, and RSUs do not have a cash exercise price. Accordingly, the issuance of Common Shares upon exercise of such securities will likely result in dilution of the equity represented by the then outstanding Common Shares held by other shareholders. The holders of any issued and outstanding stock options or warrants can be expected to exercise or convert them at a time when the Company would, in all likelihood, be able to obtain any needed capital on terms which are more favorable to the Company than the exercise terms provided by any such stock options and warrants.

Future sales, conversion of senior subordinated notes or issuances of equity securities could decrease the value of the Common Shares, dilute investors' voting power and reduce the Company's earnings per share.

The Company may sell equity securities in offerings (including through the sale of debt securities convertible into equity securities) and may issue additional equity securities to finance operations, exploration, development, acquisitions or other projects. For example, the Company completed a public offering and a private placement of units consisting of Common Shares and warrants (which expired on November 15, 2019) in May 2018, a private placement of Common Shares in February 2019, a private placement of Common Shares in June 2019, and a public offering and two private placements Common Shares in August 2019.

In addition, the Notes issued on June 30, 2017 bear interest at a rate of 6 7/8% per annum, payable semi-annually on January 1 and July 1 of each year, beginning on January 1, 2018, in cash or at the election of the Company, in Common Shares or a combination of cash and Common Shares, and will mature on July 1, 2022, unless earlier repurchased, redeemed or converted. Subject to certain exceptions, the Notes are convertible at any time at the option of the holder, and may be settled, at the Company's election, in cash, Common Shares, or a combination of cash and Common Shares, subject to certain restrictions on issuing Common Shares. If any Notes are converted on or prior to the three and one-half year anniversary of the issuance date, the holder of the Notes will also be entitled to receive an amount equal to the remaining interest payments on the converted Notes to the three and one-half year anniversary of the issuance date, discounted by 2%, payable in Common Shares.

The Company cannot predict the timing or amount of conversions of Notes, exercises of stock options, or the size or terms of future issuances of equity securities or securities convertible into equity securities or the effect, if any, that future issuances and sales of the securities will have on the market price of the Common Shares. In addition, the conversion price of the Notes is subject to adjustment in certain circumstances. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to shareholders. Exercises of presently outstanding stock options may also result in dilution to shareholders.

The board of directors of the Company has the authority to authorize certain offers and sales of the securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that the Company will issue the securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Common Shares at prices less than the current market price.

Sales of substantial amounts of securities, or the availability of the securities for sale, could adversely affect the prevailing market prices for the securities and dilute investors' earnings per share. A decline in the market prices of the securities could impair the Company's ability to raise additional capital through the sale of additional securities should the Company desire to do so.

Judgments based upon the civil liability provisions of the United States federal securities laws may be difficult to enforce.

The ability of investors to enforce judgments of United States courts based upon the civil liability provisions of the United States federal securities laws against the Company, its directors and officers, and the experts named herein may be limited due to the fact that the Company is incorporated outside of the United States, a majority of such directors, officers, and experts reside outside of the United States and a substantial portion of the assets of the Company and said persons are located outside the United States. There is uncertainty as to whether foreign courts would: (a) enforce judgments of United States courts obtained against the Company, its directors and officers or the experts named herein predicated upon the civil liability provisions of the United States federal securities laws; or (b) entertain original actions brought in Canadian courts against the Company or such persons predicated upon the federal securities laws of the United States, as such laws may conflict with Canadian laws.

There may be adverse Canadian tax consequences for a foreign controlled Canadian company that acquires the securities of the Company.

Certain adverse tax considerations may be applicable to a shareholder that is a corporation resident in Canada and is, or becomes, controlled by a non-resident corporation for the purposes of the "foreign affiliate dumping" rules in the *Income Tax Act* (Canada) (the "**Tax Act**"). Such shareholders should consult their tax advisors with respect to the consequences of acquiring the securities.

The Company may be a "passive foreign investment company" for its current and future tax years, which may have adverse U.S. federal income tax consequences for U.S. investors.

Potential investors in the securities who are U.S. taxpayers should be aware that the Company may be classified as a "passive foreign investment company" or "PFIC" for its current tax year ending August 31, 2020 and may be a PFIC in future tax years. If the Company is a PFIC for any tax year during a U.S. taxpayer's holding period of the securities, then such U.S. taxpayer generally will be required to treat any gain realized upon a disposition of the securities or any so-called "excess distribution" received on the securities, as ordinary income, and to pay an interest charge on a portion of such gain or excess distribution. In certain circumstances, the sum of the tax and the interest charge may exceed the total amount of proceeds realized on the disposition, or the amount of excess distribution received, by the U.S. taxpayer. Subject to certain limitations, these tax consequences may be mitigated if a U.S. taxpayer makes a timely and effective "qualified electing fund" or "QEF" election (a "**QEF Election**") under Section 1295 of the Internal Revenue Code of 1986, as amended (the "**Code**") or a mark-to-market election (a "**Mark-to-Market Election**") under Section 1296 of the Code. Subject to certain limitations, such elections may be made with respect to shares of Common Stock. A U.S. taxpayer who makes a timely and effective QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, U.S. taxpayers should be aware that there can be no assurance that the Company will satisfy the record keeping requirements that apply to a qualified electing fund, or that the Company will supply U.S. taxpayers with information that such U.S. taxpayers require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF Election. Thus, U.S. taxpayers may not be able to make a QEF Election with respect to their shares of Common Stock. A U.S. taxpayer who makes the Mark to Market Election generally must include as ordinary income each year the excess of the fair market value of the shares of Common Stock over the taxpayer's basis therein. This paragraph is qualified in its entirety by the discussion below under the heading "Certain United States Federal Income Tax Considerations - Passive Foreign Investment Company Rules." Each potential investor who is a U.S. taxpayer should consult its own tax advisor regarding the tax consequences of the PFIC rules and the acquisition, ownership, and disposition of the shares of Common Stock.

The Company is a "non-accelerated filer" and the Company cannot be certain whether the reduced disclosure requirements applicable to non-accelerated filers will make the securities less attractive to investors.

The Company is a "non-accelerated filer" and intends to take advantage of exemptions from various requirements that are applicable to other public companies that are non-accelerated filers, including not being required to comply with the auditor attestation requirements of Section 404 of the U.S. Sarbanes-Oxley Act of 2002 for so long as the Company is a non-accelerated filer. The Company cannot predict if investors will find the securities less attractive because the Company's independent auditors will not have attested to the effectiveness of the Company's internal controls. If some investors find the securities less attractive as a result of the Company's independent auditors not attesting to the effectiveness of the Company's internal controls or as a result of other exemptions that the Company may take advantage of, or if the Company's independent auditors do not determine the internal control over financial reporting to be effective when required after it ceases to be a non-accelerated filers, the trading market for the Company's securities and the value of the securities may be adversely affected.

The Company's growth, future profitability and ability to obtain financing may be impacted by global financial conditions.

Global financial conditions continue to be characterized by extreme volatility. In recent years, global markets have been adversely impacted by the credit crisis that began in 2008, the European debt crisis and significant fluctuations in fuel and energy costs and metals prices. Many industries, including the mining industry, have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including debt crises, a continued rise in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets, health crises and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of Platinum Group

The Company is a corporation organized under the laws of British Columbia, Canada. The Company was formed on February 18, 2002 under the *Company Act* (British Columbia) pursuant to an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. On January 25, 2005 the Company was transitioned under the *Business Corporations Act* (British Columbia) (the "**BCBCA**").

The Company's head office is located at Suite 838 - 1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6 and its telephone number is (604) 899-5450. The Company's registered office is located at Gowling WLG (Canada) LLP, Suite 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

Information regarding the Company's organizational structure is provided under Item 4.C. - Organizational Structure.

Since its formation, the Company has been engaged in the acquisition, exploration and development of platinum and palladium properties. PTM currently holds interests in platinum properties in the Northern Limb of the Bushveld Complex in South Africa and in Canada. The Company's business is currently conducted primarily in South Africa.

At present the Company's sole material mineral property is the Waterberg Project. Results of a DFS targeting a large, thick PGM resource with the objective to model a large-scale, fully-mechanized mine was announced by the Company on September 24, 2019. A substantial portion of the Waterberg Project's prospecting area remains unexplored.

In addition to the information provided below regarding the Company's principal capital expenditures and divestitures during the last three financial years, see Item 5.B. - Liquidity and Capital Resources - Equity Financings for information on use of proceeds from equity financings.

Recent Developments

The following is a summary of the Company's noteworthy developments since September 1, 2018:

October 2018 ***Mining Right Application***

On October 10, 2018 the Company announced the acceptance of a mining right application for the Waterberg Project by the DMR. The application consists of a mining work program, social and labour plan and applicable environmental applications. The mining right application is supported by the Company and all of the Waterberg joint venture partners including Implats, JOGMEC, Hanwa and Mnombo. The process of consultation under the MPRDA and environmental assessment regulations for the mining right application has commenced.

Updated Mineral Resource Estimate

On October 25, 2018 the Company reported an updated independent 4E resource estimate for the Waterberg Project.

November 2018 ***Updated Technical Report***

On November 16, 2018 Platinum Group filed a technical report on the above updated mineral resources.

December 2018 ***Share Consolidation***

On December 13, 2018 the Company completed the 2018 Share Consolidation by consolidating the Common Shares on the basis of one new share for ten old shares (1:10), effective at 9:00 a.m. (New York time) (the "**Effective Time**").

Each ten (10) Common Shares issued and outstanding at the Effective Time was automatically reclassified, without any action of the holder thereof, into one Common Share. The share consolidation affected all of the Common Shares outstanding at the Effective Time. No fractional shares were issued as a result of the share consolidation. Fractional interests of 0.5 or greater were rounded up to the nearest whole number of shares and fractional interests of less than 0.5 were rounded down to the nearest whole number of shares, in accordance with the *Business Corporations Act* (British Columbia).

February 2019 ***Non-Brokered Private Placement***

On February 4, 2019 the Company closed a non-brokered private placement of Common Shares at price of US $1.33 each. An aggregate of 3,124,059 Common Shares were subscribed for and issued, including a 124,059 Common Share increase to the announced offering size, resulting in gross proceeds to the Company of US $4.155 million (the "**February 2019 Private Placement**"). A 6% cash finder's fee in the amount of US $71,590 was paid in cash on a portion of the February 2019 Private Placement. Hosken Consolidated Investments Limited, a South African Broad-Based Black Economic Empowerment Company ("**HCI**"), an existing major shareholder of the Company, subscribed for 2,141,942 Common Shares through its subsidiary Deepkloof Limited ("**Deepkloof**").

March 2019 ***Hanwa's Acquisition of Interest***

On March 7, 2019 the Company announced the completion of the transaction between JOGMEC and Hanwa pursuant to which Hanwa acquired a 9.755% interest in the Waterberg Project from JOGMEC.

In February 2018, JOGMEC held a public tender to transfer 9.755% of JOGMEC's 21.95% interest in the Waterberg Project. Hanwa successfully won the bid, whereupon Hanwa and JOGMEC started the process required to complete and finalize the transfer. On October 24, 2018 Hanwa and JOGMEC officially entered into a transfer agreement. Upon the grant of approval from the government of the Republic of South Africa, the entire transfer procedure was completed in March 2019. JOGMEC continues to be an active joint venture partner.

Under the terms of the transaction, Hanwa also acquired the marketing right to solely purchase all the metals produced from the Waterberg Project at market prices.

April 2019 ***New Director Appointment of New Director***

On April 15, 2019 the Company reported the appointment of Stuart Harshaw as to the Board's seventh director. Mr. Harshaw was the Vice President, Ontario Operations, for Vale Canada Limited ("**Vale**") until 2017 where he was an innovative leader with international experience creating value within mining and natural resource operations around the globe.

June 2019 ***Non-Brokered Private Placement***

On June 28, 2019 the Company reported the closing of a non-brokered private placement with HCI for gross proceeds of US$1.3 million (the "**June 2019 Private Placement**"). In connection with the June 2019 Private Placement, the Company issued an aggregate of 1,111,111 Common Shares to Deepkloof, a subsidiary of HCI, at a price of US$1.17 per Common Share.

On a non-diluted basis and after giving effect to the June 2019 Private Placement, HCI's ownership percentage increased from 20.05% to 22.60% of the Company's issued and outstanding Common Shares. The Company did not pay any finder's fees in connection with the June 2019 Private Placement.

July 2019 ***Lion Battery Technologies Inc.***

On July 12, 2019 Platinum Group, together with an affiliate of Anglo American Platinum Limited ("**AAP**"), launched a new venture through a jointly owned company, Lion Batteries Technologies Inc. ("**Lion**") to accelerate the development of next generation battery technology using platinum and palladium. The global automotive industry accounts for approximately 86% of palladium demand and approximately 37% of platinum demand.

Lion will explore a role for platinum group metals in other batteries. AAP and the Company have agreed to invest up to a total of $4.0 million, subject to certain conditions, in exchange for preferred shares of Lion at a price of $0.50 per share over approximately a three to four year period. Each party has invested an initial $550,000 into Lion in exchange for 1,100,000 preferred shares each. In addition, the Company has invested $4,000 as the original founder's round into Lion in exchange for 400,000 Common Shares at a price of $0.01 per share.

Agreement with Florida International University

Following the formation of Lion, on July 12, 2019, Lion entered into an agreement with Florida International University ("**FIU**") to further advance a research programme that uses platinum and palladium to unlock the potential of Lithium Air and Lithium Sulfur battery chemistries to increase their discharge capacities and cyclability.

Under the agreement with FIU, Lion will have exclusive rights to all intellectual property developed and will lead all commercialisation efforts. Lion is also currently reviewing several additional and complementary opportunities focused on developing next-generation battery technology using platinum and palladium. Thanks to considerably higher energy density, Lithium Oxygen and Lithium Sulfur batteries can perform better, by orders of magnitude, than the best-in-class Lithium-ion batteries currently on the market or under development. This new generation of lightweight, powerful batteries has the potential to grow to scale on the back of the attractiveness of battery electric vehicles (BEVs) and the use of lithium batteries in other applications beyond mobility.

August 2019

Launch of Concurrent Transactions

On August 15, 2019 the Company announced that it had entered into an agreement with BMO Capitals Markets ("**BMO**") under which BMO agreed to buy on a bought deal basis in the United States United States 8,326,957 Common Shares of the Company at a price of US$1.25 per share for gross proceeds of approximately US$10.41 million (the "**BMO Public Offering**").

In addition, on August 15, 2019 the Company entered into the following agreements, through which, together with the proceeds from the above public offering, it repaid the LMM Facility in full:

- *2019 Sprott Facility*

A new credit agreement with Sprott and the Sprott Lenders pursuant to which the Sprott Lenders provided a US$20.0 million principal amount senior secured credit facility advance to the Company. The maturity date of the 2019 Sprott Facility is 24 months from the date of the first advance under the facility, which was August 21, 2019. The Company also has the option to extend the maturity date by one year in exchange for a payment in Common Shares or cash of three percent of the outstanding principal amount of the 2019 Sprott Facility two business days prior to the original maturity date. Amounts outstanding under the 2019 Sprott Facility will bear interest at a rate of 11.00% per annum, compounded monthly.

Under the 2019 Sprott Credit Facility, the Sprott Lenders have a first priority lien on (i) the issued shares of PTM RSA and Waterberg JV Co. held, directly or indirectly, by the Company (and such other claims and rights described in the applicable pledge agreement); and (ii) all of the Company's present and after-acquired personal property. The 2019 Sprott Facility is also guaranteed by PTM RSA.

In connection with the US$20.0 million advance, the Company issued the Sprott Lenders 800,000 Common Shares of the Company at a price of $1.25 per share, representing a value of 5.0% of the principal amount of the 2019 Sprott Facility.

- *Deepkloof Subscription*

A subscription by Deepkloof with respect to the private placement of 6,940,000 Common Shares of the Company at a price of US$1.32 per share for aggregate gross proceeds to the Company of US$9,160,800 (the "**Deepkloof Private Placement**").

Because Deepkloof is a 100% subsidiary of HCI, the Deepkloof Private Placement constituted a "related party transaction" (as defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")). The Company relied on the exemptions from both the formal valuation requirement and the minority shareholder approval requirement under sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101, on the basis that at the time the Deepkloof private placement was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Deepkloof Private Placement, exceeded 25 per cent of the Company's market capitalization, calculated in accordance with MI 61-101. The Deepkloof Private Placement resulted in a 2.73% increase in the percentage of Common Shares of the Company beneficially owned by HCI. The Deepkloof Private Placement, together with the purchase by Deepkloof of 2,856,000 Common Shares in the BMO Public Offering, resulted in a 7.59% increase in the percentage of issued and outstanding Common Shares of the Company beneficially owned by HCI to 30.20%.

- *Payout Agreement and LMM Subscription Agreement*

A payout agreement with respect to the full settlement of the LMM Facility and a subscription agreement with LMM with respect to the private placement of 7,575,758 of the Common Shares at a price of US$1.32 per share for aggregate gross proceeds to the Company of US$10.0 million (the "**LMM Private Placement**").

Closing of Concurrent Transactions

On August 21, 2019 the Company announced the closing of the BMO Public Offering, the Deepkloof Private Placement, the LMM Private Placement and the settlement in full of the balance due on the LMM Facility of $43.0 million. No Common Shares offered under the BMO Public Offering were offered or sold, directly or indirectly, in Canada or to any resident in Canada. The Company intends to use the remaining net proceeds from the concurrent transactions for working capital and general corporate purposes.

September 2019

Positive results of DFS Published

On September 24, 2019 the Company reported the positive results of a DFS for the Waterberg Project targeting a large, thick PGM resource with the objective to model a large scale, fully mechanized mine. An updated independent 4E resource estimate for the Waterberg Project was also announced at the same time as the DFS, representing a small increase in resources based on minor infill drilling since the prior independent 4E resource estimate for the Waterberg Project as reported on October 25, 2018.

Updated Mineral Resource Estimate

The September 2019 Waterberg Report estimated 6.44 million 4E ounces in the higher confidence measured category (versus 6.26 million 4E ounces in the October 2018 Waterberg Report). Mineral resources estimated in the combined measured and indicated categories, at a 2.5 g/t 4E cut-off grade, increased slightly to 26.35 million 4E ounces in 242.4 million tonnes at 3.38 g/t 4E (versus 26.34 million 4E ounces in 242.5 million tonnes at 3.38 g/t in the October 2018 Waterberg report). Inferred mineral resources at a 2.5 g/t 4E cut-off grade totaled 7.0 million 4E ounces (the same as in the October 2018 Waterberg Report). The updated measured and indicated 2019 mineral resource totaling 26.35 million 4E ounces is comprised of 63.0% palladium, 29.1% platinum, 6.4% gold and 1.5% rhodium. The T zone measured and indicated resources increased in grade from 4.51 g/t 4E in the September 2018 Waterberg Report to 4.53 g/t 4E in the September 2019 Waterberg Report. For more details about the September 2019 Waterberg Report see Item 4.D. - Property, Plant and Equipment - Technical Report - Waterberg.

October 2019 **DFS Technical Report**

On October 7, 2019 Platinum Group filed a National Instrument 43-101 technical report on the above DFS and updated mineral resource estimate entitled "Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa" dated October 4, 2019 with an effective date of resources and reserves of September 4, 2019 (the "**September 2019 Waterberg Report**"). The September 2019 Waterberg Report was prepared by Charles J Muller, B. Sc. (Hons) Geology, Pri. Sci. Nat. of CJM Consulting (Pty) Ltd.; Gordon Ian Cunningham, B. Eng. (Chemical), Pr. Eng., FSAIMM of Turnberry Projects (Pty) Ltd.; and Michael Murphy, P. Eng. of Stantec Consulting Ltd. In addition, a SAMREC 2016 compliant Mineral Resource statement has been prepared and signed-off by the Independent Geological Qualified Person.

The September 2019 Waterberg Report was formally delivered to all of the Waterberg Project owners on October 4, 2019 as required under the Waterberg JV Resources Pty Ltd. shareholders agreement.

Mineral resources in the September 2019 Waterberg Report are classified in accordance with the SAMREC 2016 standards. There are certain differences with the "CIM Standards on Mineral Resources and Mineral Reserves"; however, in this case the Independent Qualified Person responsible for mineral resource estimation in the September 2019 Waterberg Report believes the differences are not material and the two standards may be considered the same. Mineral resources that are not mineral reserves do not have demonstrated economic viability but there are reasonable prospects for eventual economic extraction. Inferred mineral resources have a high degree of uncertainty.

Readers are directed to review the full text of the September 2019 Waterberg Report, which is incorporated by reference herein and is available for review under the Company's profile on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

B. Business Overview

General

The Company is a platinum and palladium focused exploration, development and operating 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 and in Canada.

The Company's sole material mineral property is the Waterberg Project. The Company continues to evaluate exploration opportunities both on currently owned properties and on new prospects.

Principal Product

The Company's principal product from the Waterberg Project, in accordance with the DFS, is planned to be a PGM bearing concentrate. The concentrate will contain certain amounts of eight elements comprised of platinum, palladium, rhodium, gold, ruthenium, iridium, copper and nickel. Pursuant to the Implats Transaction (as defined below), Implats has acquired a right of first refusal to enter into an offtake agreement, on commercial arms-length terms, for the smelting and refining of mineral products from the Waterberg Project.

Implats Transaction

On November 6, 2017, the Company, along with Waterberg JV Co., JOGMEC and Mnombo completed the first phase of a transaction involving the Waterberg Project initially announced on October 16, 2017 with Implats (the "**Implats Transaction**") whereby Implats purchased an aggregate 15.0% equity interest in Waterberg JV Co. (the "**Initial Purchase**") for $30 million. The Company received consideration of $17.2 million from Implats for the sale of an 8.6% interest in the Waterberg Project and JOGMEC received $12.8 million for the sale of a 6.4% interest in the Waterberg Project.

Pursuant to the Implats Transaction, Implats acquired an option (the "**Purchase and Development Option**") to increase its stake in Waterberg JV Co. to 50.01% by purchasing an additional 12.195% equity interest from JOGMEC for $34.8 million and earning into the remaining interest by making a firm commitment to an expenditure of $130.0 million in development work. Implats also acquired a right of first refusal to smelt and refine Waterberg concentrate. The positive results of the DFS were announced on September 24, 2019 and the September 2019 Waterberg Report was delivered to the Waterberg JV Co. shareholders on October 4, 2019 for review and approval. After approval by Waterberg JV Co. or Implats of the DFS ("**DFS Approval**"), Implats will have an option within 90 business days to elect to exercise the Purchase and Development Option. In the event of certain breaches of agreement, insolvency events or events that would entitle a Waterberg JV Co. shareholder to acquire or dispose of any Waterberg JV Co. shares (other than transfers to certain permitted transferees) prior to the DFS Approval, Implats may, by notice to the other Waterberg JV Co. shareholders of such event, cause the Purchase and Development Option to instead become exercisable from the date of such notice. Upon exercising the Purchase and Development Option, Implats will have the right to appoint the manager of Waterberg JV Co.

The issuance and transfer of Waterberg JV Co. shares to Implats following the exercise of the Purchase and Development Option is subject to the satisfaction or waiver of certain conditions precedent, including but not limited to: the receipt of required regulatory approvals, including under the South African Competition Act, 89 of 1998, and the MPRDA; and within 180 business days after its exercise of the Purchase and Development Option, Implats confirming the salient terms of a development and mining financing for the Waterberg Project (the "**Development and Mining Financing**"), and providing a signed financing term sheet, subject only to final credit approval and documentation. If Implats exercises the Purchase and Development Option and such transactions are consummated, Implats will have primary control of Waterberg JV Co., including the power to approve matters submitted to the board of directors. Certain matters would continue to require the approval of Waterberg JV Co. shareholders by a 75% vote, including the approval of JOGMEC in certain circumstances.

Should Implats complete the Purchase and Development Option and increase its interest in Waterberg JV Co. to 50.01%, Mnombo's 26% interest would be maintained by Waterberg JV Co. issuing additional shares to Mnombo at a nominal price, Platinum Group would retain a direct 18.99% interest, and Hanwa would hold a 5% interest. Platinum Group's direct and indirect (through its shareholding of Mnombo) interests in Waterberg JV Co. would total 31.96%. Following Implats' exercise of the Purchase and Development Option and the completion of its earn-in spending, all project partners would be required to participate and fund the development of the Waterberg Project on a pro-rata basis.

The Implats Transaction agreements provide for the transfer of equity and the issuance of additional equity to one or more broad based black empowerment partners, at fair value. If, prior to the consummation of the Purchase and Development Option, a BEE dilution event has occurred (i.e., an event resulting in the issuance of additional equity to a BEE shareholder, thereby reducing the interests of non-BEE shareholders), the amount of equity to be purchased by Implats and the purchase price for such equity upon the exercise of the Purchase and Development Option will be adjusted pursuant to formulas set forth in the Purchase and Development Option.

If Implats does not elect to exercise the Purchase and Development Option and arrange the Development and Mining Financing, Implats will retain a 15.0% interest and Platinum Group will retain a 50.02% direct and indirect interest in the Waterberg Project.

Implats has also acquired a right of first refusal to enter into an offtake agreement, on commercial arms-length terms, for the smelting and refining of mineral products from the Waterberg Project. Hanwa will retain a right to receive platinum, palladium, rhodium, gold, ruthenium, iridium, copper and nickel in refined mineral products at the volume produced from the Waterberg Project.

Specialized Skill and Knowledge

Various aspects of the Company's business require specialized skills and knowledge, including the areas of geology, engineering, operations, drilling, metallurgy, permitting, logistical planning and implementation of exploration programs as well as legal compliance, finance and accounting. the Company faces competition for qualified personnel with these specialized skills and knowledge, which may increase its costs of operations or result in delays.

Pursuant to the Implats Transaction, Implats is an active participant in the completion of a DFS for the Waterberg Project. Should Implats exercise the Purchase and Development Option, Implats will become the majority owner and will have the right to appoint the manager of the Waterberg Project. Implats is one of the world's foremost fully integrated producers of platinum and associated PGEs. The group produces approximately a quarter of the world's supply of primary platinum. Implats' operations are located on the Bushveld Complex in South Africa and the Great Dyke in Zimbabwe, two of the most significant PGE-bearing ore bodies in the world. In Southern Africa Implats is structured around five main operations namely the Impala Lease, Zimplats, Marula, Mimosa and Two Rivers with headquarters based in Johannesburg, South Africa.

Employees and Contractors

The Company's current complement of managers, staff and consultants in Canada consists of approximately 6 individuals. The Company's complement of managers, staff, consultants, security and casual workers in South Africa consists of approximately 9 individuals, inclusive of 2 individuals active at the Waterberg Project conducting exploration and engineering activities related to the execution of DFS recommendations and a possible production decision by Waterberg JV Co. The Waterberg Project is currently operated by the Company utilizing its own staff and personnel. Contract drilling, geotechnical, engineering and support services are utilized as required. Operations at the Waterberg Project are funded by Waterberg JV Co. and its shareholders.

Foreign Operations

The Company conducts its business in South Africa. South Africa has a large and well-developed mining industry. This, among other factors, means the infrastructure in many areas is well-established, with well-maintained roads and highways as well as electricity distribution networks, water supply and telephone and communication systems. Electrical generating capacity has been strained by demand in recent years in South Africa, but additional capacity is currently under construction. Additional water infrastructure will also be required. See "Risk Factors".

There is also access to materials and skilled labour in South Africa due to the existence of many platinum, chrome, gold and coal mines. Smelter complexes and refining facilities are also located in South Africa. South Africa has an established government, police force and judiciary as well as financial, health care and social institutions, although such institutions underwent significant change following the fall of apartheid and free elections in 1994 and are continuing to be developed. The system of mineral tenure was overhauled by new legislation in 2002, which came into force in 2004. Since 1994, South Africa has been considered an emerging democracy. See "Risk Factors".

Social or Environmental Policies

Corporate Social Responsibility

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.

Social and Labour Plans

The Waterberg Social and Labour Plan (the "**Waterberg Social and Labour Plan**") has been developed pursuant to South African Department of Mineral Resources ("**DMR**") guidelines for social and labour plans and a draft has been submitted in accordance with regulation 46 of the MPRDA together with the application for a mining right for the Waterberg Project. The objective of a social and labour plan is to align the Company's social and labour principles with the related requirements established under Mining Charter 2018. 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 Social and Labour Plan 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 Social and Labour Plan will establish objectives for adult-based education training, learnerships and development of skills required by mining industry, portable skills training for transition into industries other than mining, education bursaries and internships. The Waterberg Social and Labour Plan will also establish local economic development objectives for projects such as community centre refurbishment, high school refurbishment, water and reticulation projects, housing development, establishment of recreational parks and various other localized programmes for small scale industry, agriculture, entrepreneurship and health and education.

Labour in South Africa

The gold and platinum mining industries in South Africa witnessed significant labour unrest in recent years and demands for higher wages by certain labour groups. Both legal and illegal or "unprotected" strikes have occurred at several mines since the beginning of August 2012. In June 2014, the Association of Mineworkers and Construction Union accepted a negotiated wage settlement to end a five-month long strike affecting a significant proportion of the platinum industry. To date, the Company has seen no adverse labour action on its operations in South Africa and the retrenchment processes at the Maseve Mine were peaceful and orderly. See "Risk Factors".

Environmental Compliance

The Company's current and future exploration and development activities, as well as future mining and processing operations, if warranted, are subject to various state, provincial and local laws and regulations in the countries in which the Company conducts its activities. These laws and regulations govern the protection of the environment, prospecting, development, production, taxes, labour standards, occupational health, mine safety, hazardous substances and other matters. Company management expects to be able to comply with those laws and does not believe that compliance will have a material adverse effect on the Company's competitive position. The Company intends to obtain and maintain all licences and permits required by all applicable regulatory agencies in connection with its mining operations and exploration activities. The Company intends to maintain standards of compliance consistent with contemporary industry practice.

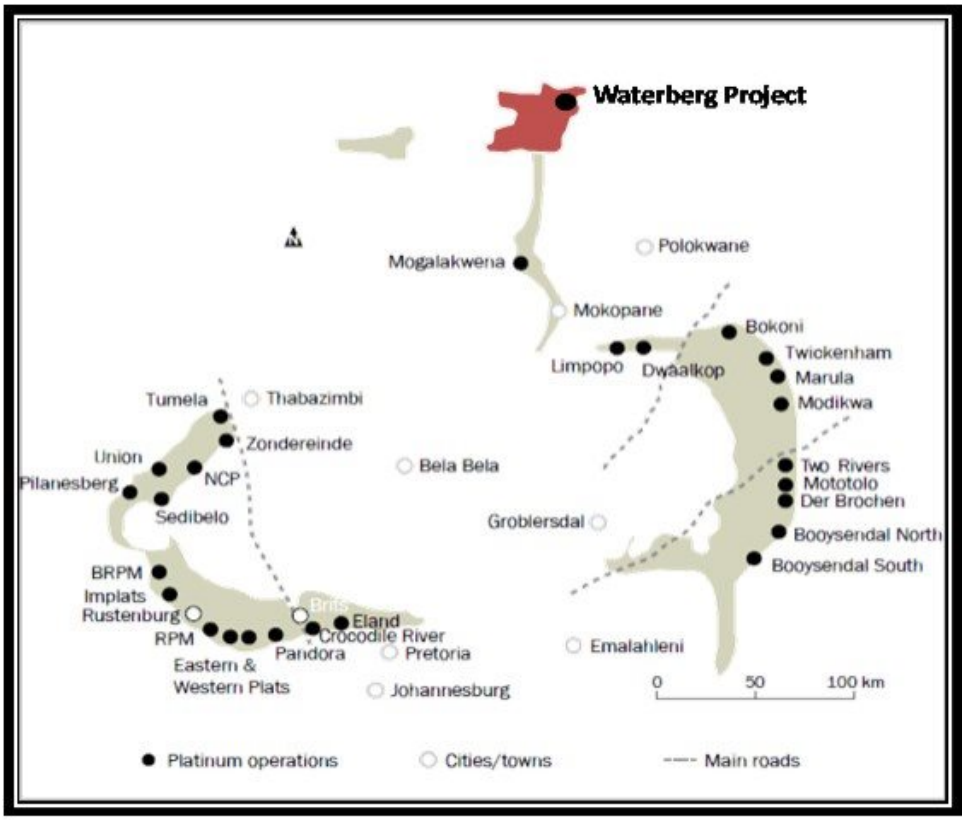
Competitive Conditions

The global PGM mining industry has historically been characterised by long-term rising demand from global automotive and fabrication sectors on the one hand and constrained supply sources on the other. South Africa's PGM mining sector has historically represented approximately 73% of global platinum supply and 36% of global palladium supply. From mid-2012 until 2019 global economic uncertainty, recycling and slow growth created a weak market for PGMs. Lower market prices for PGMs combined with labour unrest caused stoppages and closures of some higher cost platinum mines and shafts in South Africa. The market for PGMs, and palladium in particular, has improved in 2019, resulting in higher metal prices. Almost all of the South African platinum and palladium supply comes from the geographic constraints of the Western, Northern and Eastern Limbs of the Bushveld Complex, resulting in a high degree of competition for mineral rights and projects. South Africa's PGM mining sector remains beholden to economic developments in the global automotive industry, which currently accounts for approximately 39% of the total global demand for platinum and 85% of the total global demand for palladium. A prolonged downturn in global automobile and light truck sales, resulting in depressed platinum prices, often results in declining production as unprofitable mines are shut down. Alternatively, strong automobile and light truck sales combined with strong fabrication demand for platinum, most often results in a more robust industry, creating competition for resources, including funding, labour, technical experts, power, water, materials and equipment. There is not a material seasonal effect or influence on the PGM market or business. Since late 2015 the price of palladium has more than doubled due to rising automotive sector demand, while platinum prices are at about the same price now as they were in 2015, having rebounded somewhat in 2019 from very low price levels experienced in late 2018. The South African industry is dominated by three or four producers, who also control smelting and refining facilities. As a result, there is general competition for access to these facilities on a contract basis. If the Company moves towards production on the Waterberg Project, it will become exposed to many of the risks of competition described herein. See "Risk Factors".

Mineral Property Interests

Under IFRS, the Company defers 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's key development project and exploration targets are located in the Bushveld Complex in South Africa. The Bushveld Complex is comprised of a series of distinct layers or reefs, three of which contain the majority of the economic concentrations of PGMs, and the subset of 4E PGMs consisting of platinum, palladium, rhodium and gold, (or the subset of 3E PGMs consisting of platinum, palladium and gold) within the Bushveld Complex: (i) the Merensky Reef ("**Merensky**" or "**MR**"), which is mined primarily around the Western Limb of the Bushveld Complex, (ii) the Upper Group 2 Layer or Reef ("**UG2**"), which is mined primarily around the Eastern Limb of the Bushveld Complex and (iii) the Platreef ("**Platreef**"), found within the Northern Limb. These reefs exhibit extensive geological continuity and predictability and have an established history of economic PGM production. The Merensky, UG2 and Platreef have been producing PGMs since the 1920s, 1970s and 1990s, respectively.



For a further discussion of the Company's material and non-material mineral properties, see Item 4.D. - Property, Plant and Equipment.

South African Regulatory Framework

The Company is subject to South African government regulations that affect all aspects of the Company's operations. Accordingly, the sections below set out the primary laws and regulatory concepts to which the Company is subject.

Black Economic Empowerment in the South African Mining Industry

The transition from an apartheid regime to a democratic regime brought with it a commitment by the South African state, as enshrined in the Constitution, to take legislative and other measures to redress the results of past racial discrimination against black South Africans, or as the MPRDA and Mining Charter defines them, "HDPs. Under the MPRDA, the concept includes any association, the majority of whose members are HDPs as well as juristic persons if HDPs own and control the majority of the shares and control the majority of the shareholders' votes.

This concept and process to take legislative and other measures to redress the results of past racial discrimination against black South Africans is known in South Africa as broad-based black economic empowerment, or "BEE". The mining industry was one of many industries identified by the South African government as requiring reform to bring about equitable benefit from South Africa's mineral industry to all South Africans and to promote local and rural development and social upliftment of communities affected by mining.

The regulatory regime governing the South African mining industry has therefore fundamentally changed over the past decade. Legislation governing mining and BEE within the mining sector includes, among other laws, the MPRDA, the Mining Codes and the Standards pursuant to the MPRDA, Mining Charter 2018, Mining Charter 2018 Scorecard and the Mining Titles Registration Act No. 16 of 1967 (as amended). The aforementioned legislation, however, is industry specific and the generic BEE regulatory framework in South Africa is regulated in terms of the BEE Act, which sets outs the South African government's policy in respect of the promotion of BEE. The BEE Act also permits the Minster of Trade and Industry to publish generic BEE Codes of Good Practice ("**Generic BEE Codes**"), being codes of good practice that address, among other things, the indicators to measure BEE and the weightings to be attached to such indicators.

The Generic BEE Codes were originally published in 2007 and set out seven indicators or elements in terms of which BEE compliance is measured. Each element has a scorecard in terms of which various sub-elements are set out, together with a target for compliance with each sub-element and a corresponding number of weighting points. An entity's BEE compliance is measured in terms of each of these scorecards and the aggregate score will then determine that entity's BEE compliance level. Independent BEE verification agencies are authorized to verify an entity's compliance and provide it with a verification certificate which will set out its score and confirm its BEE compliance level. The seven elements of BEE compliance set out in the original Generic BEE Codes are ownership (which measures the extent to which black people own the measured entity), management control (which measures the extent to which black people form part of the board of directors and top management of the entity), employment equity (which measures the extent to which black people are employed with the various management levels of the entity), skills development (which measures the extent to which the entity has undertaken skills training for the benefit of its black employees), preferential procurement (which measures the extent to which the entity procures goods and services from BEE compliant and black-owned companies), enterprise development (which measures the extent to which the entity has contributed towards the development of black-owned or BEE compliant companies), and socio-economic development (which measures the extent to which the entity has contributed towards the economic development of black people).

The original Generic BEE Codes were amended on October 11, 2013 and such amendments became effective from May 1, 2015. Generally speaking, the amended Generic BEE Codes seek to make BEE compliance more onerous to achieve. The total number of points required to achieve certain levels of BEE compliance have been increased. The elements of management control and employment equity have been consolidated into a single element referred to only as management control, and the elements of preferential procurement and enterprise development have been consolidated into a single element referred to as enterprise and supplier development. The elements of ownership, skills development and enterprise and supplier development are classified as priority elements to which minimum thresholds of compliance attach and subjects an entity to a penalty of a reduction in its BEE compliance status by one level if the entity fails to achieve any of such minimum thresholds.

In addition, the BEE Act was amended by The BEE Amendment Act, which came into operation on October 24, 2014.

The provisions of section 3(2) set out in the BEE Amendment Act states that "*in the event of any conflict between this Act and any other law in force immediately prior to the date of commencement of the Broad-Based Black Economic Empowerment Act, 2013, this Act prevails if the conflict specifically relates to a matter dealt with in this Act*" (the "**Trumping Provision**"). The BEE Amendment Act provides that section 3(2) will come into effect one year after the date on which the President proclaims the BEE Amendment Act into law and therefore became operative on October 24, 2015. However, on October 30, 2015 the Minister of Trade and Industry exempted the DMR from applying the Trumping Provision until October 31, 2016 on the basis that the alignment of the Mining Charter 2018 with the BEE Act and the BEE Codes was still ongoing. There has not been a further extension of this exemption.

Section 10(1)(a) set out in the BEE Amendment Act provides that "*every organ of state and public entity must apply any relevant code of good practice issued in terms of this Act in determining qualification criteria for the issuing of licences, concessions or other authorizations in respect of economic activity in terms of any law*". This will require all governmental bodies to apply the Generic BEE Codes or other relevant codes of good practice when procuring goods or services or issuing licenses or other authorizations under any other laws, and to penalize fronting or misrepresentation of BEE information.

The provisions of section 3(2) and 10(1)(a) indicate that the DMR would be obliged to apply the provisions of the BEE Act and of any BEE code of good practice gazetted in terms of the BEE Act when issuing rights, permissions or permits in terms of the MPRDA in the future.

A code of good practice refers to the Generic BEE Codes or any sector-specific code of good practice which has been developed and gazetted in terms of the provisions of the BEE Act after consultation with the relevant industry stakeholders and the Department of Trade and Industry. It does not include Mining Charter 2018. The implications of the above provisions of the BEE Amendment Act are that unless a mining sector code is developed and gazetted, or unless a further exemption is granted by Ministers of Trade and Industry, the DMR would not be entitled to apply Mining Charter 2018 when issuing rights, permissions or permits (after commencement of the abovementioned sections of the BEE Amendment Act) and would be required to apply the Generic BEE Codes. While the target for ownership under the Generic BEE Codes is the same as in Mining Charter 2010 i.e. 26% (as opposed to the current Mining Charter 2018's 30%), the remaining elements in terms of which BEE compliance is measured are materially different from those set out in Mining Charter 2018. In addition, the extent of BEE compliance is determined under the Generic BEE Codes with reference to an entity's overall score and corresponding BEE compliance level, and Mining Charter 2018s scorecard does not contain the same methodology. Thus, if the Generic BEE Codes were to apply to the mining industry, it would place the industry at a disadvantage and create uncertainty.

Section 10(2)(a) set out in the BEE Amendment Act provides that "*the Minister may, after consultation with the relevant organ of state or public entity, exempt the organ of state or public entity from a requirement contained in subsection (1) or allow a deviation therefrom if particular objectively verifiable facts or circumstances applicable to the organ of state or public entity necessitate a deviation*". Such an exemption or deviation is required to be published in the government gazette. It seems possible, but it is not certain whether the DMR could apply for such an exemption in respect of the mining industry.

The DMR and industry bodies are aware of the implications of the Trumping Provision. Notwithstanding that there has been no further extension of the exemption in respect of the Trumping Provision, to date, the DMR continues to apply the provisions of Mining Charter 2018 and not the Generic BEE Codes.

It is important to bear in mind that none of Mining Charter 2018, Mining Charter 2018 Scorecard or the Mining Codes are drafted as legislative documents. They are instruments of policy and as such are frequently ambiguous, loosely worded and difficult to interpret with precision.

The MPRDA seeks to facilitate participation by HDPs in mining ventures. Complying with the HDP regime is a prerequisite for being granted and maintaining prospecting and mining rights. Every application for a mining right under the MPRDA must demonstrate that the granting of such right will:

- substantially and meaningfully expand opportunities for HDPs, including women, to enter the mineral and petroleum industry in order to benefit from the exploitation of the nation's mineral and petroleum resources; and
- promote employment and advance the social and economic welfare of all South Africans.

The Mining Charter

The original mining charter was developed to give substance and guidance to the empowerment provisions under MPRDA, which came into effect on May 1, 2004. The original mining charter set out a number of targets which were to be achieved by mining companies by 2009 and 2014. Among other targets, mining companies had to achieve a 15% HDP ownership by 2009 and a 26% HDP ownership by 2014. Ownership relates to ownership of mining assets, whether through the holding of equity, partnership, joint venture or direct holding.

Notwithstanding the uncertainties in BEE legislation applicable to mining companies with regard to the measurement of HDP ownership, it is accepted practice (as confirmed in section 2.1.2 of the Mining Codes) that the so-called flow-through and modified flow-through principles are applicable to the calculation of indirectly held HDP interests (i.e. where there is partial HDP ownership in a corporate structure above the level of the company holding the prospecting or mining right). In terms of the flow-through principle, the level of indirect ownership, proportionally reduced to reflect partial HDP shareholding in intermediate companies, would be calculated to determine the proportional indirect HDP shareholding in the company holding the right. Under the modified flow-through principle, a company with more than 51% HDP ownership (defined as a Historically Disadvantaged Persons Owned and Controlled Company in Mining Charter 2018) may, at any one level in a corporate structure, attribute 100% HDP ownership to that company for the purposes of applying the flow-through principle.

On September 13, 2010 the Mining Charter 2010 came into effect setting targets (some of which remained the same as those in the original mining charter) to be achieved by mining companies by December 31, 2014 (the implementation of which needed to be reported to the DMR by mining companies in 2015), which targets included:

- Ownership: this entails 26% meaningful economic participation by HDPs and 26% full shareholder rights for HDPs. Mining Charter 2010 refers to BEE entities as opposed to HDP companies but retains the 26% ownership target.
- Housing and living conditions: occupancy rate of employee accommodations of one person per room and all conversion of employee hostels must be fully achieved.
- Procurement and enterprise development:
  - a minimum procurement of 40% of capital goods, 70% of services and 50% of consumer goods from BEE entities; and
  - ensure that multinational suppliers of capital goods contribute at least 0.5% of their annual income generated from local mining companies towards a fund for the purposes of socio- economic development of local communities.
- Employment equity: 40% HDP participation at Board level, at executive committee level, in middle management, in junior management and 40% HDP participation within core skills.
- Human resource development: 5% human resource development expenditure focused on HDPs as a percentage of total annual payroll.
- Mine community development: implementation of approved community projects.

- Sustainable development and growth:
  - implementation of approved EMP measured annually against the approved plans;
  - implementation of action plans on health and safety measured annually against the approved plans; and
  - utilization of South African based research facilities for the analysis of all South African sourced mineral samples.
- Beneficiation: contribute a percentage of additional production volume towards local beneficiation of mineral commodities in accordance with the beneficiation strategy introduced pursuant to the terms of section 26 of the MPRDA. No such strategy has yet been finalized.
- Reporting: submission of annual reports to the DMR in respect of compliance with Mining Charter 2018 2010.

Mining Charter 2010 included targets, measures and weightings by which mining right holders were assessed against the obligations according to Mining Charter 2010 Scorecard. Failure of a company to meet its obligations in relation to Mining Charter 2010 could lead to the suspension or cancellation of its New Order Rights and could have a negative impact on applications for New Order Rights.

The application for the Waterberg Project Mining Right will be adjudicated upon and granted in accordance with the ownership requirements of Mining Charter 2010, given that it was lodged and accepted prior to the coming into force of the current Mining Charter 2018.

On September 27, 2018, the Minister of Mineral Resources announced the implementation of Mining Charter 2018 which sets out new and revised targets to be achieved by mining companies, the most pertinent of these being the revised BEE ownership shareholding requirements for mining rights holders. Mining Charter 2018 provides for the publication of 'Implementation Guidelines' by November 27, 2018. This creates greater uncertainty in measuring a mining right holder's progress towards, and compliance with, its commitments under Mining Charter 2018.

Under Mining Charter 2018, new mining rights holders will be required to have a minimum 30% BEE shareholding (a 4% increase from the required 26% under the Mining Charter 2010) which shall include economic interest plus a corresponding percentage of voting rights, per right or in the mining company which holds the right. Once the Waterberg Project Mining Right is granted, Waterberg JV Co. will have a period of 5 years within which to increase its BEE shareholding to 30%. Mining Charter 2018 remains unclear as to whether such shareholding will be required to be distributed amongst employees, communities and black entrepreneurs as detailed below, and if so, in what percentages.

A new mining right granted after the coming into effect of Mining Charter 2018 must have a minimum of 30% BEE shareholding, applicable for the duration of the mining right, which must be distributed as to (i) a minimum of 5% non-transferable *carried* interest to qualifying employees; (ii) a minimum of 5% non-transferrable *carried* interest to host communities, or a minimum 5% equity equivalent benefit; and (iii) a minimum of 20% effective ownership in the form of shares to a BEE entrepreneur, a minimum of 5% which must *preferably* be for women.

The equity equivalent benefit relating to communities refers to a 5% equivalent of the issued share capital, at no cost to a trust or similar vehicle set up for the benefit of host communities. The intention behind introducing this alternative is so that communities accessing the benefit of ownership will not be delayed. The host community would receive an economic benefit *as if* it was the holder of a 5% equity interest.

The carried interest of 5% to each of the community and the employees must be issued to them at no cost and free of encumbrance. The costs to the right holder of such issue can be recovered from the development of the mineral asset.

Mining right holders may claim an equity equivalent offset against a maximum 5% of a BEE Entrepreneur shareholding for beneficiation in accordance with a DMR approved Beneficiation Equity Equivalent Plan.

The Mining Charter 2018 also sets deadlines by which the BEE Shareholding must vest for new rights, namely a minimum of 50% must vest within two thirds of the duration of a mining right; and the prescribed minimum 30% target shall apply for the duration of a mining right.

Existing mining right holders who achieved a minimum of 26% BEE shareholding, or who achieved a 26% BEE shareholding but whose BEE shareholders exited prior to September 27, 2018 will be recognized as BEE ownership compliant for the duration of the mining right, but not for any period of renewal thereof.

A mining right holder will be required to invest in Human Resource Development by paying 5% of the "leviable amount", being the levy payable under the South African Skills Development Act, No. 97 of 1998, (excluding the mandatory statutory skills levy) towards essential skills development activities such as science, technology, engineering, mathematics skills as well as artisans, internships, apprentices, bursaries, literacy and numeracy skills for employees and non-employees (community members), graduate training programmes, research and development of solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation and rehabilitation.

Mining right holders must promote economic development through developing and/or nurturing small, medium and micro enterprises and suppliers of mining goods and services. Within 6 months of implementation of the Mining Charter 2018, right holders must submit a 5-year plan indicating incremental implementation of inclusive procurement targets.

Holders must spend a minimum of 70% of their total mining goods procurement expenditure (excluding non-discretionary expenditure) on South African Manufactured Goods (with a local content of at least 60%) on procurement from stipulated BEE entities.

Mining right holders may invest in enterprise and supplier development against which they may offset their procurement obligations in accordance with the prescripts laid down In the Mining Charter 2018.

A minimum of 70% of a holder's total research and development budget must be spent on South African based research and development entities, either in the public or private sector and only South African based companies or facilities can be utilized for the analysis of all mineral samples across the mining value chain.

Mining Charter 2018 also provides for minimum employment equity thresholds at various levels of management. These include:

- Board - a minimum of 50% are HDP's, 20% of which must be women;
- Executive Management - a minimum of 50% are HDP's at the executive director level as a percentage of all executive directors proportionally represented, 20% of which must be women;
- Senior Management - a minimum of 60% are HDP's proportionally represented, 25% of which must be women;
- Middle Management - a minimum of 60% are HDP's, proportionally represented, 25% of which must be women;
- Junior Management - a minimum of 70% are HDP's proportionally represented, 30% of which must be women;

- Employees with disabilities - a minimum of 1.5% employees with disabilities as a percentage of all employees, reflective of national or provincial demographics.

Mining right holders must also develop and implement a career progression plan (aligned with its Social and Labour Plan) consistent with the demographics of South Africa, which plan must provide for (i) career development matrices of each discipline (inclusive of minimum entry requirements and timeframes); (ii) develop individual development plans for employees; (iii) identify a talent pool to be fast tracked in line with needs; and (iv) provide a comprehensive plan with targets, timeframes and how the plan would be implemented.

Mining right holders must meaningfully contribute towards Mine Community Development with biasness towards mine communities both in terms of impact as well as in keeping with the principles of the social license to operate. This element, together with the ownership element are ring-fenced and require 100% compliance at all times. In consultation with relevant municipalities, mine communities, traditional authorities and affected stakeholders, mining right holders must identify developmental priorities of mine communities and make provision for such priorities in prescribed and approved SLPs, to be be published in English and one or two other languages commonly used within the mine community. Mining right holders who operate in the same area may collaborate on certain identified projects to maximize the socio-economic development impact in line with SLPs.

Holders must implement 100% of their SLP commitments in any given financial year of the mining right holder. Any amendments and/or variations to commitments set out in SLPs (including budgets) shall require approval in terms of section 102 of the MPRDA, and right holders will be required to consult with mine communities.

Housing and living conditions for mine workers as stipulated in the Housing and Living Conditions Standards, developed in terms of section 100(1)(a) of the MPRDA, including decent and affordable housing, provision for home ownership, provision for social, physical and economic integration of human settlements, secure tenure for the employees in housing institutions, proper health care services, affordable, equitable and sustainable health system and balanced nutrition. Under Mining Charter 2018, holders must submit housing and living conditions plans to be approved by the DMR after consultation with organized labor and the Department of Human Settlement. To provide clear targets and timelines for purposes of implementing the aforesaid housing and living condition principles, the Housing and Living Conditions Standard Guidelines shall be reviewed by the DMR within the near future.

Mining Charter 2018 provides, for the first time, a regime for junior miners who meet the qualifying criteria and grants such companies exemption from certain elements/targets. The regime for junior mining companies is limited to mining right holders who, either through holding a single or multiple mining rights, have a combined annual turnover of less than R150 million.

Mining right holders who have a turn-over of less that R10 million per annum are exempt from the following elements/targets set out in the Mining Charter 2018: Employment Equity Targets (if they have less than 10 employees); Inclusive Procurement Targets; as well as Enterprise and Supplier Development Targets, and are required to only comply with the following elements/targets Ownership element (but undefined as to composition of BEE shareholding); Employment Equity Targets (if they have more than 10 employees); Human Resource Development Targets; and Mine Community Development Targets.

Mining right holders who have a turn-over of between R10 million and R 50 million per annum are required to comply with the following elements/target: Ownership element (but undefined as to composition of BEE shareholding); Human Resource Development Targets; Inclusive Procurement Targets; Employment Equity Targets (at group level); and Mine Community Development Targets.

New Order Mining and Prospecting Rights Under the MPRDA

All of the Company's prospecting and mining rights are so-called new order rights (i.e. rights granted under the MPRDA) as opposed to old order rights, being rights granted under pre-MPRDA legislation. Under the MPRDA, mining companies operating in South Africa were required to apply for conversion of old order rights into new order prospecting and mining rights issued by the South African state in terms of the MPRDA. New order rights in respect of mining are granted for a maximum period of 30 years, with renewals of up to 30 years at a time. Prospecting rights are valid for a period of five years, with one renewal of up to three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions. The holder of a prospecting right granted under the MPRDA has the exclusive right to apply for and, subject to compliance with the requirements of the MPRDA, to be granted, a mining right in respect of the prospecting area in question.

The new order rights are transferable only with the approval of the Minister and are subject to various terms and conditions, including commencement of operations within specified periods, maintenance of continuing and active operations and compliance with work programs, social and labour plans, EMPs and empowerment requirements.

New order rights can be suspended or cancelled by the Minister if a holder has breached its obligations under the terms of the rights and has failed to remedy such breach after written notice of the breach from the Minister and after being given an opportunity to respond. In addition, mining rights could potentially be cancelled for non-compliance with the Mining Charter 2018.

Resource Nationalism

The concept of resource nationalism encompasses a range of measures, such as expropriation or taxation, whereby governments increase their economic interest in corporate entities exploiting natural resources, with or without compensation. The current South African government has publicly stated that it does not intend to nationalize the mining industry.

At its 53rd national conference in December 2012, the ANC debated its previously commissioned "State Intervention in the Minerals Sector" report (SIMS Report), and wholesale nationalization was rejected. It was resolved that state intervention in the economy would focus on beneficiation. Strategic minerals, which include platinum group metals, coal and iron ore, will be identified and special public policy measures may be put in place. Further state interventions could include "state ownership" through the state mining company, and mineral resource rents through the imposition of new taxes or a super-profits tax.

Environment

South Africa has a comprehensive and constantly evolving environmental regulatory framework, particularly relating to mining. The Constitution entrenches the right to an environment that is not harmful to human health or well-being and imposes a duty to protect the environment for the benefit of present and future generations through reasonable legislative and other measures. The Constitution and National Environmental Management Act ("**NEMA**") grant legal standing to a wide range of people and interest groups to bring legal proceedings to enforce their environmental rights, such that claims can be made against private and public entities and the South African government.

Environmental impacts of mineral resource operations (including prospecting and mining of mineral resources and exploration and production of petroleum) are, at present, primarily regulated by four pieces of legislation, namely, the MPRDA, NEMA, National Environmental Management: Waste Act ("**NEMWA**") and National Water Act ("**NWA**").

South African environmental law is largely permit-based and requires businesses whose operations may have an environmental impact to obtain licenses and authorizations principally from the DMR and the DWS, which often contain stringent conditions.

Environmental legislation also stipulates general compliance requirements. It incorporates a "polluter pays" principle and also imposes a duty on a group of specified parties wider than the actual polluter to take reasonable measures to assess, prevent and address pollution (even that which was authorized by law). This duty is retrospective in its application. A failure to take such measures may result in governmental authorities taking measures against, and recovering costs from, a wider range of parties than the one on whom the duty primarily rests. This latter group includes a successor in title to a property and, based on international jurisprudence, is wide enough to include a lender or a shareholder of a company who caused the pollution, although the potential liability of shareholders and lenders has not yet been considered by South African courts.

NEMA provides for the appointment of Environmental Management Inspectors and Environmental Mineral Resource Inspectors at the Department of Environmental Affairs ("**DEA**") and DMR respectively. These inspectors have wide-ranging powers and can undertake both announced and unannounced inspections and investigations. Criminal prosecutions have been initiated and directives and compliance notices issued following a number of these inspections.

Under NEMA, it is a criminal offence for any person unlawfully and intentionally or negligently to commit any act or omission which causes, has caused or is likely to cause significant environmental pollution or degradation or unlawfully and intentionally or negligently commit any act or omission which detrimentally affects or is likely to affect the environment in a significant manner. A maximum criminal fine of up to Rand 10 million and/or a prison term of up to ten years may be imposed for such an offence. The NWA establishes a similar criminal offence in relation to water pollution.

Directives or compliance notices can also be issued under NEMA, the MPRDA or the NWA for the temporary or permanent shut down of facilities at a mining operation or the entire mining operation, due to environmental transgressions. NEMA also provides that directors and certain company officers can also be held liable in their personal capacity for the costs of rehabilitating environmental pollution or degradation.

The environmental regulation of mining has undergone a transition. NEMA is now the primary environmental legislation regulating mining and not the MPRDA. Due to this transition, the majority of the MPRDA's environmental regulation provisions were deleted ("**Pre-MPRDA Amendment Act Environmental Provisions**") and the National Environmental Management Laws Amendment Act, No. 25 of 2014 ("**NEMLAA"**) introduced specific provisions regulating mining into NEMA. The Minister of Mineral Resources has however retained the bulk of his environmental regulation competencies under the NEMLAA's amendments, to be undertaken in accordance with NEMA. This transition has created some gaps which include that not all of the necessary amendments have yet commenced under the MPRDA and certain regulations under NEMA are outstanding.

Under the Pre-MPRDA Amendment Act Environmental Provisions, before 8 December 2014, environmental management plans and environmental management programmes ("**EMPs**") were required to be approved by the relevant delegated authority at the DMR before a prospecting right or mining right respectively became effective.

In addition to requiring that an EMP be approved under the MPRDA, an environmental authorization ("**EA**") was required for certain activities that are incidental to mining, listed in a series of Environmental Impact Assessment ("**EIA**") Regulations published under the NEMA. This includes vegetation clearance; construction of roads, facilities in proximity to a watercourse and facilities that may cause pollution; and storage of dangerous goods, where the activities exceeded specified thresholds ("**Listed Activities**"). An EA was not required for mining or prospecting activities.

This position changed on 8 December 2014 when the 2014 EIA Regulations commenced under NEMA, replacing the 2010 EIA Regulations. Mining and prospecting activities that commenced after this date required an EA, as do associated infrastructure and earthworks directly related to the prospecting and extraction of a mineral resource.

There are presently no provisions in force in the MPRDA or NEMA deeming EMPs approved under the MPRDA to be EAs issued under the NEMA, which creates gaps in relation to the obligations of mineral right holders with an approved EMP. Certain 2013 amendments to the MPRDA (following the implementation of the *Mineral and Petroleum Resources Development Act No. 49 of 2008* ("**MPRDA Amendment Act, 2008**")) introduced a deeming provision however it has not yet commenced. This provision provides that an EMP approved under the MPRDA before and at the time of the NEMA coming into force will be deemed to have been approved and an EA issued in terms of NEMA. There are also no transitional provisions deeming approvals to EMP applications that were submitted before NEMLAA and approved after NEMLAA to be deemed to be EAs. This has created the situation where strictly speaking applicants for mineral rights are now required to submit an application for an EA, despite an application for EMP approval being previously submitted. In practice however, the DMR views EMPs submitted under the MPRDA to be EAs.

NEMA requires an EA before Listed Activities commence and it is a criminal offence to commence such Listed Activity without the required EA. A person who has commenced a Listed Activity without an EA may apply for rectification of this state of affairs but would be required to pay a maximum administrative fine of R5 million and may also face criminal penalties.

Under the NWA, water cannot be owned, but is instead held in trust for the people of South Africa under the State's custodianship. A water use license ("**WUL**") is required to undertake certain water uses specified in the NWA. This includes water storage; abstraction; disposal of wastewater into the environment; dewatering a mine; and impacting on watercourse's flow. Generally, large scale water users, such as mines, are required to either apply for WULs or, in certain cases, only to register water uses if small water volumes are abstracted or stored or the impacts to watercourses are low. In certain instances, an entity may continue with a water use that was conducted lawfully prior to 1998 under the predecessor to the NWA, the *Water Act, No. 54 of 1956*, without the requirement for a WUL. Conducting a water use without the required WUL is unlawful.

Regulations published under the NWA regulate water use in relation to mining activities, providing for limitations on the location of mining infrastructure and requirements for separation of dirty and clean water systems. If a water use or water management is unlawful, the DWS may issue administrative directives to enforce the NWA's provisions or stop the unlawful water use. Criminal proceedings can also be instituted. Penalties for offences are a maximum fine and/or imprisonment of Rand 200,000 and five years, respectively. Upon a second conviction, the maximum fine and/or imprisonment are Rand 400,000 and ten years, respectively. While significant progress has been made by the DWS in processing pending WUL applications, a backlog remains.

The *National Environmental Management Air Quality Act No. 39 of 2004* ("**AQA**") regulates air pollution in South Africa and prohibits the undertaking of activities listed under AQA, including certain mining related and processing activities, without an atmospheric emission license. Minimum emission standards have been set for each listed activity. Facilities that were operational before these regulations came into force were afforded a "grace period" within which to comply with the more stringent air emission standards contained in the Regulations until 2015. If a facility did not comply with the 2015 air emission standards, upgrading of the facilities was necessary. Such facilities will need to comply with even more stringent air emission standards from 2020. Additional upgrades may therefore also be required before 2020 to comply with the 2020 air emission standards, for which significant capital expenditures ("**CAPEX**") may be required. Alternatively, an application to postpone the time period for compliance with air emission standards may be possible but the grant of any postponement cannot be guaranteed.

NEMWA regulates the storage, treatment, recycling and disposal of waste, among other things, including waste generated by the mining sector. Its provisions are also relevant generally to the Company's operations. Waste management licenses ("**WMLs**") are required for certain waste management activities, dependent on certain thresholds in relation to the waste. Although WMLs are generally not required for waste storage, such activities must comply with certain norms and standards. Residue stockpiles and deposits relating to prospecting, mining, exploration or production activities regulated under the MPRDA were previously exempt from NEMWA. This was changed by amendments under the NEMLAA and WMLs were required from the Minister for residue stockpiles and deposits since September 2, 2014, if they constitute "waste" and if they fall above the thresholds for which a WML is required, unless an entity "lawfully conducted" these activities prior to September 2, 2014. The National Environmental Laws Amendment Bill B14D-2017 ("**NEMA Bill**") has proposed amendments to NEMWA such that the regulation of residue stockpiles and deposits are removed from NEMWA and will be regulated by NEMA. Having previously lapsed, the NEMA Bill was revived by the National Council of Provinces. It is expected to be passed by the National Council of Provinces shortly, whereafter it will be signed into law by the President. If so, WMLs will not be required for residue stockpiles and deposits. In terms of the 2014 EIA Regulations, an EA would however be required.

Both the MPRDA and NEMA have provisions regulating rehabilitation and closure, which are not entirely consistent. The MPRDA provides that a mineral right holder remains liable for any environmental liability, pollution, ecological degradation, the pumping and treatment of extraneous water, compliance to the conditions of the EA and the management and sustainable closure of a mine, until the Minister of Mineral Resources has issued a closure certificate ("**Rehabilitation and Closure Liability**"). NEMA provides that a mineral right holder remains responsible for Rehabilitation and Closure Liability notwithstanding the issue of a closure certificate.

Under the MPRDA and NEMA, when the Minister issues a closure certificate, he may retain any portion of such financial provision for latent and residual safety, health or environmental impact which may become known in the future.

The Pre-MPRDA Amendment Act Environmental Provisions required that financial provision for environment rehabilitation and closure costs must be provided by an applicant for a mineral right prior to the approval of an EMP. NEMA now requires that this financial provision must be made prior to the issuing of an EA under NEMA.

New Financial Provision Regulations in regard to rehabilitation were published under NEMA on November 20, 2015, which have been highly contentious due to gaps and contradictions with the *Income Tax Act No. 58 of 1962*; MPRDA and NEMA. They will require a substantial increase in financial provision required for rehabilitation, as they are far more onerous and now require financial provision to be provided for annual rehabilitation and, more significantly, the remediation of latent or residual environmental impacts which may become known in the future including the pumping and treatment of polluted or extraneous water ("**Future Rehabilitation**"). The Minerals Council of South Africa (formerly the Chamber of Mines) has stated that the Financial Provision Regulations could have a crippling effect on the mining industry. The Financial Provision Regulations are the subject of a recent High Court application for an order clarifying their legality and/or meaning. Two sets of proposed amendments were published to the Financial Provision Regulations which, if enacted into law, may resolve some of the gaps and contradictions. A further set of proposed amendments is anticipated to be published shortly. An extension has been granted for compliance with the Financial Provision Regulations to February 2020. This extension is ambiguously drafted but appears to apply to companies who submitted an application for a mining right or holders of rights where the application was submitted, or right was granted, prior to the Financial Provision Regulations coming into force on 20 November 2015. Applicants for new mining rights submitted after 20 November 2015 are however still required to provide financial provision in terms of the Financial Provision Regulations. Trust funds may only be used for Future Rehabilitation and not annual or final rehabilitation (being the decommissioning and closure of the prospecting, exploration, mining or production operations at the end of the life of operations). The financial vehicle used for Future Rehabilitation must, on issuance of a closure certificate, be ceded to the Minister or if a trust fund is used, the trustees must authorise payment to the Minister. The aforesaid is contradictory to the Minister's discretion in the MPRDA and NEMA to retain a portion of the financial provision.

A mining or prospecting right can be suspended or cancelled under the MPRDA or a mining right application may be refused if there is non-compliance with environmental legislation.

Mine Safety

Mine safety in South Africa is governed by the MHSA, which is enforced by the Inspectorate of Mine Health and Safety, a part of the DMR. The reporting provisions of the MHSA are aligned with the International Labour Organization's Code of Practice on Recording and Notification of Occupational Accidents and Diseases. Under the MHSA, the Company is obligated, among other things, to ensure, as far as reasonably practicable, that the Company's mines are designed, constructed and equipped to provide conditions for safe operation and a healthy working environment and are commissioned, operated, maintained and decommissioned in such a way that employees can perform their work without endangering their health and safety or that of any other person. The Company is also obliged to ensure, as far as reasonably practicable, that persons who are not employees, but who may be directly affected by the Company's mining activities are not exposed to any hazards relating to their health and safety. The MHSA also authorises mine inspectors to issue safety compliance notices to mines under section 55 of the MHSA and, should the inspectors feel that the action is warranted, to temporarily close part or all of the operations under powers conferred by section 54 of the MHSA, pending compliance with the - compliance notice.

An employer who has been instructed to temporarily close a mine or any part thereof in a section 54 notice has the remedy of approaching the Labour Court for urgent relief to suspend the operation of the section 54 notice until a review application to set aside that notice is determined by the Labour Court.

The *Mine Health and Safety Amendment Act, No. 74 of 2008*, which came into effect on May 30, 2009, criminalizes violations of the MHSA, increases the maximum fines to Rand 1 million per occurrence and creates the possibility that mining rights could be revoked for continued safety violations. A number of guidelines on the implementation of mandatory codes of practice under sections 9(2) and 9(3) of the MHSA have been issued by the Chief Inspector of Mines and govern the provision of personal protective equipment for women in the SA Mining Industry; trackless mobile machines; cyanide management; underground rail bound equipment; conveyor belt installation for transport of mineral, material or personnel; and risk-based fatigue management.

Royalty Payments

The Royalty Act, imposes a royalty on the first transfer of refined or unrefined minerals, payable to the state, calculated on the actual or deemed gross sales amount at the statutorily determined saleable condition (i.e. whether the mineral is in a refined or unrefined condition as determined in accordance with Schedule 1 and 2, respectively, of the Royalty Act).

The royalty rate in respect of refined minerals is calculated by dividing earnings before interest and taxes, or "**EBIT**" (as defined for purposes of the Royalty Act), by the product of 12.5 times gross revenue, calculated as a percentage, plus an additional 0.5%. EBIT refers to the taxable mining income of the holder of the right (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. There is also an arm's length adjustment, where applicable. A maximum royalty rate of 5% of revenue applies to refined minerals.

The royalty rate in respect of unrefined minerals is calculated by dividing EBIT by the product of nine times gross revenue, calculated as a percentage, plus an additional 0.5%. A maximum royalty rate of 7% applies to unrefined minerals.

Mining Taxation Review

In the 2013 Budget Speech, the Minister of Finance announced that the mineral and petroleum royalty regime has broadened the South African tax base and allowed for increased revenue during periods of high commodity prices, while providing relief to marginal mines when commodity prices and profitability are low. The broader review of the South African tax system will consider whether this approach is sufficiently robust and assess what the most appropriate mining tax regime is to ensure that South Africa remains a competitive investment destination.

To give effect to announcements made by the Minister of Finance in his 2013 budget speech, the Davis Tax Committee ("**DTC**") was established to assess South Africa's tax policy framework and its role in supporting the objectives of inclusive growth, employment, development and fiscal sustainability. The Terms of Reference of the Davis Tax Committee includes a review of the current mining tax regime. The Davis Tax Committee submitted its First Interim Report on Mining on July 1, 2015 and made various recommendations, including that:

- the mining corporate income tax regime be aligned with the tax system applicable to other taxpaying sectors generally, leaving the royalty system to respond to the non-renewable nature of mineral resources; and
- the upfront capital expenditure write-off regime be discontinued and replaced with an accelerated capital expenditure depreciation regime in parity with the write-off periods provided for in respect of manufacturing assets.

These recommendations are still under consideration by the South African government.

The DTC released its second and final report on hard-rock mining in December 2016.

Amongst the various proposals, the DTC recommended that the upfront CAPEX write-off regime should be discontinued and replaced with an accelerated CAPEX depreciation regime. The accelerated CAPEX depreciation regime will provide for write-off periods in line with that of manufacturing, namely on a 40/20/20/20. The removal of the upfront CAPEX tax allowance regime paves the way for the removal of ring fences aimed at preventing the set-off of future CAPEX expenditure against the tax base of other mining operations and against non-mining income.

The second and final report also indicated that comprehensive review of carbon taxes has been undertaken by a separate stream within the DTC and therefore the report contains no comments on carbon taxes.

The Minister of Finance might adopt these recommendations which in turn might impact of the net present value and internal rate of return of the project.

Exchange Control

South African law provides for Exchange Control which, among other things, regulates the flow of capital from the Common Monetary Area of South Africa, Namibia, Lesotho and eSwatini (formerly Swaziland) ("**CMA**"). The *Currency and Exchanges Act, No. 9 of 1933* empowers the President of South Africa to make regulations in regard to any matter directly or indirectly relating to currency, banking or exchanges. The Minister of Finance is responsible for all matters regarding exchange control policy, and certain of these powers and functions have been delegated to the South African Reserve Bank, more specifically the Financial Surveillance Department.

The Exchange Control Regulations, which are administered by the Financial Surveillance Department are applied throughout the CMA and regulate transactions involving South African exchange control residents, including companies. The basic purpose of the Exchange Control Regulations is to mitigate the negative effects caused by a decline of foreign capital reserves in South Africa, which may result in the devaluation of the Rand against other currencies. It is the stated objective of the authorities to achieve equality of treatment between residents and non-residents for exchange control purposes as it relates to inflows and outflows of capital. While the South African government has relaxed exchange controls in recent years, the Company expects current exchange controls to remain in place for the foreseeable future.

The Company is subject to various forms of such controls. The Company is generally not permitted to export capital from South Africa, hold foreign currency, incur indebtedness denominated in foreign currencies or acquire an interest in a foreign venture without the approval of the relevant South African exchange control authorities.

However, there are no exchange control restrictions between the members of the CMA as they form a single exchange control territory. Lesotho, Namibia and Eswatini have their own exchange control authorities as well as their own acts or regulations and rulings but in terms of the Common Monetary Area Agreement, their application must be at least as strict as that of South Africa. Accordingly, the Company will not require the approval of the Financial Surveillance Department for investments and transfers of funds from South Africa to other CMA countries.

Carbon Tax/Climate Change Policies

In accordance with the Minister of Finance's budget speech announcement in February 2019, the Carbon Tax Act, No. 15 of 2019 (the "**Carbon Tax Act**") was assented to by the President on May22, 2019 and commenced on June 1, 2019. As per the Act's Preamble, "the South African government is of the view that imposing a tax on greenhouse gas ("**GHG**") emissions and concomitant measures such as providing tax incentives for rewarding efficient use of energy will provide appropriate price signals to help nudge the economy towards a more sustainable growth path." Despite its recent introduction, changes have already been proposed to the Carbon Tax Act in the 2019 Draft Taxation Laws Amendment Bill ("**Draft TLAB**"), which was published on July 21, 2019. Subsequent to the publication of the Draft TLAB, the public was given an opportunity to make submissions on the Draft TLAB and public hearings on the Draft TLAB were held by National Treasury and SARS on September 5 and 6, 2019. Members of the public were also given an opportunity to make oral submissions to Parliament directly on September 10, 2019.

In terms of the Paris Agreement under the United Nations Framework Convention on Climate Change, South Africa's GHG emissions are said to firstly peak from the period 2020 until 2025, then plateau from the period 2025 until 2035, where after GHG emissions are said to decline from 2036. The introduction of carbon tax will also take place in a phased manner, which allows for developmental challenges faced by South Africa, encourages investment in more energy efficient technology and ensures that South Africa's competitiveness is not being compromised.

The Carbon Tax Act levies the tax at a rate of R120 per ton of carbon dioxide equivalent ("**CO_2-eq**") of GHG emissions on identified activities that exceed prescribed GHG emission thresholds. The tax rate is set to increase annually at the amount of the consumer price inflation plus 2% until December 31, 2022. From December 31, 2022 onwards, the tax rate must be increased in line with consumer price inflation of the preceding tax year as determined by Statistics South Africa. Phasing-in of the tax has however provisionally allowed for a reduced tax rate.

The first phase of the carbon tax will run until end 2022 and, due to the various tax-free allowances provided for under sections 7 to 13 of the Act, allows for an initial effective carbon tax rate as low as R6 to R48 per ton of CO_2-eq emitted. These allowances include a/an:

- basic allowance for fuel combustible emissions of between 60% and 75%;
- basic allowance for industrial process emissions of between 60% and 70%;
- allowance in respect of fugitive emissions of 10%;
- trade exposure allowance of up to a maximum of 10%;
- performance allowance not exceeding 5% of the total GHG emissions of the taxpayer during the relevant tax period;
- carbon budget allowance of 5% for companies who have a carbon budget, which means a limit on total GHG emissions from a specific company, within a specific period of time. It is understood that this allowance is only available to entities who voluntarily participate in phase 1 of the carbon budget and obtain the written consent of the Department of Environment, Forestry and Fisheries; and
- carbon offset allowance of either 5% or 10%.

A taxpayer, other than a taxpayer in respect of which the maximum total allowance is expressly stipulated in Schedule 2 of the Carbon Tax Act to constitute 100%, is only entitled to receive the sum of the allowances mentioned above in respect of a tax period to the extent that the sum of the allowances does not exceed 95% of its total GHG emissions.

Furthermore, and as previously committed to by the South African National Treasury, phase 1 of the tax is also electricity neutral in providing credits for the renewable energy premium built into electricity tariffs and electricity generation levy. The impacts of the tax on the energy sector will therefore only feed through to the consumer upon the commencement of phase 2 in January 2023.

Despite the promulgation of the Carbon Tax Act, final regulations required for the implementation of the carbon offset and trade exposure allowances have yet to be published, which is currently impacting on entities' ability to reduce their carbon tax liability.

It must further be noted that the Explanatory Memorandum published with the last version of the Carbon Tax Bill in November 2018 provides for a review of the impact of the carbon tax at the end of phase 1. The review will understandably allow for "adjustments to the design of the carbon tax including the rates and level of tax-free thresholds that will take into account the economic circumstances and progress made to reduce GHG emissions, in line with NDC commitments".

The South African national treasury noted in the Explanatory Memorandum that the impact of the first phase has been designed to be revenue neutral, and revenues will be recycled by way of reducing the current electricity generation levy, credit rebate for the renewable energy premium, as well as a tax incentive for energy efficiency savings.

Considering the tax-free thresholds, this would imply that an initial effective carbon tax rate will be as low as R6 to R48 per ton CO2e.

Climate Change Bill

Little progress appears to have been made in respect of the proposed Climate Change Bill (the "**Bill**") since it was first published for comment in June 2018. The Bill, amongst other things, seeks to regulate the proposed carbon budget and allows for the determination of sectoral emission targets.

The Bill obligates the Minister of Environment, Forestry and Fisheries ("**Minister**") to determine GHG emission thresholds that will inform an entity's carbon budget allocation. Presentations from the South African National Treasury from March 2019 indicate that a higher tax rate of R600 per ton of CO_2-eq will be imposed on GHG emissions that exceed the allocated carbon budget.

In her budget policy statement to Parliament on July 11, 2019, the Minister confirmed that the second draft of the Bill is currently being discussed and debated at the National Economic Development and Labour Council.

South African Companies Act

The Company's South African subsidiaries are subject to the *South African Companies Act, No. 71 of 2008* ("**Companies Act**") which came into force on May 1, 2011. The aim of the Companies Act is to modernize company law in South Africa so that it is comparable with leading jurisdictions around the world.

The Companies Act has introduced numerous new legal concepts into South African company law, and there are therefore some areas of uncertainty in the application and implementation of the Companies Act in these early stages of its existence. Various compliance obligations have been brought about for companies and their boards, including a requirement to ensure that a company's constitutional documents are aligned with the Companies Act, and that any shareholders' agreements that are in place are aligned with the company's memorandum of incorporation and the Companies Act. There was essentially a two-year "grace period" for such alignment process to take place, in that, subject to certain exceptions, for two years after the commencement date of the Companies Act (May 1, 2011), a pre-existing company's shareholders' agreement and/or constitutional documents would have prevailed in the case of any inconsistency with the Companies Act. The position currently, after the lapse of the grace period, is that a company's memorandum of incorporation prevails over the shareholders' agreement and the Companies Act in turn prevails over both. Although not peremptory, the Company has registered new memoranda of incorporation for the Company's South African subsidiaries.

The Companies Act also requires that certain categories of companies have in place certain committees, namely audit committees (for all public and state-owned companies) and social and ethics committees (for all listed public companies and state-owned companies as well as other companies that reach a certain "public interest score" in terms of the Companies Regulations, 2011). The "public interest score" takes into account the number of shareholders and employees of the company, as well as the amount of the company's debt and annual turnover.

Failure to comply with the Companies Act can lead to compliance notices being issued by the CIPC, administrative fines and civil liability for damages caused by non-compliance. The Company's South African subsidiaries may also be liable under the Companies Act to "any" other person for any loss or damage suffered by that person as a result of the Company's subsidiary's non-compliance with the Companies Act.

The Companies Act extends shareholders' rights and recourse against companies and directors. Also, directors, prescribed officers and committee members will now face more extensive and stricter grounds for personal liability for their actions in carrying out their functions within the company than was the case under the previous regime. The Companies Act introduces class action suits against companies, directors and company officers by persons whose rights are affected by the company. Companies will thus face a greater risk of litigation and the costs thereof. Minority shareholders' rights in the context of mergers and other fundamental transactions have also been increased substantially, such as the introduction of appraisal rights and the ability to set aside and review special resolutions approving such transactions. This could result in the hindrance of such transactions.

The Companies Act has also introduced fairly extensive regulation of financial assistance given among related and interrelated companies, in that there must be shareholder approval, compliance with solvency and liquidity tests, and fairness and reasonableness in relation to such financial assistance. This for instance affects intra group loan and security arrangements, as well transactions with third parties where guarantees or other security within a group of companies is given. This affects financial assistance given by South African companies and would accordingly affect financial assistance given by South African companies to non-South African related entities.

The Companies Act prohibits companies from creating any further par value shares. If a company wishes to increase its share capital, it will have to convert all of its pre-existing par value shares into shares of no par value. The revenue authorities have issued a ruling with respect to the tax treatment of such conversions to the effect that such conversions shall not be viewed as "disposals". This may become relevant in respect of the Company's South African subsidiaries should their share capital be required to be increased at any stage for whatever reason.

An important innovation of the Companies Act is that of business rescue, which is modelled to some extent on the United States "Chapter 11" bankruptcy procedures. Business rescue is a largely non-judicial, commercial process that aims to rescue a financially distressed company and maximize the likelihood of the company's continued existence on a solvent basis.

Companies in South Africa can be deregistered if they fail to timeously lodge their annual returns. This means that the company ceases to exist as a separate juristic person, and that all of its rights and assets devolve to the state by operation of law. A company's registration can be reinstated by application either to the CIPC or the High Court. Currently, under the Companies Act there is uncertainty in the case-law around the exact legal consequences of such reinstatement and whether the rights and assets automatically re-vest, with retrospective effect, in the company. The Company ensures that at all times the requisite filings and returns of its South African subsidiaries with CIPC are up-to-date and thereby ensures that such subsidiaries are not deregistered.

Land Use

The Spatial Planning and Land Use Management Act 16 of 2013 ("**SPLUMA**") prescribes principles for the regulation of land use in South Africa on a national, provincial and municipal level. However, land use planning is mainly regulated on a municipal level since municipalities are constitutionally empowered to regulate the effective administration of land use planning within their respective jurisdictions. Municipal land use planning is regulated through municipal planning by-laws, spatial development frameworks and land use or zoning schemes. Land-use or zoning schemes reflect all permissible land use rights in respect of land situated within the municipality's area of jurisdiction. Deviations from the land-use or zoning scheme are only permissible upon application for the necessary departure, land use consent or re-zoning application, as regulated by the applicable scheme and the relevant municipal planning by-law read with SPLUMA.

While previously it was in dispute whether municipal planning had the power to regulate mining activities, April 2012 Constitutional Court judgments in the cases of *Maccsand (Proprietary) Limited v City of Cape Town and Others and Minister for Mineral Resources v Swartland Municipality and others* confirmed that town planning approvals and consents are required for mining activities. A High Court decision has indicated that such consents will likewise be required for prospecting activities. The effect of these judgments is that all mining and prospecting operations need to be conducted on land which is appropriately zoned for mining or prospecting. Mining companies run the risk of being interdicted from continuing with their operations pending a re-zoning if the land on which they are operating is not appropriately zoned. The practical implications of complying with these judgments are numerous. These include that there may be different land uses on one property, particularly where only prospecting is taking place. These implications will need to be considered further by the Company's operations. This is further complicated by the fact that there are several provincial land use planning laws for different provinces.

In addition to statutory controls, certain private law rights, such as the real rights created by way of registered restrictive conditions of title or servitudes, may also impact on land use planning in general. Land use or zoning schemes are subject to the real rights created by restrictive conditions of title. The implication is that if a land-use or zoning schemes permit a land use which is prohibited by a restrictive condition of title, such condition will first have to be removed in terms of the relevant legislation (municipal planning by-laws read with SPLUMA). Servitudes may also impact on land use planning, for instance servitudes registered in respect of infrastructure. Contravention of these real rights may result in a demolition order being granted in respect of unlawful development.

Another aspect which requires consideration is who should apply for such re-zoning. Although landowners would typically be the applicant, the Company's operations are not always conducted on land which the Company owns. Accordingly, the Company may have to obtain a power of attorney from the landowner to procure amendments to land use or zoning schemes in municipalities in which the Company intends to prospect or mine and has obtained rezoning permission where required.

Dealing in Precious Metals

All operations which acquire, refine, beneficiate, possess or dispose of gold, any metals of the platinum group, or any ores of such metals, are required to obtain authorisations to do so under the Precious Metals Act No. 37 of 2007. These authorisations include metal beneficiation licences, refining licences and precious metals export approvals. Applications for such authorisations must be made to the South African Diamond and Precious Metals Regulator. Refining licences can be issued for up to 30 years, whilst precious metals beneficiation licences can be issued for periods of up to ten years. The issue of certain licences under the Precious Metals Act requires that the applicant be complaint with the BEE provisions of the Mining Charter 2018.

Land Claims

Under the Restitution of Land Rights Act 22 of 1994 ("**Restitution Act**"), as amended, any person who was dispossessed of rights in land in South Africa after June 19, 1913 as a result of past racially discriminatory laws or practices without payment of just and equitable compensation is granted certain remedies and is entitled to redress. In terms of the Restitution Act, persons entitled to institute a land claim were required to lodge their claims by December 31, 1998.

The Restitution Act also entitles the South African Minister of Rural Development and Land Reform ("**Minister**") to acquire ownership of land or rights in land by way of expropriation and to transfer the expropriated land or rights in land to successful claimants. Notably, the Minister may elect not to expropriate land and may provide alternative relief to the claimant, as directed by section 25(7) of the Constitution. Expropriation would be subject to provisions of the Expropriation Act 63 of 1975 and section 25(2) of the Constitution, which provide, in general, for just and equitable compensation.

The South African Minister of Rural Development and Land Reform may not, however, restore land to a claimant without a court order or an agreement being reached between the affected parties for the purposes of achieving restitution.

The Restitution Amendment Act came into effect on July 1, 2014. The Restitution Amendment Act introduced significant amendments to the Restitution Act, most notably allowing for land claims by persons previously disposed of land under apartheid laws to again be submitted, despite the previous cut-of date having expired approximately 15 years ago. The new period for lodging claims will be until June 30, 2019, which may arguably create a possible resurgence of new restitution claims. However, in *Land Access Movement of South Africa and Others v Chairperson of the National Council of Provinces and Others,* the Constitutional Court found that the Restitution Amendment Act was invalid as parliament failed to satisfy its obligation to facilitate public involvement in accordance with section 72(1)(a) of the Constitution. As a result, the Constitutional Court interdicted the Commission of Restitution of Land Rights from processing claims lodged from July 1, 2014 until all claims submitted prior to December 31, 1998 in terms of section 6(1)(a) of the Restitution Act have been finalised. Parliament has since this judgment circulated a bill, which will repeal the Amendment Act, once promulgated. In terms of this bill, the new period for the lodging of claims will still be until June 30, 2019.

In order to substantiate a claim for restitution, a person is required to demonstrate that:

- he/she is a person, or it is a deceased estate dispossessed of a right in land after June 19, 1913, as a result of past racially discriminatory laws or practices;
- he/she is the direct descendant of a person referred to above who has died without lodging a claim and has no ascendant who: (i) is a direct descendant of a person referred to above and (ii) has lodged a claim for the restitution of a right in land; or
- it is a community or part of a community dispossessed of a right in land after June 19, 1913, as a result of past racially discriminatory laws or practices.

Under the Restitution Act a successful claimant may be granted either return of the dispossessed land (referred to as "restoration") or equitable redress (which includes the granting of an appropriate right in alternative state-owned land; or payment of compensation). If restoration is claimed, the Restitution Act requires, *inter alia*, the feasibility of such restoration to be considered. Under recent case law, restoration of land may only be given in circumstances where a claimant can use the land productively, with the feasibility of restoration being dependent on the costs.

The procedure for lodging a land claim is that a claim must be lodged with the Land Claims Commissioner. The land claim will then be investigated by the Land Claims Commissioner, after which the claim will be published in the Government Gazette and in the media circulating nationally and in the relevant province. The Restitution Act provides that, if at any stage during the course of the investigation of a land claim, it becomes evident that:

- there are two or more competing claims in respect of the same land (whether by communities or otherwise); or
- the land that is subject to the claim is not state-owned land, and the owner or holder of rights in such land is opposed to the claim; or
- there is any other issue which might usefully be resolved through mediation and negotiation,
- the Chief Land Claims Commissioner may direct the parties concerned to attempt to settle their dispute through mediation or negotiation. It further provides that if, upon completion of an investigation of a land claim, it is agreed that it is not possible to settle the claim by mediation or negotiation, the claim may be referred to the Land Claims Court for final determination.

Beneficiation

The beneficiation of mineral resources in South Africa is regulated by three main pieces of legislation, namely the MPRDA, through section 26 thereof, the *Precious Metals Act, No. 37 of 2005* and the *Diamonds Act, No. 58 of 1986* (as amended).

In addition to the legislative framework aimed at promoting local beneficiation of minerals, the DMR has developed and adopted a beneficiation strategy which identifies value chains for the purpose of beneficiation of certain minerals in South Africa (which is also in line with the developmental goals set-out in the National Development Plan adopted by the South African government). The Mining Charter 2018 (as discussed above) also includes an incentive for mining companies to offset the value of the level of beneficiation achieved by the company against a portion of its BEE Entrepreneur ownership requirement, not exceeding 15%, in an effort to promote local beneficiation.

The legislation at the center of the initiation or promotion of beneficiation of mineral resources is the MPRDA. Section 26 of the MPRDA regulates the Minister's power to initiate and promote beneficiation of minerals in South Africa. The term 'beneficiation' was not defined by the MPRDA. As the section currently reads, the Minister may prescribe levels of beneficiation of a particular mineral should he establish, on advice from the Minerals and Mining Board and consulting with the Minister of Trade and Industry, that a particular mineral can be beneficiated economically in South Africa. Further, a person who intends to beneficiate any minerals mined in South Africa, outside of the country may only do so with the written consent of and in consultation with the Minister.

Labour Relations Act

The Constitution gives every person the right to fair labour practices. The *Labour Relations Act, No. 66 of 1995* ("**LRA**") is the principal legislation that gives effect to the framework in which employees, employers and industrial relations at an individual and collective level are regulated. As a premise the LRA regulates the manner in which employees, employers, trade unions and employer's organizations interact and engage with one another in the workplace. This includes processes related to collective bargaining, wage determination, determination of terms and conditions of employment, the formulation of industrial policy and employee participation in the decision-making processes.

The LRA framework holistically is geared at the protection of employee and employer rights through various structures. Principally the LRA allows for the creation of trade unions and employer's organizations. The extent of entitlement of the trade union is subject to the size of its membership base. Depending on the number of employees who are members of the trade union, the trade union will be allowed access to the workplace, representation at the workplace, to have meetings at the workplace and to access to information concerned with the employment of the employees. To be entitled to enter into collective agreements with the employer, the trade union must have as its members the majority of the employees at the workplace. The LRA endorses a co-operative approach whereby two or more trade unions can aggregate their membership for the purposes of achieving majority status in a collective bargaining unit or forum.

Collective agreements entered into between the trade union and the employer will bind all employees employed by the employer, regardless of their trade union affiliations, for the whole period of the agreement. The LRA does not provide for a statutory duty to bargain collectively or otherwise, and therefore such conduct is purely a voluntary decision.

At a greater level the LRA allows for the creation of bargaining and statutory councils. Such councils can be established both for more than one registered trade union or employer's organization. Such councils will be established per sector or area. Councils in this regard will, amongst others, be entitled to conclude collective agreements and to engage in the resolution of disputes.

If a dispute between the employer and employee arises the LRA clearly delineates the lawful context in which this may occur. As a premise the LRA strictly stipulates and regulates the requirements for a lawful strike, lockout or picketing. In this regard the LRA expressly identifies who is allowed to engage in industrial action of this nature, which processes must be followed and for which purposes employees and employers may engage in such industrial action. Should the industrial action require the parties to engage in a process of consultation and negotiation, the LRA also prescribes the procedures to be followed.

If the conduct of the parties, for whatever reason, result in the dismissal of employees the LRA establishes the Commission for Conciliation, Mediation and Arbitration ("**CCMA**") as a principal forum for the resolution of disputes resulting from the dismissal. The LRA defines unlawful dismissals as being either automatically or not automatically unfair. The type of dismissal will depend on the nature thereof and the prevailing circumstances at the time of dismissal, an example being dismissals arising from operational requirements.

A process of mediation and conciliation is pre-emptory in this regard. Should the dispute remain unresolved, parties will be required to enter into a process of arbitration, and the award made by the Commissioner would be final.

Employment Equity Act

The Employment *Equity Act*, No. 55 of 1998 ("**EEA**") places an obligation on employers to promote equal opportunity in the workplace by, amongst other things, eliminating any forms of unfair discrimination in the workplace.

Section 6 of the EEA prohibits any employment practice or policy which discriminates, directly or indirectly, against any employee on any *'arbitrary ground'* or one or more of the grounds specifically listed in the section -

> *'race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth'.*

Where discrimination is alleged on one of the specified grounds, it is presumed to be unfair; if the discrimination is based on some other arbitrary ground, the complainant must establish unfairness.

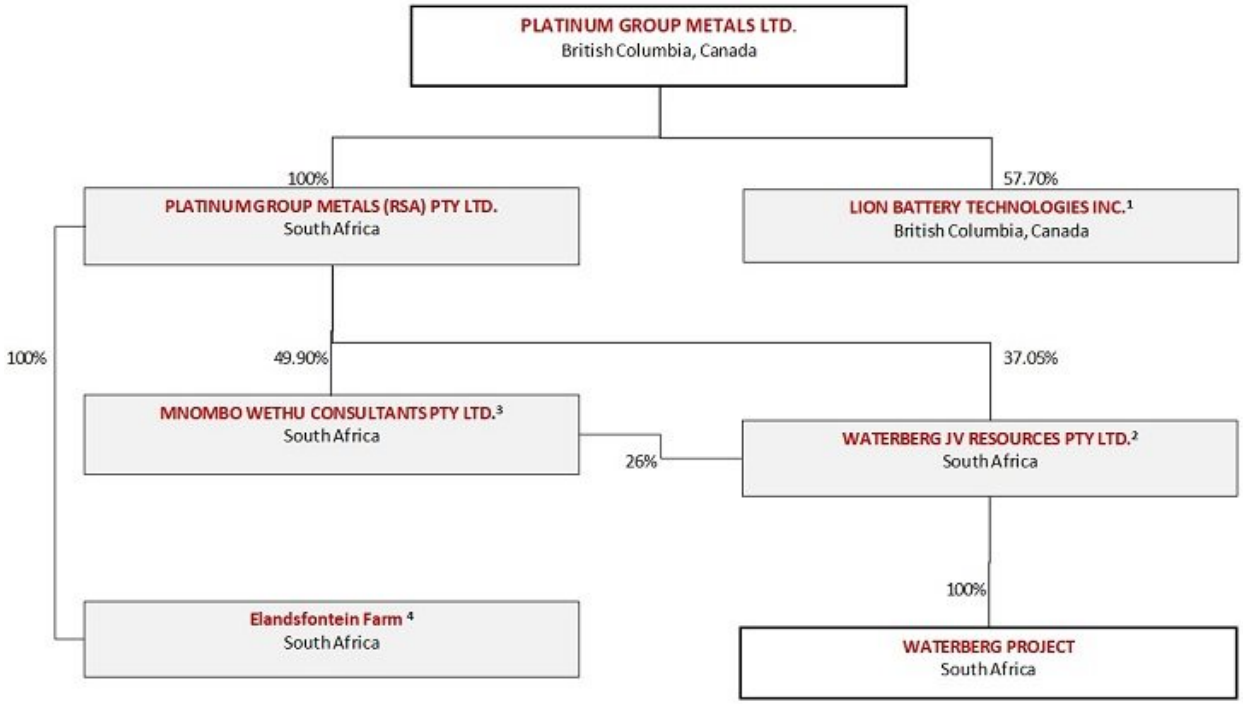
Pursuant to recent amendments, the EEA now provides that a difference in the terms and conditions of employment between employees of the same employer, which are performing the same or substantially the same work or work of equal value, amounts to unfair discrimination. It is important to note that the relevant provision refers to 'a difference in the terms and conditions' of employment and is not only limited to a difference in remuneration. Nevertheless, to prove such discrimination, the employee will need to demonstrate that the reason for the difference in treatment is based on one of the listed grounds or any other arbitrary ground.

Any party may refer a dispute for unfair discrimination to the CCMA which, in turn, must attempt to resolve the dispute through conciliation. Should the conciliation be unsuccessful, either party may refer the dispute to the Labour Court for adjudication.

Alternatively, an employee may refer the dispute directly to the CCMA for arbitration if that specific employee earns below the earnings threshold as prescribed by the Minister of Labour. The current earnings threshold is R205 433.30 per annum. Irrespective of the foregoing, the employee may also directly approach the CCMA to resolve the dispute through arbitration where the employee's claim for unfair discrimination is based on alleged sexual harassment. Then again, the parties can also agree to refer the matter to the CCMA for arbitration.

C. Organizational Structure

The Company's material subsidiaries as at August 31, 2019 were comprised of one wholly-owned company, a 49.9% holding in a second company, and a direct and indirect 50.02% holding in a third company, all of which are incorporated under the company laws of the Republic of South Africa. The Company also has one non-material British Columbia subsidiary. The following chart represents the Company's corporate organization as at the date of filing of this Annual Report:



Notes:

1. Remaining 42.3% interest owned by Anglo Platinum Marketing Ltd., a subsidiary of Anglo American.

2. Remaining interest owned as to 12.195% by JOGMEC, 9.755% by Hanwa and 15% by Implats.

3. Remaining 50.1% interest owned by Mlibo Gladly Mgudlwa and Luyanda Mgudlwa. Qualified BEE company.

4. 364.64 Ha. Location of PTM RSA field office.

As at the date of filing of this Annual Report, the Company's only material mineral property is the Waterberg Project (the "**Waterberg Project**"), which is comprised of two adjacent project areas formerly known as the Waterberg Joint Venture Project and the Waterberg Extension Project. The Waterberg Project is held by Waterberg JV Co., in which the Company is the largest owner, with a 50.02% beneficial interest, of which 37.05% is held directly by PTM RSA and 12.974% is held indirectly through PTM RSA's 49.9% interest in Mnombo, a Broad-Based Socio-Economic Empowerment ("**BEE**") company which holds 26.0% of Waterberg JV Co. The remaining interests in Waterberg JV Co. are held as to 12.195% by a nominee of JOGMEC, 9.755% by Hanwa and 15.0% by Implats. PTM RSA is the manager of Waterberg JV Co. Waterberg JV Co. and its shares are governed by a shareholders' agreement (the "**Waterberg Shareholders Agreement**") and its memorandum of incorporation. To cause the board of directors of Waterberg JV Co. to take action, PTM RSA must generally obtain the approval of the board representatives of at least one other shareholder, which may be Mnombo, in which the Company has a 49.9% interest. In addition, certain matters must be approved by a majority, 80% or 90% vote of the Waterberg JV Co. shareholders, depending on the matter, or, in certain cases, by specific shareholders. The Waterberg Shareholders Agreement confirms the principles of BEE compliance and contemplates the potential transfer of equity and the issuance of additional equity to one or more broad based black empowerment partners, at fair value in certain circumstances, including a change in law or imposition of a requirement upon Waterberg JV Co. In certain circumstances, Mnombo may be diluted with equity transferred or issued to different black empowerment shareholders.

Implats has been granted a call option exercisable in certain circumstances to purchase and earn into a 50.01% interest in Waterberg JV Co. For more detail about the Implats Transaction see "Item 4.B. - Principal Product - Implats Transaction".

D. Property, Plants and Equipment

Material Mineral Property Interests

Waterberg Project

The Waterberg Project is located 85 km north of the town of Mokopane (formerly Potgietersrus) in the province of Limpopo, South Africa, approximately 330 km NE from Johannesburg. The property covers 99,244.79 hectares and is approximately centred on UTM coordinate (Latitude 23°21′53" S, Longitude 28°48′ 23" E)". Elevation ranges from approximately 880 to 1365 metres above sea level.

Waterberg JV Co. holds active prospecting rights covering an area of 92,672.15 hectares. An application for a mining right covering an area of 20,482.42 hectares was filed with the DMR Polokwane Regional Office and was accepted on September 14, 2018 for consideration. The mining right application area consists of farms of active prospecting rights and farms of prospecting rights which expired after the mining right application was filed. The rights of the holder to minerals from both active and expired prospecting rights remain in place when covered by a valid mining right application or granted mining right. The total project area, including active prospecting rights and the mining right application, covers a total of 99,244.79 hectares.

Prospecting rights are valid for a period of five years, with one renewal of up to three years. There are no annual fees payable to the DMR in order to hold active prospecting rights in good standing. However, the permit holder must comply with applicable regulations and must conduct exploration activities in accordance with the work plan approved at the time the prospecting permits were granted by the DMR. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions. The holder of a prospecting right granted under the MPRDA has the exclusive right to apply for and, subject to compliance with the requirements of the MPRDA, to be granted, a mining right in respect of the prospecting area in question. On October 10, 2018 the Company announced that mining right application for the Waterberg Project recently filed by Waterberg JV Co. had been accepted by the DMR for consideration.

On September 21, 2017 the Company completed the planned corporatization of the Waterberg Project by the transfer of all Waterberg Project prospecting rights held by PTM RSA on behalf of the joint venture participants into Waterberg JV Co.

Effective September 21, 2017 Waterberg JV Co. owned 100% of the prospecting rights comprising the entire Waterberg Project area and Waterberg JV Co. was owned 45.65% by PTM RSA, 28.35% by JOGMEC and 26% by Mnombo, giving the Company total direct and indirect ownership of 58.62% at that time.

On October 16, 2017 Implats entered into definitive agreements with the Company, JOGMEC, Mnombo and Waterberg JV Co., whereby Implats purchased shares of Waterberg JV Co. representing a 15.0% interest in the Waterberg Project from PTM RSA (8.6%) and JOGMEC (6.4%) for $30.0 million, giving the Company total direct and indirect ownership of 50.02%.

The Waterberg Project is located on a newly-discovered extension of the Northern Limb of the Bushveld Complex. Anglo American Platinum Limited's ("**Amplats**") Mogalakwena mine is a Platreef asset also located on the Northern Limb. A substantial portion of the Waterberg Project prospecting area remains unexplored.

The Waterberg Project is derived from a group of exploration projects that came from a regional target initiative by the Company conceived in 2007 and 2008. The projects target a previously unknown extension to the Northern Limb of the Bushveld Complex in South Africa. The Company selected this target from a list of new ideas provided by a team of South African geoscientists. Detailed geophysical and other work indicated potential for a package of Bushveld Complex rocks under the sedimentary Waterberg formation cover rocks. Previous mineral exploration activities in the area were limited due to the extensive sedimentary cover. Exploration by the Company therefore progressed through preliminary exploration activities to delineate initial drill targets to primarily drilling focused work now that a deposit has been discovered.

The Waterberg Project is managed and explored according to a joint technical committee and is currently planned for development according to the objective of achieving a "best outcome" scenario for shareholders and stakeholders.

Technical Report - September 2019 Waterberg Report

Technical information in this Annual Report regarding the Waterberg Project is derived from the September 2019 Waterberg Report. In addition to the September 2019 Waterberg Report, a SAMREC 2016 compliant technical report has been prepared and signed-off by the Independent Qualified Persons. The Independent Persons for the September 2019 Waterberg Report and the companion SAMREC technical report are Charles J Muller, B. Sc. (Hons) Geology, Pri. Sci. Nat. of CJM Consulting (Pty) Ltd.; Gordon Ian Cunningham, B. Eng. (Chemical), Pr. Eng., FSAIMM of Turnberry Projects (Pty) Ltd.; and Michael Murphy, P. Eng. of Stantec Consulting Ltd.

The September 2019 Waterberg Report supersedes the Company's prior technical report, the October 2018 Waterberg Report, as well as the earlier 2016 pre-feasibility study, with respect to the Waterberg Project. Prior technical reports and studies relating to the Waterberg Project should no longer be relied upon.

The September 2019 Waterberg Report has been evaluated and prepared in accordance with NI 43-101 to comply with the requirements for a definitive feasibility study. The September 2019 Waterberg Report complies with disclosure and reporting requirements set forth in the TSX Manual, NI 43-101 Standards of Disclosure for Mineral Projects, Companion Policy 43-101CP to NI 43-101, and Form 43-101F1 of NI 43-101. The September 2019 Waterberg Report includes measured, indicated and inferred mineral resources. Only measured and indicated resources have been incorporated into the DFS mine plan and financial model. The reader is cautioned that all estimates of mineral resources have been prepared in accordance with NI 43-101 and the Company has not disclosed or determined any mineral reserves under SEC Industry Guide 7 standards.

The following summary is qualified in its entirety with reference to the full text of the September 2019 Waterberg Report, which is incorporated by reference herein. The use of "US$" in the September 2019 Waterberg Report denotes USD.

Waterberg Project Summary

(Excerpted from the September 2019 Waterberg Report)

1 Summary

1.1 Introduction

This report was compiled for Waterberg Joint Venture (JV) Resources (Pty) Ltd. (Waterberg JV Resources), a company owned by Platinum Group Metals Ltd. (PTM), Impala Platinum (Implats), Japan Oil, Gas and Metals National Corporation (JOGMEC), Hanwa Co. Ltd. (Hanwa) and Mnombo Wethu Consultants (Pty) Ltd. (Mnombo). PTM is listed on the Toronto stock exchange under the symbol "PTM" and on the New York Stock Exchange under the symbol "PLG.A."

The purpose of this report is to provide an update to the Mineral Resource estimate, update to the Mineral Reserve, and publish the results of a definitive feasibility study (DFS) for the Waterberg Project. The Waterberg Project is the development of a platinum group metals (PGM) mine and Concentrator Plant in the Province of Limpopo, South Africa.

This report was prepared in accordance with disclosure and reporting requirements set forth in National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101), Companion Policy 43-101CP to NI 43-101, and Form 43-101F1 of NI 43-101.

The estimated Mineral Resources for the Waterberg Project at a 2.5 grams per tonne (g/t) platinum (Pt), palladium (Pd), rhodium (Rh), and gold (Au) (4E) cutoff grade include a combined 242.4 million tonnes at an average grade of 3.38 g/t 4E, 0.10% copper (Cu) and 0.18% nickel (Ni) in the measured and indicated (M&I) categories, and an additional 66.7 million tonnes at an average grade of 3.27 g/t 4E, 0.11% Cu, and 0.15% Ni in the inferred category.

The estimated Mineral Reserve for the Waterberg Project at a 2.5 g/t 4E cutoff grade includes a combined 187.5 million tonnes at an average grade of 3.24 g/t 4E, 0.09% Cu, and 0.18% Ni in the proven and probable categories. The estimated Mineral Reserves contains a total of 19.5 million ounces of Pd, Pt, Rh, and Au.

The key outcome of the DFS is the development of one of the largest and lowest cash cost underground PGM mines globally. The shallow, decline-accessed mine will be fully mechanized and produce approximately 4.8 million tonnes of ore and 420,000 combined ounces of Pd, Pt, Rh, and Au in concentrate per year at steady state. The mine will produce for approximately 45 years. Additional outcomes include:

- Estimated project capital of approximately R13.1 billion [United States dollar (US$)874 million] plus R3.5 billion in capitalized operating costs to achieve 70% of steady-state production.
- Peak funding of R9.26 billion (US$617 million).
- Payback period of approximately 11.4 years at 3-year average prices and 8.4 years at spot prices.
- After tax net present value (NPV) of R5.62 billion (US$333 million) at an 8% discount rate [three year average price US$931 per oz Pt, US$1 055 per oz Pd, US$1 930 per oz Rh, US$1 318 per oz Au, US$2.87 per pound Cu and US$5.56 per pound Ni, US$/South African Rand (ZAR) 15.95].
- After tax NPV of R14.7 billion (US$982 million) at an 8% discount rate (spot prices 04 September 2019 - US$980 per oz Pt, US$1 546 per oz Pd, US$5 036 per oz Rh, US$1 548 per oz Au, US$2.56 per pound Cu and US$8.10 per pound Ni, US$/ZAR 15.00).
- After tax internal rate of return (IRR) of 13.3% (three year trailing average price).
- After tax IRR of 20.7% (Spot Prices 04 September 2019).

1.2 Property Description and Location

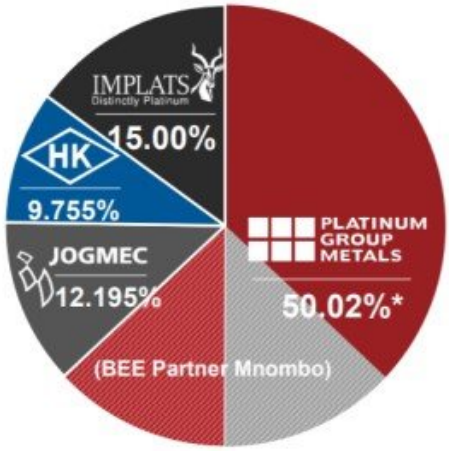
1.2.1 Property and Title

The Waterberg Project is located 85 kilometres (km) north of the town of Mokopane in the province of Limpopo, South Africa, approximately 330 km NNE from Johannesburg. The total project area, active prospecting rights (PRs), and mining right application area covers a total area of 99 244 hectare (ha). Elevation ranges from approximately 880 to 1 365 metres (m) above sea level.

1.2.2 Holdings Structure

Platinum Group Metals (RSA) (Pty) Ltd (PTM RSA) is the operator of the Waterberg Project, with JV partners being Japanese Oil, Gas and Metals National Corporation (JOGMEC), Hanwa Co. (Hanwa), Impala Platinum Holdings Ltd (Implats) and Mnombo Wethu Consultants (Pty) Ltd. (Mnombo). Figure 1-1 shows the holdings of the Waterberg Project.

Figure 1-1: Waterberg Project Holdings



1.3 Geological Setting and Mineralisation

The Bushveld and Molopo Complexes in the Kaapvaal Craton are two of the most well-known mafic / ultramafic layered intrusions in the world. The Bushveld Complex was intruded about 2 060 million years ago into rocks of the Transvaal Supergroup, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites. It is estimated to exceed 66 000 square kilometres (km^2) in extent, of which about 55% is covered by younger formations. The Bushveld Complex hosts several layers rich in PGM, chromium (Cr) and vanadium (V), and constitutes the world's largest known Mineral Resources of these metals.

Waterberg is situated off the northern end of the previously known Northern Limb of the Bushveld Complex, where the mafic rocks have a different sequence to those of the Eastern and Western Limbs of the Bushveld Complex.

PGM mineralisation within the Bushveld package underlying Waterberg is hosted in two main layers: T Zone and F Zone.

The T Zone occurs within the Main Zone just beneath the contact of the overlaying Upper Zone. Although the T Zone consists of numerous mineralised layers, three potential economical layers were identified, TZ, T1, and T0 - Layers. They are composed mainly of anorthosite, pegmatoidal gabbros, pyroxenite, troctolite, harzburgite, gabbronorite, and norite.

The F Zone is hosted in a cyclic unit of olivine rich lithologies towards the base of the Main Zone towards the bottom of the Bushveld Complex. This zone consists of alternating units of harzburgite, troctolite, and pyroxenites. The F Zone was divided into the FH (harzburgite) and FP (pyroxenite) layers. The FH layer has significantly higher volumes of olivine in contrast with the lower lying FP layer, which is predominately pyroxenite.

1.4 Deposit Types

The mineralised layers of the Waterberg Project meet some the criteria for Platreef-type deposits, where the mineralisation is hosted by sulphides that are magmatic in origin. The mineralised layers can be relatively thick, often greater than 10 m.

The other criteria relating to the Platreef have yet to be demonstrated. Consequently, this mineralisation is deemed to be similar, i.e. Platreef-like, but its stratigraphic position, geochemical and lithological profiles suggest a type of mineralisation not previously recognised in the Bushveld Complex.

1.5 Exploration Data / Information

The Waterberg Project is an advanced project that has undergone preliminary economic evaluations, a prefeasibility study (PFS) and resulted in this DFS. Drilling to date has given the confidence to classify Mineral Resources as inferred, indicated, and measured.

1.6 Drilling

The data from which the structure of the mineralised horizons were modelled and grade values estimated were derived from a total of 362 293 m of diamond drilling. This report updates the Mineral Resource Estimate using this dataset. The drill hole dataset consists of 441 drill holes and 583 deflections at the date of drill data cutoff (01 December 2018).

The management of the drilling programmes, logging, and sampling were undertaken from multiple facilities: one at the town of Marken in Limpopo Province, South Africa, and the other on the farm Goedetrouw 366LR within the PR area, or at an exploration camp on the adjacent farm Harriet's Wish.

1.7 Sample Preparation, Analyses, and Security

The sampling methodology concurs with Waterberg JV Resources' protocol based on industry best practice. The quality of the sampling is monitored and supervised by a qualified geologist. The sampling is done in a manner that includes the entire potentially economic unit with enough shoulder sampling to ensure the entire economic zones are assayed.

Waterberg JV Resources instituted a complete quality assurance / quality control (QA/QC) programme, including the insertion of blanks and certified reference materials as well as referee analyses. The programme is being followed and is to industry standard. The data is as a result, considered reliable in the opinion of the qualified person (QP).

1.8 Data Verification

Printed logs for 90% of the holes were checked with the drilled core. The depths of mineralisation, sample numbers and widths, and lithologies were confirmed. The full process from core logging to data capturing into the database were reviewed at the two exploration sites. Collar positions of a few random selected drill holes were checked in the field and found to be correct. The average specific gravity (SG) values were generated for each individual lithological type and missing SG values were inserted according to the lithological unit. Assay certificates were checked on a test basis. The data was reviewed for statistical anomalies.

The individuals in Waterberg JV Resources' senior management and certain directors of the company, who completed the tests and designed the processes, are non-independent mining or geological experts. The QP's opinion is that the data is adequate for use in Mineral Resource Estimation.

1.9 Mineral Processing and Metallurgical Testing

Metallurgical testing of the F Zone and T Zone on selected drill core samples was completed at accredited metallurgical laboratories in South Africa with all analyses being performed with appropriate QA/QC oversight. The economic minerals will be recovered by flotation techniques into a flotation concentrate suitable as feed stock to a smelter and followed by further downstream processing at a precious metals refinery, typical of the PGM industry.

The PFS programme selected the most appropriate metallurgical process for the optimized recovery of the 4E elements and the associate base metals and this was confirmed during the DFS variability and production blend evaluations.

The ore is hard and is not amenable to semi-autogenous milling; therefore, a three-stage crushing followed by two-stage ball milling circuit was selected for comminution.

The testwork programme was used to develop a grade-recovery relationship targeting 80 g/t 4E in the flotation concentrate as feed to a smelter. The concentrate is expected to contain 2.5% Cu and 2.7% Ni in addition to the contained 4E elements (Pt, Pd, Rh, and Au). The grade recovery relationship was developed for each of the six economic metals with 4Es at 81%, Cu at 82%, and Ni at 48% for the first 13 years of production with the corresponding life of mine recoveries being 79%, 83%, and 48%, respectively.

1.10 Mineral Resource Estimates

This report documents the Mineral Resource Estimate - effective date: 04 September 2019. Infill drilling over portions of the Waterberg Project area and new estimation methodology made it possible to estimate a new Mineral Resource Estimate and upgrade portions of the Mineral Resource to the measured category. All the JV partners were involved in the development of the latest Mineral Resource Model, appropriate cutoff grades, economic parameters, and Mineral Resource Model criteria. It was determined in relation to basic working costs and in consideration of the overall resource envelope for the deposit, that at a 2.0 grams per tonne (g/t) cutoff grade, the deposit has a reasonable prospect of economic extraction. The Mineral Resource Statement is summarised in Table 1-1. For purposes of the DFS, sensitivity analysis and comparison to the 2016 PFS, which utilised a 2.5 g/t Pt, Pd, Rh, Au for the (4E) cutoff grade, a Mineral Resource Estimate at a 2.5 g/t cutoff grade is the preferred scenario as shown in Table 1-2.

Table 1-1: Summary of Mineral Resource Estimate Effective 04 September 2019 on a 100% Project Basis at 2.0 g/t Cutoff

Total T Zone at 2.0 g/t (4E) Cutoff											
Mineral Resource Category	Cutoff	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	t	g/t	g/t	g/t	g/t	g/t	%	%	kg	Million ounces (Moz)
Measured	2.0	4 892 193	1.12	2.01	0.04	0.85	4.02	0.16	0.08	19 667	0.632
Indicated	2.0	21 479 925	1.23	2.09	0.03	0.78	4.13	0.19	0.09	88 712	2.852
M+I	**2.0**	**26 372 118**	**1.21**	**2.08**	**0.03**	**0.79**	**4.11**	**0.18**	**0.09**	**108 379**	**3.484**
Inferred	2.0	25 029 695	1.17	1.84	0.03	0.60	3.64	0.14	0.07	91 108	2.929

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	27.9	50.0	1.0	21.1
Indicated	29.8	50.6	0.7	18.9
M+I	**29.5**	**50.6**	**0.7**	**19.2**
Inferred	32.1	50.5	0.8	16.6

F Zone at 2.0 g/t (4E) Cutoff												
Mineral Resource Category	Cutoff	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	t	g/t	g/t	g/t	g/t	g/t	%	%	kg	Moz
Measured	2.0	75 332 513	0.82	2.00	0.05	0.14	3.01	0.08	0.19	226 833	7.293
Indicated	2.0	273 272 480	0.80	1.85	0.04	0.14	2.83	0.07	0.18	772 103	24.824
M+I	**2.0**	**348 604 993**	**0.80**	**1.88**	**0.04**	**0.14**	**2.87**	**0.08**	**0.18**	**998 936**	**32.117**
Inferred	2.0	121 535 227	0.70	1.62	0.04	0.13	2.50	0.07	0.16	303 722	9.765

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	27.2	66.4	1.7	4.7
Indicated	28.3	65.4	1.4	4.9
M+I	**28.0**	**65.7**	**1.4**	**4.9**
Inferred	28.1	65.1	1.6	5.2

Waterberg Aggregate Total 2.0 g/t Cutoff											
Mineral Resource Category	Cutoff	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	t	g/t	g/t	g/t	g/t	g/t	%	%	kg	Moz
Measured	2.0	80 224 706	0.84	2.00	0.05	0.18	3.07	0.08	0.18	246 500	7.925
Indicated	2.0	294 752 405	0.83	1.87	0.04	0.19	2.92	0.08	0.17	860 815	27.676
M+I	**2.0**	**374 977 111**	**0.83**	**1.90**	**0.04**	**0.19**	**2.96**	**0.08**	**0.18**	**1 107 315**	**35.601**
Inferred	2.0	146 564 922	0.78	1.66	0.04	0.21	2.69	0.08	0.15	394 830	12.694

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	27.3	65.1	1.6	6.0
Indicated	28.4	63.9	1.3	6.4
M+I	**28.1**	**64.3**	**1.3**	**6.3**
Inferred	29.0	61.7	1.5	7.8

Notes:

- 4E = Platinum Group Elements (PGE) (Pt + Pd + Rh) and Au.
- The cutoffs for Mineral Resources were established by a QP after a review of potential operating costs and other factors.
- The Mineral Resources stated above are shown on a 100% basis, that is, for the Waterberg Project entity.
- Conversion factor used - kg to oz = 32.15076.
- Numbers may not add due to rounding.
- A 5% and 7% geological loss were applied to the measured / indicated and inferred Mineral Resource categories, respectively.

Table 1-2: Summary of Mineral Resource Estimate effective 04 September 2019 on a 100% Project Basis at 2.5 g/t (4E) Cutoff

T Zone at 2.5 g/t (4E) Cutoff											
Mineral Resource Category	Cutoff	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	t	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	0.15	0.08	18 663	0.600
Indicated	2.5	17 026 142	1.37	2.34	0.03	0.88	4.61	0.20	0.09	78 491	2.524
M+I	**2.5**	**21 469 625**	**1.34**	**2.29**	**0.03**	**0.88**	**4.53**	**0.19**	**0.09**	**97 154**	**3.124**
Inferred	2.5	21 829 698	1.15	1.92	0.03	0.76	3.86	0.20	0.10	84 263	2.709

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	27.8	50.4	1.2	20.6
Indicated	29.7	50.7	0.6	19.0
M+I	**29.5**	**50.4**	**0.7**	**19.4**
Inferred	29.8	49.7	0.8	19.7

F Zone at 2.5 g/t (4E) Cutoff											
Mineral Resource Category	Cutoff	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	t	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	0.09	0.20	181 704	5.842
Indicated	2.5	166 895 635	0.95	2.09	0.05	0.15	3.24	0.09	0.19	540 691	17.384
M+I	**2.5**	**220 968 235**	**0.95**	**2.12**	**0.05**	**0.15**	**3.27**	**0.09**	**0.19**	**722 395**	**23.226**
Inferred	2.5	44 836 851	0.87	1.92	0.05	0.14	2.98	0.06	0.17	133 705	4.299

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	28.3	65.4	1.5	4.8
Indicated	29.3	64.4	1.6	4.7
M+I	**29.1**	**64.8**	**1.5**	**4.6**
Inferred	29.2	64.4	1.7	4.7

Waterberg Aggregate Total 2.5 g/t Cutoff											
Mineral Resource Category	Cutoff	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	t	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	0.09	0.19	200 367	6.442
Indicated	2.5	183 921 777	0.99	2.11	0.05	0.22	3.37	0.10	0.18	619 182	19.908
M+I	**2.5**	**242 437 860**	**0.98**	**2.13**	**0.05**	**0.22**	**3.38**	**0.10**	**0.18**	**819 549**	**26.350**
Inferred	2.5	66 666 549	0.96	1.92	0.04	0.34	3.27	0.11	0.15	217 968	7.008

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	28.2	64.0	1.5	6.3
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:

- 4E = PGE (Pt + Pd + Rh) and Au.
- The cutoffs for Mineral Resources were established by a QP after a review of potential operating costs and other factors.
- The Mineral Resources stated above are shown on a 100% basis, that is, for the Waterberg Project entity.
- Conversion factor used - kg to oz = 32.15076.
- Numbers may not add due to rounding.
- A 5% and 7% geological loss were applied to the measured/indicated and inferred Mineral Resource categories, respectively.

Following are the parameters for the Mineral Resources.

- Mineral Resources are classified in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) 2016 standards. Certain differences exist with the "Canadian Institute of Mining (CIM) Standards on Mineral Resources and Mineral Reserves;" however, in this case the company and QP believe the differences are not material and the standards may be considered the same. Inferred Mineral Resources have a high degree of uncertainty.

- Mineral Resources are provided on a 100% project basis. Inferred and indicated categories are separate. The estimates have an effective date of 04 September 2019.

- A cutoff grade of 2.0 g/t and 2.5 g/t 4E is applied to the selected Base Case Mineral Resources.

- Cutoff grade for the T Zone and the F Zone considered costs, smelter discounts, concentrator recoveries from the previous and ongoing engineering work completed on the property by the company, and its independent engineers. Spot and three-year trailing average prices and exchange rates are considered for the cutoff considerations. The upper and lower bound metal prices used in the determination of cutoff grade for resources estimated are as follows: US$983/oz-US$953/oz Pt, US$993/oz-US$750/oz Pd, US$1 325/oz-US$1 231/oz Au, US$1 923US/oz-US$972/oz Rh, US$6.08/lb-US$4.77/lb Ni, US$3.08/lb-US$2.54/lb Cu, and US$/ZAR15-US$/ZAR12. These metal prices are based on the estimated 3-year trailing average prices and the spot prices at the time of commencement of the Mineral Resource Estimate modelling. The lower cutoff was tested against the higher metal price in the range and the higher cutoff was tested against the lower price in the range.

The objective of the cutoff grade estimation was to establish a minimum grade for working break even. Following the PFS, the following factors were used for the calculation of cutoff at 2.0 g/t 4E at higher potential prices and 2.5 g/t 4E at more conservative lower prices listed above.

- Working cost mining of US$25.00, R379 per tonne, life-of-mine (LOM) average total operating costs (OpEx) US$38 574 Rand average LOM.
- 80 g/t concentrate, 82% recoveries of the PGMs, 88% of the Cu and 49% of the Ni.
- 85% payability of the PGMs from a third-party smelter, 73% for Cu and 68% for Ni.

These costs recoveries and pay abilities were updated in the DFS for the consideration of Mineral Reserves.

- Charles Muller of CJM Consulting (South Africa) Pty Limited (CJM) completed the Mineral Resource Estimate.
- Mineral Resources were estimated using ordinary kriging (OK) and simple kriging (SK) methods in Datamine Studio3 from 441 mother holes and 583 deflections in mineralisation. A process of geological modelling and creation of grade shells using indicating kriging (IK) was completed in the estimation process.
- The estimation of Mineral Resources considered environmental, permitting, legal, title, taxation, socioeconomic, marketing, and political factors. The Mineral Resources may be materially affected by metals prices, exchange rates, labour costs, electricity supply issues, or many other factors detailed in the company's annual information form.
- Estimated grades and quantities for byproducts are included in recoverable metals and estimates in the DFS. Cu and Ni are the value byproducts recoverable by flotation and for M&I Mineral Resources are estimated at 0.18% Cu and 0.09% Ni in the T Zone and 0.08% Cu and 0.18% Ni in the F Zone.

The data that formed the basis of the estimate are the drill holes drilled by Waterberg JV Resources, which consist of geological logs, the drill hole collars, the downhole surveys, and the assay data, all of which were validated by the QP. The area where each layer was present was delineated after examination of the intersections in the various drill holes.

1.11 Mineral Reserve Estimates

The effective date for the Mineral Reserve estimate contained in this report is 04 September 2019.

The Waterberg Project Mineral Reserve Estimate was based on the M&I Mineral Resource material contained in the T Zone and Super F Zone (F Zone) resource block models. The F Zone is comprised of the five sub-zones listed below.

- Super F-South Zone (F-South)
- Super F-Central Zone (F-Central)
- Super F-North Zone (F-North)
- Super F-Boundary North Zone (F-Boundary North)
- Super F-Boundary South Zone (F-Boundary South)

A 2.5 g/t 4E stope cutoff grade was used for mine planning for both the T Zone and F Zone.

The mine design is based on using the sublevel longhole stoping mining method with paste backfill. Sublevel intervals and stope dimensions were established from evaluating mineral resource geometry and continuity, geomechanical study design parameters, and optimizing production rate and resource extraction. Individual stope mining shapes were created using mineable shape optimizer (MSO) software. Stope sill development designs were prepared for all stopes and the Mineral Resources contained in development has been separated from the stopes. The *in situ* Mineral Resource contained in the stope shapes and development designs were extracted from the resource models and include all planned dilution. Modifying factors applied to the *in situ* Mineral Resource include geological losses, external overbreak dilution, and mining losses.

The reference point for the estimated Mineral Reserves is delivery of run-of-mine (ROM) ore to the processing plant.

The estimated proven, probable, and total Waterberg Project Mineral Reserves at 2.5 g/t 4E cutoff effective as of 04 September 2019 are summarized in Table 1-3, Table 1-4, and Table 1-5.

Table 1-3: Proven Mineral Reserve Estimate at 2.5 g/t 4E Cutoff effective 04 September 2019

Zone	Tonnes	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal (kg)	4E Metal (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	0	0	0	0	0	0	0	0	0	0.000
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 Total	**48 282 938**	**0.93**	**2.10**	**0.05**	**0.20**	**3.28**	**0.09**	**0.19**	**158 387**	**5.092**

Table 1-4: Probable Mineral Reserve Estimate at 2.5 g/t 4E Cutoff effective 04 September 2019

Zone	Tonnes	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal (kg)	4E Metal (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 Total	**139 224 118**	**0.94**	**2.02**	**0.05**	**0.21**	**3.22**	**0.09**	**0.18**	**447 564**	**14.390**

Table 1-5: Total Estimated Proven and Probable Mineral Reserve at 2.5 g/t Cutoff effective as of 04 September 2019

Zone	Tonnes	Pt (g/t)	Pd (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal (kg)	4E Metal (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 Total	**187 507 056**	**0.94**	**2.04**	**0.05**	**0.21**	**3.24**	**0.09**	**0.18**	**605 951**	**19.482**

Notes:

- A stope cutoff grade of 2.5 g/t 4E was used for mine planning for the mineral reserves estimate
- Tonnage and grade estimates include planned dilution, geological losses, external overbreak dilution, and mining losses
- Metal prices assumed for cutoff grade estimates were: Pt = $US 960/oz, Pd = $US 993/oz, Rh = $US 1 923/oz, Au = $US 1 325/oz, Cu = $US 6 795/tonne, Ni = $US 13 395/tonne and ZAR:$US 12.04
- 4E = PGE (Pt + Pd + Rh) and Au.
- Numbers may not add due to rounding.

1.12 Mining Methods

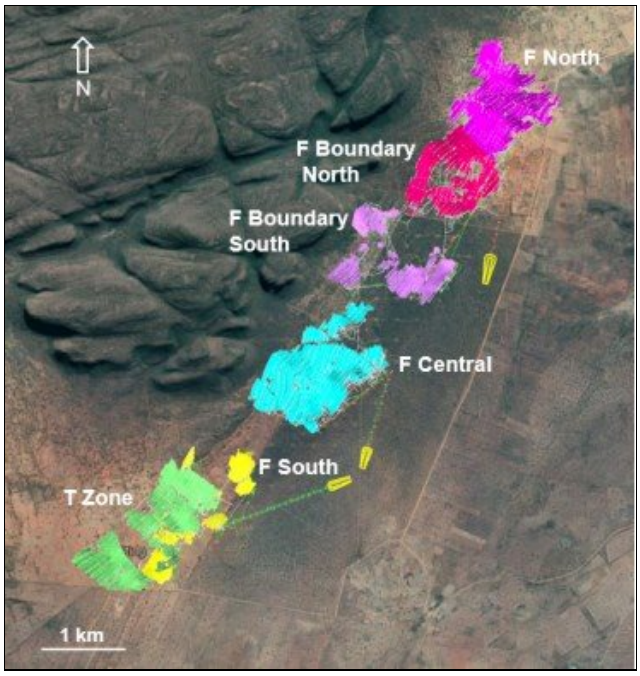
The Waterberg Project will be a 400 000 tonnes per month (tpm) [400 kilo tonnes per month (ktpm)] mechanized underground mining operation accessed via declines. The mine design is based on using the Sublevel Longhole Stoping mining method (Longhole) and backfilling the mined voids with paste backfill.

The Waterberg Project was divided into the following three mining complexes.

- The South Complex that includes T Zone and F-South
- The Central Complex that includes F-Central
- The North Complex that includes F-North, F-Boundary North, and F-Boundary South

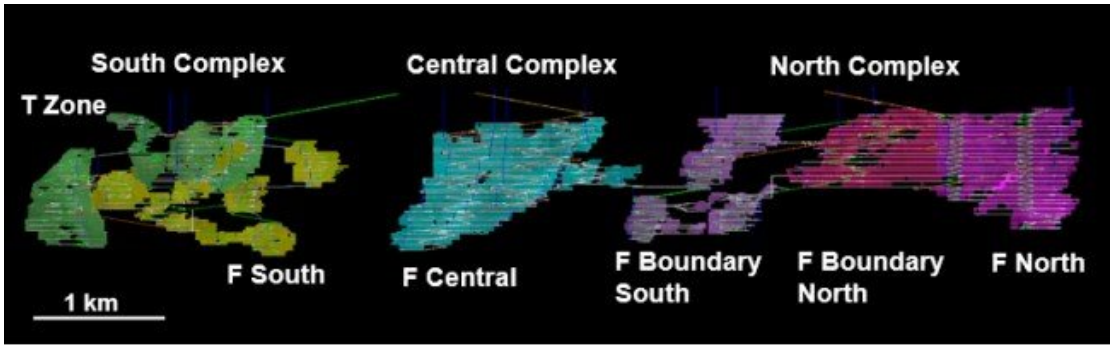
A plan view with the production areas projected to surface is shown in Figure 1-2 and a longitudinal view of the zones, looking approximately northwest (looking from the footwall), is shown in Figure 1-3.

Figure 1-2: Surface Plan View Showing Mineral Resource Extents



Source: Background - Google Maps

Figure 1-3: Longitudinal View of Waterberg Complexes (Looking Northwest)



There will be a box cut and portal at each complex, each with twin declines (service decline and conveyor decline) developed to access and service the complex for the LOM.

1.12.1 Geomechanical

Geomechanics core logging and laboratory test data from the PFS and additional data collected as part of this DFS were combined in a database and used to develop a geomechanical model and for use in rock mass classifications systems to develop rock mechanics parameters for the mine design. The analysis utilised several common empirical models and was validated with numerical modelling in several instances.

Support requirements for development headings were developed and are in line with both empirical calculation methods and common support types. Generally, primary ground support will consist of patterned rock bolts and screen, with application of shotcrete in areas deeper in the mine.

A numerical modelling exercise was undertaken to evaluate the evolution of rock mass damage and paste backfill performance as mining progresses. The principal findings of the modelling exercise are listed below.

- No requirement exists for substantial designed regional ore pillars.
- No major rock mass damage (stopes and rock pillars) was developed above around 300 m below surface. Moderate to major rock mass damage developed in stope abutments and secondary stope cores towards end of the sequence, especially below 1 000 m.
- Paste backfill dilution in wider parts of the ore body is expected, principally affecting secondary transverse stopes. In general, paste backfill dilution is anticipated to increase with depth and towards completion of the mining level and has been reflected in the dilution estimates

Backfill stability was assessed primarily using empirical-analytical methods with developed backfill strength requirements validated by benchmarking and limited three-dimensional (3D) finite element modelling.

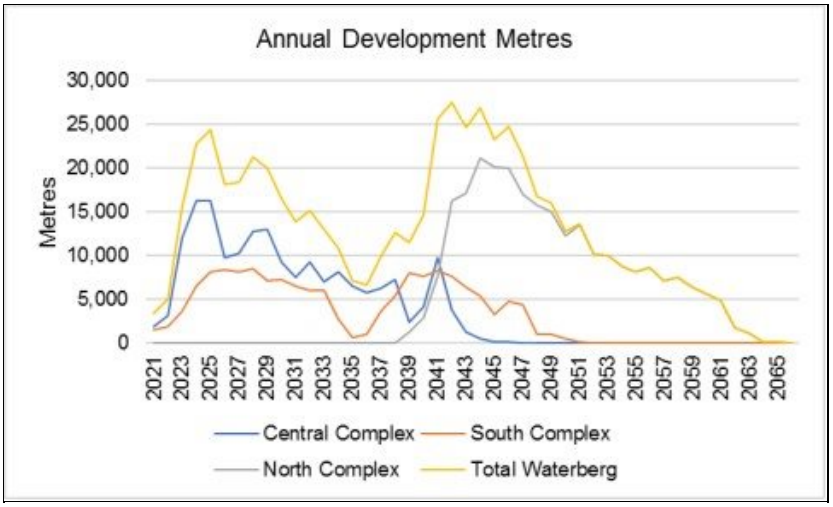
1.12.2 Mine Development

All decline and lateral excavations will be developed using drill and blast methods and mechanized diesel-powered mobile equipment. A summary of the development totals by complex is included in Table 1-6 and the development profile is shown in Figure 1-4.

Table 1-6: Development Quantities by Complex

Item	Central Complex (m)	South Complex (m)	North Complex (m)	Waterberg Total (m)
Decline	22 316	37 197	33 398	**92 911**
Lateral Sublevel and Infrastructure	160 963	112 766	225 750	**499 479**
Total	**183 279**	**149 963**	**259 148**	**592 390**

Figure 1-4: Lateral Development Profile



1.12.3 Production

Mining blocks will be established at 100 m vertical intervals and will consist of two sublevels spaced at 40 m (40 m stope height) and one sublevel spaced at 20 m (20 m uppers stope that will be mined beneath the backfilled stopes in the block above). Individual stopes will be 20 m along strike and a combination of transverse and longitudinal approaches will be used to accommodate the varying ore body thickness. Within each mining block, stopes have been sequenced and there will be multiple stopes in the active stope cycle. To achieve the production profile, there will be multiple mining blocks in production simultaneously.

The production plan focuses on optimizing the ramp-up period and maximizing productivity. Each complex was scheduled independently as a stand-alone operation. The breakdown of tonnes and grade recovered by mining approach and zone is summarised in Table 1-7.

Initial production will come from the simultaneous operation of the Central and South Complexes, with the North Complex phased in once production in the Central and South Complexes begins to ramp down. There will be approximately five years of ramp up from the start of the decline development in 2021 to achieve sustainable 70% of steady-state production in January 2026. Steady-state production of 400 ktpm will be achieved in Q1 2027 with 300 ktpm from the Central Complex and 100 ktpm from the South Complex. Later in the mine life, the North Complex will ramp up to maintain 400 ktpm production. The ramp-up and steady-state production tonnage profiles are shown in Figure 1-5 and Figure 1-6.

Table 1-7: Life-of-Mine Production Summary

	T Zone	F-Central	F-South	F-North	F-Boundary North	F-Boundary South
Ore Tonnes - Stope Total	15 610 201	65 326 918	14 482 019	50 274 701	16 888 572	11 922 776
Ore Tonnes - Transverse	1 689 200	46 538 873	2 302 529	38 755 421	7 318 698	508 303
Ore Tonnes - Longitudinal	13 921 001	18 788 045	12 179 491	11 519 279	9 569 874	11 414 473
Ore Tonnes - Development	1 290 363	4 804 419	1 171 942	3 347 199	1 399 862	988 084
Ore Tonnes - Total	**16 900 564**	**70 131 337**	**15 653 961**	**53 621 900**	**18 288 434**	**12 910 859**
Grade 4E (g/t)	4.05	3.09	3.29	3.18	3.13	3.23
Grade Pt (g/t)	1.18	0.88	1.06	0.88	0.98	0.97
Grade Pd (g/t)	2.04	2.02	2.03	2.09	1.93	2.06
Grade Rh (g/t)	0.03	0.05	0.05	0.05	0.05	0.05
Grade Au (g/t)	0.80	0.14	0.15	0.16	0.17	0.15
Grade Cu (%)	0.18	0.07	0.04	0.10	0.10	0.07
Grade Ni (%)	0.09	0.18	0.13	0.20	0.23	0.19

Notes:

- 4E = PGE (Pt + Pd + Rh) and Au.
- Totals may not add due to rounding.

Figure 1-5: Production Tonnage by Month during Ramp-up

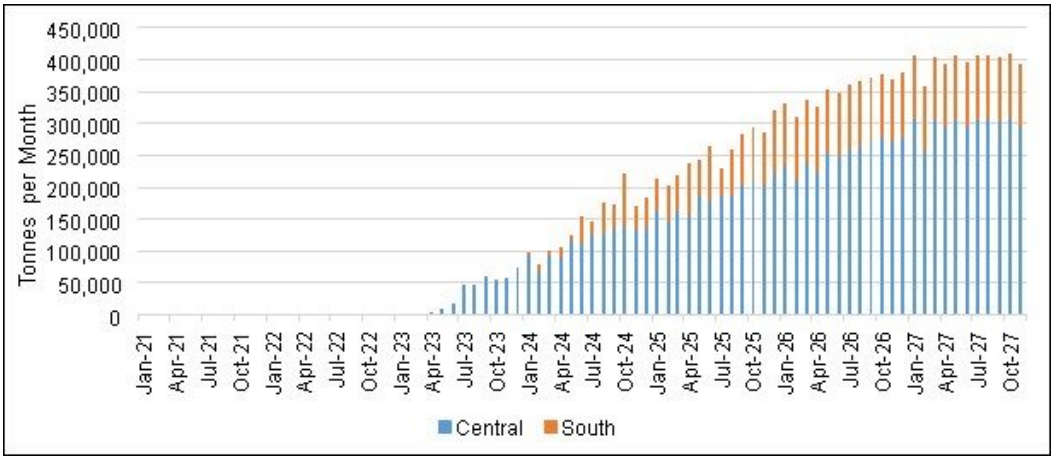
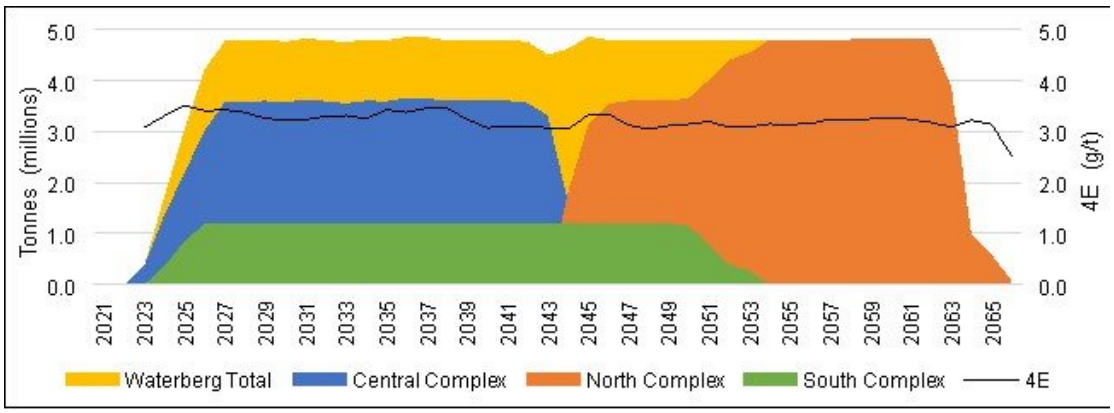


Figure 1-6: Annual Production Tonnage Profile



1.12.4 Ventilation and Mine Air Refrigeration

The underground mobile equipment will be diesel powered. The required ventilation flow will be 1 124 cubic metres per second (m^3/s), 688 m^3/s, and 1 229 m^3/s for the Central, South, and North Complexes, respectively.

Ventilation to each complex will be provided by surface fresh air and return air ventilation raises and the portals / declines. The ventilation systems will be a "pull" system with large surface fans located at the exhaust raises. Ventilation in the conveyor declines will have fresh air pulled from the portals and exhausted without being used to ventilate other mine workings.

The underground heat loads will be countered by a combination of refrigerated air and uncooled air. The cooling requirement will be 20 megawatts refrigeration (MW_R), 10 MW_R, and 20 MW_R for the Central, South, and North Complexes, respectively. Mine air cooling will not be required until mining depths reach 700 m below surface in 2030.

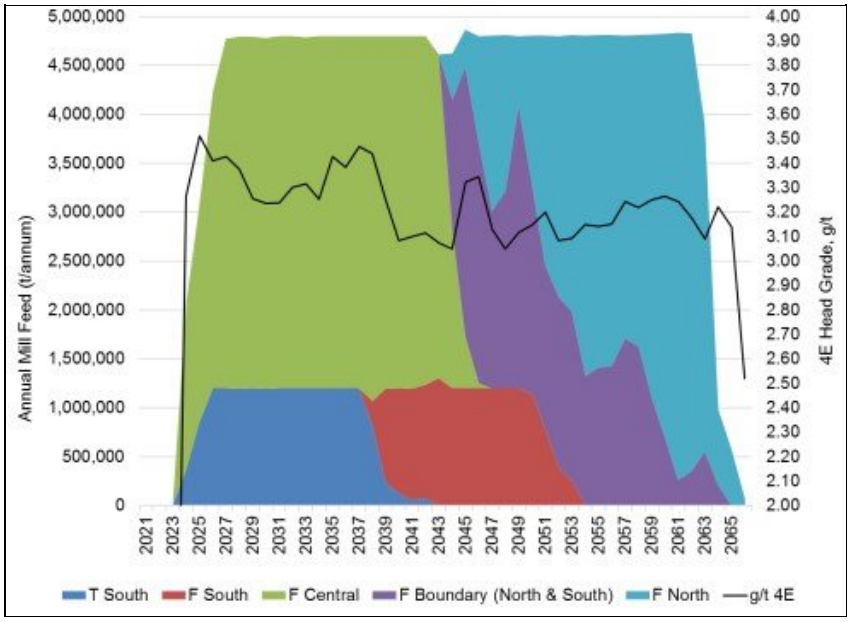
1.13 Recovery Methods

The process design for the Waterberg Concentrator Plant was developed based on the extensive metallurgical test work results and previous studies. The testwork programme developed during the PFS and the DFS identified that the mill-float-mill-float (MF2) configuration following three stage crushing is the most appropriate recovery technique for the PGE and the base metals for the F Zone and the T Zone ores. The plant design makes provision for the controlled blending of the two ore types in the crushing circuit. The blending of the ores does not require a conceptual change to the MF2 flowsheet, but the controlled blending is considered advantageous in providing a consistent feed composition to the process. Further optimisation of the reagent addition during operation to achieve the optimal concentrate grade and recovery can be completed.

The flotation concentrator will produce a concentrate containing 80 g/t 4E with a mass pull of approximately 3.1%. The concentrator was designed to process 4.8 Mtpa (400 ktpm) of ROM and will produce 155 kilo tonnes per annum (ktpa) of concentrate to be shipped by road to a smelter. The concentrate will contain 12% moisture while the tailings will be directed to either the backfill plant for placing as cemented fill underground or to the surface tailings storage facility (TSF).

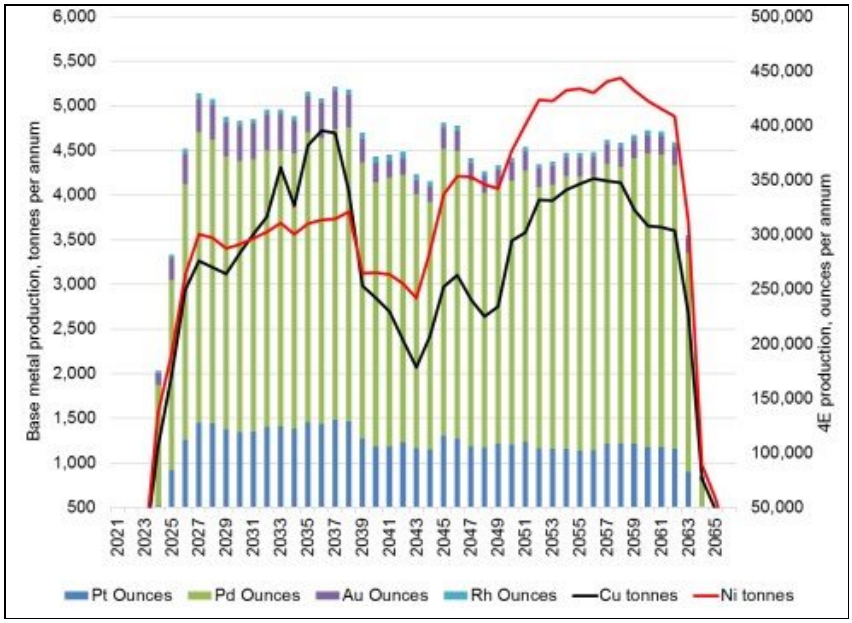
The plant production rate is aligned with mine production and plant production will commence in January 2024 with ramp-up continuing until steady state is reached December 2026 as indicated in Figure 1-7.

Figure 1-7: Annual Mill Feed Profile Summary



The concentrate production and contained 4E elements approaching 425 000 ounces per annum is indicated in Figure 1-8 along with anticipated the base metal content in tonnes per annum (tpa).

Figure 1-8: Annual Metal Production Summary



1.14 Project Infrastructure

The Waterberg Project is located in a rural area with limited existing infrastructure apart from gravel roads, drill hole water, and 22 kilovolts (kV) rural power distribution with limited capacity. Upgrading is planned for all existing infrastructure, including the upgrading of 34km of the gravel roads to the N11 national road.

In addition to three mining complexes and one processing facility, the Waterberg Project infrastructure required for a successful operation will include the construction of a new 132 kV electrical supply from the ESKOM Burotho 400/132 kV main transmission station 74 km south of the site. The development and equipping of a local well field spread over 20 km to provide water.

At the site, a lined TSF, ore stockpile and waste rock storage facilities, backfill preparation and distribution system, and the necessary surface infrastructure to support mining and processing operations will be constructed.

The project will require 90 mega volt amps (MVA) of electrical power and 6.2 ML/day of industrial water.

1.15 Market Studies and Contracts

One of the JV partners of the Waterberg Project is Implats; therefore, no formal marketing study was commissioned for the DFS.

Metal price movements for the economic metals associated with the project (Pt, Pd, Rh, Au, Ni, and Cu) were reviewed for the preceding three years and show that there was a significant change in the market for the major contributors to income generation. The metal prices for the period to 04 September 2019 normalised to 01 July 2019 are detailed in Table 1-8.

Table 1-8: Pricing for all Economic Metals

Period	Pd	Pt	Au	Ni	Cu	Rh
	US$/oz	US$/oz	US$/oz	US$/tonne	US$/tonne	US$/oz
Three-year Trailing	$ 1 055	$ 931	$ 1 318	$ 12 248	$ 6 333	$ 1 930
Two-year Trailing	$ 1 174	$ 891	$ 1 322	$ 13 034	$ 6 530	$ 2 427
One-year Trailing	$ 1 338	$ 841	$ 1 318	$ 12 666	$ 6 146	$ 2 942
04 September 2019 Spot	$ 1 546	$ 980	$ 1 548	$ 17 855	$ 5 646	$ 5 036

Source - 'Johnson Matthey Metal Prices' BMO

Considering these metal prices and the production profile for the Waterberg Project, contributors to income are summarized in Table 1-9. The first 13 years of the production profile is treating about 25% from the T Zone with a different prill spilt to the F Zone ore.

Table 1-9: Economic PGEs and Base Metals for first 13 Years and Life of Mine

Metal	Approximate Percent of Revenue (3-year trailing price to September2019)		Approximate Percent of Revenue (04 September 2019 Spot Price)	
	First 13 years	LOM	First 13 years	LOM
Pd	54.3%	55.8%	59.4%	60.6%
Pt	23.2%	22.1%	18.2%	17.2%
Au	8.3%	6.1%	7.3%	5.3%
Ni	8.7%	10.5%	9.5%	11.3%
Cu	4.1%	4.0%	2.7%	2.6%
Rh	1.5%	1.5%	2.9%	3.0%

No off-take agreement was negotiated for the concentrate but Implats has right of first refusal to develop the Waterberg Project and further treat the concentrate produced. It is anticipated that the payability for the contained metal in concentrate will be 85% for all 4E elements, 73% for Cu, and 68% for Ni. These net-smelter-return factors are fully inclusive of all smelting and refining costs, apart from delivery to the smelter.

It is anticipated that the metal pipeline between delivery of concentrate and payment will be 12 weeks. The Project finances are based on prefunding of the concentrate with an 85% value payment received in Month 1 and the 15% balance paid after the 3 months, incurring an interest charge (as defined in Section 21).

The concentrate from Waterberg Project will be very low in chromitite, which will make this material attractive for blending with other concentrates; however, the contained iron (Fe) and sulphur (S) with high base metals may require further optimization of the smelting and base metal refining protocols. No penalties are expected to be placed upon the concentrate.

1.16 Environmental Studies, Permitting, and Social or Community Impact

In consultation with the community, the mine footprint was planned to exclude areas significant to the community, including prime grazing areas.

Table 1-10 shows key environmental and social licenses and permit applications are required for the Waterberg Project.

Table 1-10: Status of Environmental Licenses and Permits Required for the Waterberg Project

License / Permit Application	Authority	Reference Number	Status
Mining Right (with Social and Labour Plan (SLP)	Department of Mineral Resources (DMR)	LP 30/5/1/2/2 /2/10161MR	Submitted
Environmental Authorisation (EA) [includes Environmental Impact Assessment (EIA) and Environmental Management Programme (EMPr) and Closure Plan]	DMR	LP 30/5/1/2/2 /2/10161EM	Submitted

Waste Management Licence	DMR	LP 30/5/1/2/2 /2/10161MR	Submitted
Water Use Licence	DWA	Imminent Application	Imminent Application
Heritage Resources Consent for Development	South African Heritage Resource Agency (SAHRA)	LP 30/5/1/2/2 /2/10161MR - 12878	Submitted

From an environmental and social perspective, the greatest impacts from mining are anticipated in the eastern (plant footprint) and south-east-central areas of the proposed mining right area. This area is where surface infrastructure is planned as this is the shallowest access for underground mining and is topographically relatively flat. The findings of the Environmental Assessment Practitioner and specialists' assessments have shown that the Waterberg Project may result in both negative and positive impacts to the environment; however, adequate mitigation measures are included into the EMPr to reduce the significance of the identified negative impacts.

The SLP forms part of the mining right in South Africa. It is a commitment to sustainable social development and was submitted, as required, with the mining right application. Local landowners, land users, and communities were consulted and updated from the prospecting stage and are well aware of the project plans. Land use agreements are currently being concluded with the Goedetrouw Community, the Ketting Community, and individual property owners on the farms traversed by the proposed water pipeline and powerlines.

Specific training needs were identified and a detailed training programme is being developed with an internationally recognised organisation to provide the structure and services required for the initial and ongoing needs of the Waterberg Project.

1.17 Capital and Operating Costs

Capital costs to 70% of steady-state production are estimated predominantly in ZAR, with all cost estimates expressed in ZAR real July 2019 terms. Modelled costs are converted to US$ at a long-term real exchange rate of 15.00 (ZAR/US$). The real escalation of costs (in ZAR terms) is estimated to be offset, over time, by the future devaluation of the ZAR against the US$. Estimated capital expenditure is R13 105 M for the Waterberg Project plus R3 453 M for capitalized operating costs to achieve the 70% of steady-state production as detailed in Table 1-11.

Table 1-11: Waterberg Project Capital Cost

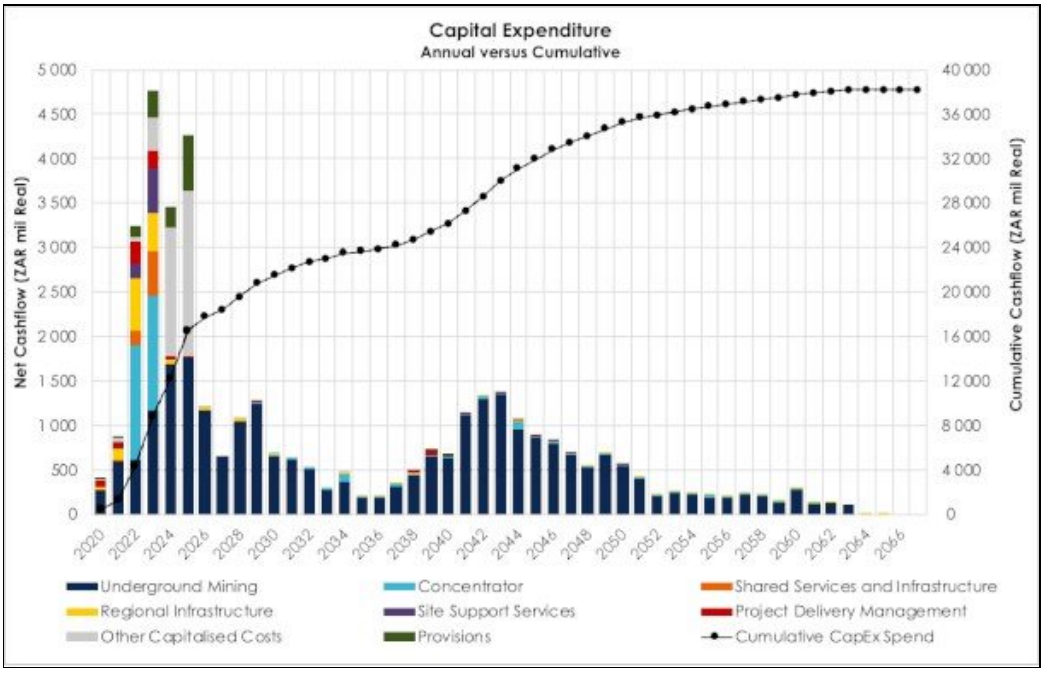
Cost Area	ZAR Total (ZAR M)	USD Total (US$ M)
Underground Mining	R6 097	$406
Concentrator	R2 580	$172

Shared Services and Infrastructure	R682	$45
Regional Infrastructure	R1 229	$82
Site Support Services	R234	$16
Project Delivery Management	R654	$44
Other Capitalised Costs	R331	$22
Contingency	R1 298	$87
Total Project Capital (excluding Capitalised OpEx)	**R13 105**	**$874**
Capitalised Operating Costs	R3 453	$230
Total Project Capital (including Capitalised OpEx)	**R16 559**	**$1 104**

The SIB expenditure covers all expenditure of a capital nature following the achievement of 70% of the steady-state production. This includes all ongoing underground waste development, construction of the North Complex, and the required infrastructure plus mobile equipment replacement and other items of a capital nature associated with the concentrator and general mine infrastructure. The total stay-in-business (SIB) contingency is R21.6 billion spread over the more than 40 years of mine life.

The overall life of mine capital expenditure profile for the Project is shown in Figure 1-9.

Figure 1-9: Capital Expenditure Profile for Life of Mine



The LOM operating costs following achievement of 70% of steady-state production and excluding SIB expenditure is summarised in Table 1-12.

Table 1-12: Waterberg Project Operating Cost

Cost Area	LOM Average (ZAR/t milled)	LOM Average (US$/t milled)
Mining	R345	$23.01
Milling and Processing	R132	$8.79
Engineering and Infrastructure	R116	$7.76
General and Administration	R19	$1.25
Total On-site Operating Costs	**R612**	**$40.80**

The cash cost per 4E ounce is estimated at US$640 (spot prices) and US$554 (three-year trailing prices), respectively. The cash cost includes the smelter discount as a cost, as well as byproduct credits from Cu and Ni sales; therefore, the indicated cash costs are dependent on the prevailing metal price assumptions as detailed in Table 1-13.

Table 1-13: Waterberg Project Cash and All-In-Cost

Metric	Spot Prices (US$ / 4E oz)	Three-year Trailing Prices (US$ / 4E oz)
On-site Operating Costs	$487	$456
Smelting, Refining, and Transport Costs	$302	$227
Royalties and Production Taxes	$88	$54
Less Byproduct Base Metal Credits	$(236)	$(184)
Total Cash Cost	**$640**	**$554**
Sustaining Capital	$94	$88
Total All-in Sustaining Cost	**$734**	**$642**
Project Capital	$34	$32
Total All-in Cost	**$767**	**$674**

1.18 Economic Analysis

Key features of the Waterberg Project are listed below.

- The Waterberg Project capital expenditure (CapEx) (exclusive of sustaining capital) is estimated at R16 559 M (US$1 104 M). The Waterberg Project CapEx includes capitalised operating costs of R3 453 M up to 70% of steady-state production.
- The LOM average OpEx unit cost (exclusive of capitalised OpEx) is estimated at R612 / t milled.

- The Waterberg Project produces a positive business case in both the spot and three-year trailing average metal price scenarios. At spot prices, the Waterberg Project yields a post-tax $NPV_{8.0\%}$ of R14 736 M (US$982 M), at an IRR of 20.7%, an undiscounted payback period of 8.4 years, and a peak funding requirement of R9 255 M (US$617 M). At three-year trailing average metal prices, the project yields a post-tax $NPV_{8.0\%}$ of R5 616 M (US$333 M), at an IRR of 13.3%, an undiscounted payback period of 11.2 years, and a peak funding requirement of R10 261 M (US$667 M).
- At the two pricing scenarios (spot and three-year trailing average) the project generates LOM average cash costs of US$640 / 4E oz and US$554 / 4E oz, respectively, which places Waterberg firmly within the lowest quartile of regional PGE producers.

1.19 Adjacent Properties

Numerous mineral deposits have been outlined along the Northern Limb of the Bushveld Complex. The main projects in the area include Mogalakwena Mine, Aurora Project, Akanani Project, Boikgantsho Project, Hacra Project, and Platreef Project.

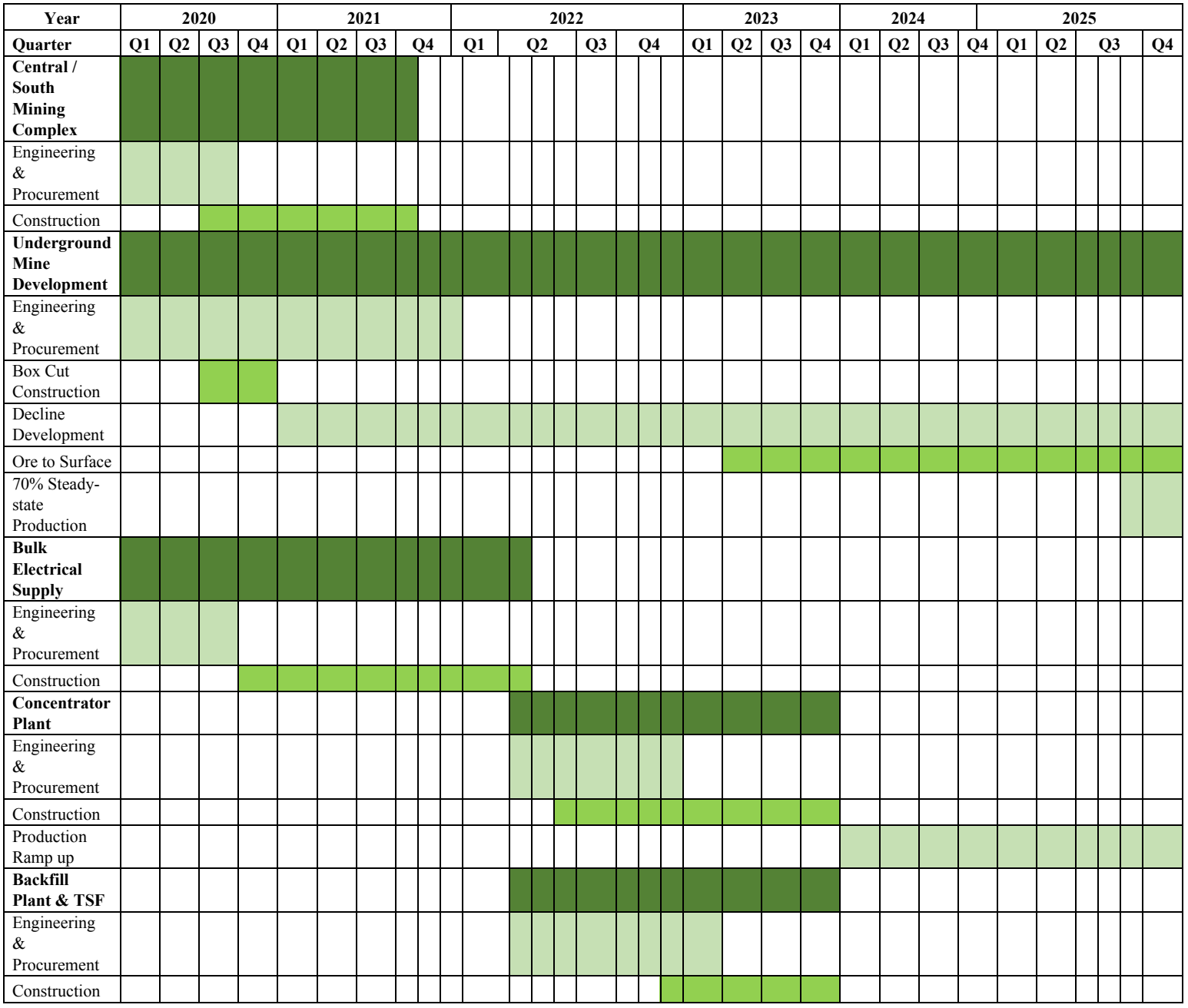
1.20 Project Implementation

The project schedule assumes a start date of January 2020 with the commencement of the detailed engineering and aims to achieve the following key milestones:

- Start of Project - January 2020
- Start of Construction of Central / South Mining Complex - June 2020
- Start of Decline Development - January 2021
- Completion of the 132 kV Bulk Electrical Supply - April 2022
- Start of Ore Processing in Concentrator- January 2024
- Achievement of 70% of Steady-state Capacity - September 2025
- Completion of Capital Period - December 2025

The project schedule is summarised graphically in Figure 1-10.

Figure 1-10: High-level Implementation Schedule



1.21 Interpretations and Conclusions

The database used for the Mineral Resource estimate consisted of 441 drill holes and 583 deflections. The Mineral Resource estimate was completed using geostatistics best practices and the M&I Mineral Resources are at an appropriate level of confidence to be considered in the DFS for mine planning.

The geometry and continuity of the mineral resource and the rock mass quality of the mineralized zones and surrounding rock mass make the Waterberg zones amenable to extraction using the Sublevel Longhole Stoping mining method using paste backfill. The mine design includes all development and infrastructure required to access the Central, South, and North Complexes and mine the estimated Mineral Reserves. A full 3D mine model was created for each complex and a LOM development and production schedule was prepared to determine the estimated tonnes, average grade, and metals profile mined and delivered to surface. Individual stope and development mining shapes were created and include planned dilution and modifying factors to account for geological losses, external overbreak dilution, and mining losses. The estimated Mineral Reserves are supported by a mine plan and economic analysis and demonstrate positive economics.

The development methods and mining methods are safe and highly mechanized and use common equipment and processes that are proven and used successfully in the global mining industry. The successful execution of these methods to achieve planned underground mine development and production at the Waterberg Project will require the operation to establish a culture focused on worker health and safety, investment and emphasis on worker skills training geared toward the equipment and technology used, and structured mine planning.

The metallurgical process selected is proven technology and is appropriate for the ore to be treated and will produce a concentrate containing about 80 g/t 4E at a recovery approaching 80%.

The economics show that the Waterberg Project is financially robust with peak funding at R9 255 M and a payback of 8.4 years for spot prices and R10 261 M with a payback of 11.2 years for three-year trailing prices. The cash cost estimate shows that the Waterberg Project will be in the lower quartile of PGM mining operations in the southern African region.

1.22 Recommendations

The key recommendations related to the Mineral Resource are summarized below.

- It is recommended that dedicated Mineral Resource definition drilling from both surface and underground be completed during the access period to upgrade some of the indicated Mineral Resources to measured Mineral Resources.
- Currently, only the larger geological structures have been modelled. It is recommended that a detailed structural analysis is conducted and modelled.

The key recommendations related to the mine design and Mineral Reserves are summarised below.

- There is Mineral Resource below the stope cutoff that is not included in the mine plan but is adjacent to planned development and stoping areas. A lower cutoff grade could potentially bring this material into the mine plan with incremental additional development and add to the Mineral Reserves. It is recommended to evaluate the potential for reducing the stope cutoff grade.

- There is Mineral Resource that is above cutoff that could not be included in a longhole stope shape due to local geometry. This material could be amenable to mining using Cut and Fill or Board and Pillar methods. It is recommended to determine the stoping cutoff for this material and evaluate the potential to include some of this material in the mine plan and add to the Mineral Reserves.
- It is recommended to monitor the progress and application of battery-powered mobile equipment technology and evaluate the opportunities this technology could present to the Waterberg Project.
- It is recommended that further geotechnical and geomechanical work be completed as part of project execution to validate mine design assumptions and support the detailed design for underground and surface infrastructure.

The following metallurgical test work is recommended during project execution.

- Further flotation testwork to confirm the effect of the available groundwater on flotation performance and to determine what adjustments to the raw water circuit would be required (if any)
- Concentrate thickening and filtration testwork.
- Further tailings thickening and filtration testwork for confirmation of backfill plant design criteria.

It is recommended Waterberg JV Resources continue their current permitting strategy to develop positive community support and streamline final project approval as outlined below.

- Maintain regular consultation activities with all appropriate national, provincial, and local regulatory agencies and officials.
- Maintain engagement with local communities.

Waterberg JV Resources has a programme of work in place to comply with the necessary environmental, social, and community requirements. Following is key work that should continue.

- Environmental, Social, and Health Impact Assessment (ESHIA) in accordance with the Mineral and Petroleum Resources Development Act (MPRDA), the National Environmental Management Act (NEMA).
- Public Participation Process in accordance with the NEMA.
- Specialist investigations in support of the ESHIA.
- Integrated Water Use License (WUL) Application in compliance with the National Water Act.
- Integrated Water Management License (WML) in compliance with the National Environmental Management Waste Act.

If the permits are received for construction and operation the project is recommended to move into the detailed design and planning for project implementation.

It is recommended that the concentrate off-take discussions be initiated with the JV partner (and others) to confirm the net smelter return payabilities for the economic metals in the concentrate to be sold by Waterberg, as this will have a material impact on the overall finances.

Based on the positive economics from the technical inputs and the financial analysis, it is recommended that the Waterberg Project be considered by the members of the Waterberg JV for an investment decision.

* * * * * *

Additional Information

During the twelve-month period ended August 31, 2019, the Company incurred and capitalized $8.4 million (year ended August 31, 2018 - $9.1 million) of exploration, engineering and development costs for the Waterberg Project, of which $3.5 million (year ended August 31, 2018 - $2.8 million) was covered by joint venture partners Implats, JOGMEC and Hanwa.

At August 31, 2019 the Company had capitalized $36.8 million in accumulated net costs to the Waterberg Project. Total expenditures on the property since inception, and before cost reimbursements by other Waterberg Project Partners, are approximately $70.4 million.

The DFS was completed under the direction of the Technical Committee appointed by Waterberg JV Co. comprised of members representing the Company and all other Waterberg Project Partners - Implats, JOGMEC, Hanwa and Mnombo.

Previously, an updated mineral resource estimate was completed by an Independent Geological Qualified Person for the Waterberg Project in the October 2018 Waterberg Report. Since the October 2018 Waterberg Report was completed, the joint venture, at the direction of its Technical Committee, completed a further 4,127 metres of infill drilling in 4 new drill holes targeting the T Zone. An additional 5 deflections from the mother holes were also drilled. A total of approximately 523 new assay samples were completed along with 101 QA/QC reference samples and quality control blanks. Additional assay data and geological information from this new drilling was used to generate an updated mineral resource estimate, which was utilized as an input to the DFS as reported in the September 2019 Waterberg Report.

The true width of the shallow dipping (30° to 35°) mineralized zones at the Waterberg Project are approximately 82% to 87% of the reported interval from the vertical intercepts drilled. For the efficient application of bulk mining methods and for mine planning, vertical intercepts of 3 metres or more are desirable. Increased grade thickness zones associated with minor footwall troughs or bays along the 13 km long layered complex have recently been identified.

As a result of its shallow depth, good grade and a fully mechanized mining approach, the Waterberg Project has the opportunity to be a safe mine within the lowest quartile of the Southern Africa PGE industry cost curve.

Waterberg JV Co. has applied for a mining right and detailed consultation with communities, local municipalities, the Limpopo Provincial government and South African national authorities is ongoing. The application for a mining right has been accepted by the DMR for consideration. Consultation with stakeholders has been in a positive climate of mutual respect.

Important detailed infrastructure planning has commenced for the Waterberg Project. Detailed hydrological work has been completed to study the possible utilization of known sources for significant volumes of ground water. A co-operation agreement between Waterberg JV Co. and the local Capricorn Municipality for the cooperative development of water resources has resulted in advancement towards the identification of water supplies and the design of distribution infrastructure. 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 was completed and additional drilling is planned as a pre-implementation objective. An earlier work and drilling program conducted by the Capricorn District Municipality identified both potable and high mineral unpotable water resources in the district. Several boreholes proximal to the Waterberg Project identified large volumes of high mineral unpotable water not suitable for agriculture. Hydrological and mill process specialists investigated the use of this water as mine process water. In general, ground water resources identified proximal to the Waterberg Project have potential for usage for both mining and local communities.

The establishment of servitudes for power line routes and detailed planning and permitting for an Eskom electrical service to the project is well advanced. Power line environmental and servitude work is being completed by TDxPower in coordination with Eskom. TDxPower has progressed electrical power connection planning for approximately a 70 km, 137MVA line to the project.

DFS engineering work on the Waterberg Project included resource modelling, metallurgical work, optimization of the metallurgical flow sheet using South African and Japanese expertise, bulk services design and mechanized mine planning. Optimization of the mine plan in 2019 included the use of paste backfill in order to allow for a higher mining extraction ratio as mining can be completed next to backfilled stopes without leaving internal pillars. DRA Projects SA (Proprietary) Limited and Turnberry Projects (Pty) Ltd. were appointed for DFS work on metallurgy, plant design, infrastructure and cost estimation. Stantec Consulting Ltd. was appointed for DFS work on underground mining engineering and design and reserve estimation. Charles Muller of CJM Consulting (Pty) Ltd. was appointed as Independent Geological Qualified Person

Non-Material Mineral Property Interests

The non-material mineral property interests of the Company include prospecting rights located in South Africa and various mineral property interests in Canada. These non-material property interests are not, individually or collectively, material to the Company.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion of the Company's financial condition, changes in financial conditions and results of operations for each of the three years ended August 31, 2019 should be read in conjunction with our consolidated financial statements and related notes included therein included in this Annual Report at Item 18. The Company's consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB.

The following discussion contains forward-looking statements that involve inherent risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. See cautionary statements in "Forward-Looking Statements" at the beginning of this document.

Unless otherwise stated, all financial variations in this item are given on a reported basis.

2018 Share Consolidation

The Company consolidated its Common Shares on the basis of one new share for ten old shares (1:10), effective at 9:00 a.m. (New York time) on December 13, 2018. The purpose of the consolidation was to increase the Company's Common Share price to comply with NYSE American's low selling price requirement. See "Introduction - Share Consolidation" for further information.

Unless otherwise indicated, all information included in this Annual Report and the Company's consolidated financial statements and related notes, including, without limitation, all share and per share amounts, trading and per share prices, note conversion rates and option and warrant exercise prices, is presented after giving effect to the 2018 Share Consolidation.

A. Operating Results

Financial Overview

Year Ended August 31, 2019 Compared to Year Ended August 31, 2018

For the year ended August 31, 2019, the Company had a net loss of $16.8 million (year ended August 31, 2018 – net loss of $41.0 million). This lower loss in the current period is predominantly due to the Maseve Mine closure in the fourth quarter of fiscal 2017, resulting in care and maintenance costs of $14.4 million being recognized during fiscal 2018. Other items include interest expense of $8.3 million in the current period year ended (August 31, 2018 - $18.4 million) with the decrease due to less debt outstanding in the current year. A foreign exchange loss of $1.0 million was recognized in the current year (year ended August 31, 2018 - $4.1 million loss) due to a larger decrease in the value of the Canadian Dollar relative to the US Dollar in the previous comparable period. During the current period a loss of $2.7 million was recognized on the valuation of embedded derivatives whereas a gain of $3.7 million was recognized in fiscal 2018, due largely to the increase in market value of the Company's shares, which impacted the valuation of conversion options and warrants. The currency translation adjustment recognized in the period is a gain of $0.1 million (year ended August 31, 2018 - $6.4 million gain) due largely to the Rand decreasing in value relative to the U.S. Dollar.

Year Ended August 31, 2018 Compare to Year Ended August 31, 2017

For the year ended August 31, 2018, the Company had a net loss of $41 million (year ended August 31, 2017 – net loss of $590 million). This difference is predominantly due to an impairment of the Maseve Mine of $589 million during the 2017 fiscal year. Other items include a foreign exchange loss of $4.1 million (year ended August 31, 2017 - $4.6 million gain) due to the US Dollar increasing in value relative to the Company's functional currency of the Canadian Dollar. Interest expense of $18.4 million and care and maintenance costs of $14.4 million were recognized in the current year whereas these costs were capitalized in the previous year. Also, stock compensation expense of $0.08 million was recognized in the current period (year ended August 31, 2017 – $1.1 million) with the difference due to no share-based compensation being issued in the current year. General and administrative costs rose from $5.3 million to $6.1 million due to an onerous lease accrual in the current year caused by the termination of lease agreements for mobile machinery utilized by Maseve. The currency translation adjustment recognized in the period is a gain of $22.1 million (year ended August 31, 2017 - $59 million gain).

Annual Financial Information

(In thousands of dollars, except for per share data)

	Year ended Aug 31, 2019	Year ended Aug 31, 2018	Year ended Aug 31, 2017
Interest income	$364[1]	$739[1]	$1,062[1]
Net loss	$16,776[2]	$41,024[2]	590,317[2]
Basic loss per share	$0.52[3]	$2.03[3]	$43.04[3]
Diluted loss per share	$2.03[3]	$2.03[3]	$43.04[3]
Total assets	$43,706	$41,849	$100,528
Long term debt	$21,560	$42,291	$43,821
Convertible Debt	$18,785	$14,853	$17,225
Dividends	Nil	Nil	Nil

Notes:

(1) The Company's only significant source of income during the years ending August 31, 2017 to 2019 was interest income from interest bearing accounts held by the Company.

(2) Net loss is affected in 2017 by an impairment recognized on the Maseve Mine and the impairment of the Maseve Mine when it was held as an asset held for sale.

(3) 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 contracts to issue Common Shares were exercised or converted to Common Shares. In periods when a loss is incurred, the effect of potential issuances of shares under issued and outstanding options and share purchase warrants would be anti-dilutive, and accordingly basic and diluted loss per share are the same. On December 13, 2018, the Company consolidated its Common Shares on the basis of one new share for ten old shares (1:10). All information regarding the issued and outstanding Common Shares, options and weighted average number and per share information has been retrospectively restated to reflect the 2018 ten to one consolidation.

Foreign currency fluctuations have not materially impacted the Company's results of operations in recent years. Inflation in South Africa has been experienced in labour costs over recent years, with average wage inflation being at approximately 6% in 2018 and 2019. The Company can provide no assurance that foreign currency fluctuations and inflation will not materially impact the Company in the future. See "Risk Factors". The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. Under IFRS, the Company defers 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 management deems to be impaired are written down to their estimated net recoverable amount.

South African Properties

The Company conducts its South African exploration and development work through its wholly owned direct subsidiary PTM RSA. The Company's material mineral property is the Waterberg Project. After a planned corporatization of the Waterberg joint venture completed on September 21, 2017, the Waterberg Project is held by Waterberg JV Co. After giving effect to the Initial Purchase, the Company holds a 50.02% beneficial interest in Waterberg JV Co., of which 37.05% is held directly by PTM RSA and 12.974% is held indirectly through PTM RSA's 49.9% interest in Mnombo, which holds 26.0% of Waterberg JV Co. The remaining interests in Waterberg JV Co. are held by a nominee of JOGMEC (12.195%), Hanwa (9.755%) and by Implats (15.0%). PTM RSA is the manager of Waterberg JV Co.

South African Legislation and Mining Charter

The MPRDA, the Mining Charter 2018 and related regulations in South Africa require 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 5 years of the effective date of the Mining Right, this BEE shareholding must be increased to 30%. The DMR had obtained an exemption from applying the Generic BEE Codes under the BEE Act until October 31, 2016 and had applied for a further extension until December 31, 2016. While this exemption was extended to 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 DMR has continued to apply the provisions of Mining Charter 2018 rather than the Generic BEE Codes. See Item 4.B. - South African Regulatory Framework - Black Economic Empowerment in the South African Mining Industry, and -Mining Charter.

Material Mineral Property Interests - Waterberg Project

Waterberg Project - Activities subsequent to the year ended August 31, 2019

On October 4, 2019 the Company announced positive results of a DFS in the September 2019 Waterberg Report, including an updated mineral resource assessment on the Waterberg Project from additional drilling, effective September 4, 2019. The September 2019 Waterberg Report was filed with the applicable regulatory authorities on October 7, 2019. The September 2019 Waterberg Report estimated 6.44 million 4E ounces in the higher confidence measured category (versus 6.26 million 4E ounces in the October 2018 Waterberg Report). Mineral resources estimated in the combined measured and indicated categories, at a 2.5 g/t 4E cut-off grade, increased slightly to 26.35 million 4E ounces in 242.4 million tonnes at 3.38 g/t 4E (versus 26.34 million 4E ounces in 242.5 million tonnes at 3.38 g/t in the October 2018 Waterberg report). Inferred mineral resources at a 2.5 g/t 4E cut-off grade totaled 7.0 million 4E ounces (the same as in the October 2018 Waterberg Report). The updated measured and indicated 2019 mineral resource totaling 26.35 million 4E ounces is comprised of 63.0% palladium, 29.1% platinum, 6.4% gold and 1.5% rhodium. The T zone measured and indicated resources increased in grade from 4.51 g/t 4E in the September 2018 Waterberg Report to 4.53 g/t 4E in the September 2019 Waterberg Report. For more details about the September 2019 Waterberg Report see Item 4.D. - Property, Plant and Equipment - Technical Report - Waterberg.

The measured and indicated mineral resources in the September 2019 Waterberg Report were used for detailed mine planning in the DFS. The DFS was managed by Platinum Group and a Technical Committee including members from all joint venture partners.

Waterberg Project - Activities in the year ended August 31, 2019

During the year ended August 31, 2019, approximately $8.4 million was spent at the Waterberg Project for DFS engineering and exploration activities. At year end, $36.8 million in accumulated net costs had been capitalized to the Waterberg Project. Total expenditures on the property since inception, before the deduction of partner contributions, are approximately $70.4 million. 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, 2019, Mnombo owed the Company approximately $4.5 million for funding provided.

At August 31, 2019, the Company carried total net deferred acquisition and exploration and other costs related to the Waterberg Projects of $36.8 million (August 31, 2018 - $29.4 million).

On October 25, 2018, the Company reported an updated independent 4E resource estimate for the Waterberg Project.

On October 10, 2018 the Company announced that a recently filed mining right application for the Waterberg Project had been accepted by the DMR for consideration. The mining right application consisted of a mining work program, social and labour plan and associated environmental applications. The process of consultation under the MPRDA and applicable environmental assessment regulations for the mining right application has been completed. Public consultation occurred in a positive climate of mutual respect and comments received from stakeholders are being addressed.

Detailed DFS engineering work which commenced during fiscal 2017 was continued and advanced during fiscal 2018 and fiscal 2019.

Waterberg Project - Activities in the year ended August 31, 2018

During the year ended August 31, 2018, approximately $9.1 million was spent at the Waterberg Project for DFS engineering and exploration activities. At year end, $29.4 million in accumulated net costs had been capitalized to the Waterberg Project. Total expenditures on the property since inception, before the deduction of partner contributions, are approximately $62 million. 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, 2018, Mnombo owed the Company approximately $3.4 million for funding provided.

At August 31, 2018, the Company carried total net deferred acquisition and exploration and other costs related to the Waterberg Projects of $29.4 million (August 31, 2017 - $22.9 million).

On November 6, 2017, the Company, along with Waterberg JV Co., JOGMEC and Mnombo completed the first phase of the Implats Transaction. For more detail about the Implats Transaction see "Item 4.B. - Principal Product - Implats Transaction".

Detailed DFS engineering work which commenced during fiscal 2017 was continued and advanced during fiscal 2018.

Waterberg Project - Activities in the year ended August 31, 2017

During the year ended August 31, 2017, approximately $5.6 million was spent at the Waterberg Project for engineering and exploration activities. At August 31, 2017, the Company carried total net deferred acquisition and exploration and other costs related to the Waterberg Projects of $22.9 million (August 31, 2016 - $22.3 million). From March 31, 2015 until July 2017, work at the Waterberg Project was fully funded by joint venture partner JOGMEC in accordance with a $20 million work commitment pursuant to the 2nd Amendment to the JOGMEC Agreement (both as defined below). From inception to date the Company funded both the Company's and Mnombo's share of expenditures on the Waterberg Project. At August 31, 2017, Mnombo owed the Company approximately $1.9 million for funding provided.

At August 31, 2017, the Company carried total net deferred acquisition and exploration and other costs related to the Waterberg Projects of $22.9 million (August 31, 2016 - $22.3 million).

On October 19, 2016, the Company announced positive results from the 2016 PFS on the Waterberg Project. A technical report was filed, which included an updated estimate of mineral resources and recommended the project advance to the DFS stage for a large scale, shallow, decline accessible, mechanized platinum, palladium, rhodium and gold mine.

Waterberg Projects - History of Acquisition

The Waterberg Joint Venture Project was comprised of a contiguous granted prospecting right area of approximately 255 km^2 located on the Northern Limb of the Bushveld Complex, approximately 70 km north of the town of Mokopane (formerly Potgietersrus). The adjacent Waterberg Extension Project included contiguous granted and applied-for prospecting rights with a combined area of approximately 864 km^2. Prospecting rights are valid for a period of five years, with one renewal of up to three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions. The holder of a prospecting right granted under the MPRDA has the exclusive right to apply for and, subject to compliance with the requirements of the MPRDA, to be granted, a mining right in respect of the prospecting area in question.

On September 28, 2009 PTM RSA, JOGMEC and Mnombo entered into a joint venture agreement, as later amended on May 20, 2013 (the "**JOGMEC Agreement**") whereby JOGMEC could earn up to a 37% participating interest in the Waterberg Joint Venture Project for an optional work commitment of $3.2 million over four years, while at the same time Mnombo could earn a 26% participating interest in exchange for matching JOGMEC's expenditures on a 26/74 basis ($1.12 million).

On November 7, 2011 the Company entered into an agreement with Mnombo whereby the Company acquired 49.9% of the issued and outstanding shares of Mnombo in exchange for cash payments totaling R1.2 million and an agreement that the Company would pay for Mnombo's 26% share of costs on the Waterberg Joint Venture Project until the completion of a DFS.

On May 26, 2015 the Company announced a second amendment to the JOGMEC Agreement (the "**2nd Amendment**") whereby the Waterberg Joint Venture Project and the Waterberg Extension Project were to be consolidated and contributed into operating company, Waterberg JV Co. At August 31, 2017, the Company held 45.65% of the Waterberg Project while JOGMEC held 28.35% and Mnombo held 26%. Through its 49.9% share of Mnombo, the Company held an effective 58.62% of the Waterberg Project, at August 31, 2017. The transfer of Waterberg prospecting rights into Waterberg JV Co. pursuant to the 2nd Amendment was given section 11 approval by the DMR in August 2017 and the transfer was completed on September 21, 2017. Under the 2nd Amendment, JOGMEC committed to fund $20 million in expenditures over a three-year period ending March 31, 2018, all of which had been funded by JOGMEC as of August 31, 2017. The Company remained the Project operator under the 2nd Amendment.

On November 6, 2017 the Company (along with JOGMEC and Mnombo) closed the Initial Purchase with Implats and Implats acquired the Purchase and Development Option. Further details on this transaction can be found above.

On March 8, 2018 JOGMEC announced that it had signed a memorandum of understanding for the transfer of 9.755% of its 21.95% interest in Waterberg JV Co. to Hanwa, which was the result of Hanwa winning JOGMEC's public tender held on February 23, 2018. JOGMEC and Hanwa have implemented the transfer of interest to Hanwa, including Hanwa securing the right to a supply of certain metals produced at the Waterberg Project.

As of the date of filing of this Annual Report, Waterberg JV Co. owns 100% of the prospecting rights comprising the entire Waterberg Project area. Waterberg JV Co. is owned 37.05% by PTM RSA, 12.195% by JOGMEC, 9.755% by Hanwa, 26% by Mnombo and 15% by Implats, giving the Company total direct and indirect ownership of 50.02% of the Waterberg Project.

Non-Material Mineral Property Interests

The non-material mineral property interests of the Company include the War Springs and Tweespalk projects located in South Africa and various Canadian mineral property interests. These non-material property interests are not, individually or collectively, material to the Company. All non-material properties have been written off.

Maseve - Sale in Fiscal 2018 to Royal Bafokeng Platinum

On September 6, 2017 the Company entered into a term sheet to sell all rights and interests in Maseve to RBPlat in a transaction valued at approximately $74.0 million, payable as $62.0 million in cash and $12.0 million in RBPlat ordinary shares, as valued on September 6, 2017 (the "**Maseve Sale Transaction**").

Definitive legal agreements for the Maseve Sale Transaction were executed on November 23, 2017. The Maseve Sale Transaction was planned to close in two stages. Conditions precedent to the first stage sale of the concentrator plant and certain surface assets of the Maseve Mine (the "**Plant Sale Transaction**") were fulfilled on February 14, 2018 and a deposit in escrow paid by RBPlat of Rand 41.37 million (approximately $3.5 million at that time) was released to the Company on March 14, 2018. An amount of Rand 1.29 million ($107,755) from the release of the escrow deposit was paid to reduce the 2015 Sprott Facility (defined below) and the balance was used to settle certain outstanding contractor claims in South Africa.

On April 5, 2018, RBPlat tendered the Rand equivalent of $54.5 as final payment for the Plant Sale Transaction. Proceeds from the Plant Sale Transaction were utilized to fully repay $46.98 million in secured debt due to Sprott pursuant to a $40 million principal loan facility drawn by the Company in November 2015 (the "**2015 Sprott Facility**"). The repayment to Sprott consisted of the outstanding principal amount of $40.0 million, a bridge loan of $5.0 million and all accrued interest and fees of approximately $1.98 million. Remaining proceeds from the Plant Sale Transaction were utilized to partially repay the LMM Facility. Later, on April 10, 2018 the Company received a foreign exchange rate variance amount of Rand 3.26 million from RBPlat, which was exchanged for $270,000 and also remitted to partially repay the LMM Facility.

On April 26, 2018 stage two of the Maseve Sale Transaction closed when RBPlat released 4.87 million RBPlat common shares from escrow to PTM RSA and Africa Wide, worth approximately $9.0 million at that time, for the purchase of 100% of the issued and outstanding common shares of Maseve. A final required cash payment was made to PTM RSA on May 29, 2018, funded by the release of Maseve's Rand 58 million environmental bond, valued at $4.6 million when released. The Company's 4.52 million RBPlat shares were sold on December 14, 2018 and net proceeds of $8.0 million was paid to LMM against the LMM Facility on January 11, 2019.

B. Liquidity and Capital Resources

The Company's working capital is a direct result of the excess of funds raised from debt, the sale of equity shares and the receipt of payments for sale of PGE concentrate over expenditures for operating costs, engineering costs, exploration costs as well as administrative expenses. The working capital balance at the end of the following periods were: August 31, 2019: $-0.5 million; August 31, 2018: $8 million; and August 31, 2017: $13 million.

Cash and cash equivalents at August 31, 2019 totaled $5.6 million compared to August 31, 2018, $3.0 million and August 31, 2017, $3.4 million. The cash and cash equivalents are attributable primarily to the issue of debt or share capital. Aside from cash and cash equivalents, the Company had no material unused sources of liquid assets at August 31, 2019, 2018 or 2017.

As described elsewhere in this Annual Report, various legal, contractual or economic restrictions may affect the ability of the Company's subsidiaries to transfer funds to the Company as needed to satisfy the Company's obligations.

For information on the Company's borrowings as of August 31, 2019, see "Item 18 - Financial Statements", Note 7 and Note 8.

Except in the case of JOGMEC's $20 million funding commitment, which has now been fully funded, and the potential for the receipt of funding if Implats exercises its Purchase and Development Option, the exercise of which is not guaranteed and is not expected to occur prior to the completion of the DFS, funding of Waterberg Project costs is generally required to be provided by Waterberg JV Co. shareholders on a pro rata basis. "Item 4.B. - Principal Product - Implats Transaction". For anticipated Waterberg Project capital expenditures, see "Item 4.D. - Material Mineral Property Interests - Waterberg Project Summary (Excerpted from the September 2019 Waterberg Report)".

Going Concern

During fiscal 2018 the Company completed the sale of the Maseve Mine for initial gross proceeds of $74 million. Stage one of the Maseve Sale Transaction was closed on April 5, 2018, with stage two closing April 26, 2018. Also, during fiscal 2018, Implats completed the strategic acquisition of an 8.6% interest in Waterberg JV Co. from the Company for $17.2 million and the Company completed the sale of 132 million units resulting in gross proceeds of $19.9 million. As a result of these transactions, the 2015 Sprott Facility was completely paid down and a portion of the LMM Facility was paid down.

On August 21, 2019 the Company closed a bought deal financing with of 8,326,957 Common Shares at a price of US$1.25 per share for gross proceeds of approximately US$10.4 million. In addition, the Company closed the private placement sale of 7,575,758 Common Shares to LMM at a price of US$1.32 per share for gross proceeds of US$10.0 million and the private placement sale of 6,940,000 Common Shares to Deepkloof Limited, a subsidiary of Hosken Consolidated Investments Limited at a price of US$1.32 per share for gross proceeds of approximately US$9.2 million.

The Company used a portion of the $29.6 million in gross proceeds from share sales described above together with a US$20.0 million advance under its new 2019 Sprott Facility to fully repay $43.0 million in outstanding principal and accrued interest due under the LMM Facility. The Company intends to use the remaining net proceeds for working capital and general corporate purposes.

The Company currently has limited financial resources and has no sources of operating income at present. The Company's ability to continue operations in the normal course of business will therefore depend upon its ability to secure additional funding by methods that could include debt refinancing, equity financing, sale of assets and strategic partnerships. Management believes the Company will be able to secure further funding as required. Nonetheless, there exist material uncertainties resulting in substantial doubt as to the ability of the Company to continue to meet its obligations as they come due and hence, the ultimate appropriateness of the use of accounting principles applicable to a going concern. Pursuant to the terms of the 2019 Sprott Facility, 50% of the proceeds of new equity or debt financings are required to be paid to the Sprott Lenders in full or partial repayment of the 2019 Sprott Facility.

Equity Financings

On November 1, 2016 the Company announced the closing of an offering for 2,223,000 Common Shares at a price of $18.00 per share, resulting in gross proceeds of $40 million. Net proceeds to the Company after fees, commissions and costs were approximately $37 million.

On January 31, 2017 the Company announced the closing of an offering for 1,969,375 Common Shares at a price of $14.60 per share resulting in gross proceeds of $29 million. Net proceeds to the Company after fees, commissions and costs were approximately $26 million.

On April 26, 2017 the Company announced the closing of an offering for 1,539,000 Common Shares at a price of $13.00 per share, for aggregate gross proceeds of $20 million. Net proceeds to the Company after fees, commissions and costs were approximately $18.4 million.

On May 15, 2018 the Company announced the closing of a private placement with HCI for 1,509,100 units at a price of $1.50 per unit for aggregate gross proceeds of $2.26 million. Each unit consisted of one Common Share and one Common Share purchase warrant, with each Common Share purchase warrant allowing HCI to purchase one further Common Share at a price of US$1.70 per share for a period of 18 months until November 15, 2019.

On May 15, 2018 the Company also announced the closing of a public offering of 11,745,386 units at a price of $1.50 per unit for aggregate gross proceeds of approximately $17.62 million. Each unit consisted of one Common Share and one Common Share purchase warrant entitling the holder to purchase one Common Share at a price of $1.70 for a term of 18 months until November 15, 2019.

On February 4, 2019 the Company announced the closing of a previously announced non-brokered private placement of Common Shares at price of US $1.33 each. An aggregate of 3,124,059 Common Shares were issued for gross proceeds to the Company of US $4.155 million.

On June 28, 2019 the Company announced the closing of a previously announced non-brokered private placement with HCI of 1,111,111 Common Shares at a price of $1.17 per share for gross proceeds of US$1.3 million.

On August 21, 2019 the Company announced the closing of a previously announced bought deal financing with BMO Capital Markets in the United States, under which the Company sold 8,326,957 Common Shares at a price of $1.25 per Common Share for gross proceeds of approximately $10.4 million.

On August 21, 2019 the Company also closed the LMM Private Placement for 7,575,758 Common Shares at a price of US$1.32 per share for gross proceeds of $10.0 million and the Deepkloof Private Placement of 6,940,000 Common Shares at a price of $1.32 per share for gross proceeds of approximately $9.2 million.

The following is a reconciliation for the use of proceeds from the financings described above:

Use of Proceeds *(In millions of dollars)*	**Repayment towards the LMM Facility ($)**	**General corporate purposes ($)**	**Total ($)**
As Estimated in the May 15, 2018 Private Placement	1.4	0.9	2.3
As Estimated in the May 15, 2018 Prospectus Supplement	10.6	7.0	17.6
As Estimated in the February 4, 2019 Private Placement	-	4.0	4.0
As Estimated in the June 28, 2019 Private Placement	-	1.3	1.3
As Estimated in the August 21, 2019 Private Placement	13.0	6.2	19.2
As Estimated in the August 21, 2019 Prospectus Supplement	10.0	0.4	10.4
Aggregate Amount	35.0	19.8	54.8
Actual to August 31, 2019	35.0	17.6	52.6

Convertible Senior Subordinated Notes

On June 30, 2017 the Company issued and sold the Notes to certain institutional investors. The Notes bear interest at a rate of 6 7/8% per annum, payable semi-annually on January 1 and July 1 of each year, beginning on January 1, 2018, in cash or at the election of the Company, in Common Shares or a combination of cash and Common Shares, and will mature on July 1, 2022, unless earlier repurchased, redeemed or converted.

Subject to certain exceptions, the Notes are convertible at any time at the option of the holder, and may be settled, at the Company's election, in cash, Common Shares, or a combination of cash and Common Shares. If any Notes are converted on or prior to the three and one-half year anniversary of the issuance date, the holder of the Notes will also be entitled to receive an amount equal to the remaining interest payments on the converted Notes to the three and one-half year anniversary of the issuance date, discounted by 2%, payable in Common Shares. The initial conversion rate of the Notes was 1,001.1112 Common Shares per $1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately $0.9989 per Common Share, representing a conversion premium of approximately 15% above the NYSE American closing sale price for the Common Shares of $0.8686 per share on June 27, 2017. The conversion rate is subject to adjustment upon the occurrence of certain events. After giving effect to the 2018 Share Consolidation, the conversion rate is 100.1111 per US$1,000 which is equivalent to a conversion price of approximately $9.989 per Common Share. If the Company pays interest in Common Shares, such shares will be issued at a price equal to 92.5% of the simple average of the daily volume-weighted average price of the Common Shares for the 10 consecutive trading days ending on the second trading day immediately preceding the payment date, on the NYSE American exchange or, if the Common Shares are not then listed on the NYSE American exchange, on the principal U.S. national or other securities exchange or market on which the Common Shares are then listed or admitted for trading. Due to a limitation on conversion contained in the indenture governing the Notes, dated June 30, 2017 between the Company and The Bank of New York Mellon (the "**Indenture**"), no more than 1,405,251 Common Shares may be issued in settlement of interest payments pursuant to the convertible notes due after July 2, 2019.

On July 26, 2017 one holder converted $10,000 of Notes into 1,319 Common Shares, leaving a principal balance of $19.99 million in Notes outstanding. On January 2, 2018, the Company issued 244,063 Common Shares in settlement of $0.69 million of bi-annual interest payable on Notes. On July 3, 2018, the Company issued 757,924 Common Shares in settlement of $0.72 million of bi-annual interest payable on Notes. On January 2, 2019 the Company issued 545,721 Common Shares in settlement of $0.69 of bi-annual interest payable on Notes. On July 1, 2019 the Company paid $0.69 of bi-annual interest payable on Notes in cash. Approximately 40% of all Notes interest described above was paid to major shareholder, Franklin Advisers, Inc.

Notwithstanding the foregoing, no holder will be entitled to receive Common Shares upon conversion of Notes to the extent that such receipt would cause the converting holder or persons acting as a "group" to become, directly or indirectly, a "beneficial owner", as defined in the Indenture, of more than 19.9% of the Common Shares outstanding at such time or, in the case of a certain note holder, if it or its affiliates would become a "beneficial owner" of more than 4.9% of the Common Shares outstanding at such time. In addition, the Company will not issue an aggregate number of Common Shares pursuant to the Notes that exceeds 19.9% of the total number of Common Shares outstanding on June 30, 2017.

Prior to July 1, 2018 the Company could not redeem the Notes, except upon the occurrence of certain changes to the laws governing Canadian withholding taxes. On or after July 1, 2018 and before July 1, 2019 the Company shall have the right to redeem all or part of the Notes at a price, payable in cash, of 110.3125% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date; on or after July 1, 2019 and before July 1, 2020 the Company shall have the right to redeem all or part of the outstanding Notes at a price, payable in cash, of 105.15625% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to but excluding, the redemption date; and on or after July 1, 2010, until the maturity date, the Company shall have the right to redeem all or part of the outstanding Notes at a price, payable in cash, of 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Upon the occurrence of a fundamental change as defined in the Indenture, the Company must offer to purchase the outstanding Notes at a price, payable in cash, equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any.

The Company agreed in the Indenture to cause a prospectus and a registration statement to be filed with Canadian securities regulatory authorities and with the U.S. Securities and Exchange Commission, as applicable, and become usable and effective within six months after June 30, 2017, and to remain usable and effective for certain periods. The Indenture provided that if the Company did not do so, it would pay additional interest on the Notes at a rate of 0.25% per annum for the first 90 days and at a rate of 0.50% per annum thereafter, until the Notes became freely tradable by holders other than affiliates and certain other events have occurred. An additional interest charge of 0.25% for the period January 1, 2018 to March 31, 2018, plus a further 0.25% for the period April 1, 2018 to July 1, 2018, was added to the coupon rate of the Notes at the Company's election to not file a prospectus and a registration statement for the Notes with Canadian securities regulatory authorities and with the U.S. Securities and Exchange Commission. After July 1, 2018 at which time the Notes became freely tradable by holders other than affiliates, the Notes once again bear interest at the coupon rate of 6 7/8% per annum.

The Notes will be unsecured senior subordinated obligations and will be subordinated in right of payment to the prior payment in full of all of the Company's existing and future senior indebtedness pursuant to the Indenture. The Company may issue additional Notes in accordance with the terms and conditions set forth in the Indenture. The Indenture contains certain additional covenants, including covenants restricting asset dispositions, issuances of capital stock by subsidiaries, incurrence of indebtedness, business combinations and share exchanges.

2019 Sprott Facility

The 2019 Sprott Facility is a new credit agreement with Sprott and the Sprott Lenders pursuant to which the Sprott Lenders provided a US$20.0 million principal amount senior secured credit facility advance to the Company. The maturity date of the 2019 Sprott Facility is 24 months from the date of the first advance under the facility, which was August 21, 2019. The Company also has the option to extend the maturity date by one year in exchange for a payment in Common Shares or cash of three percent of the outstanding principal amount of the 2019 Sprott Facility two business days prior to the original maturity date. Amounts outstanding under the 2019 Sprott Facility will bear interest at a rate of 11.00% per annum, compounded monthly.

Under the 2019 Sprott Facility, the Sprott Lenders will have a first priority lien on (i) the issued shares of PTM RSA and Waterberg JV Co. held, directly or indirectly, by the Company (and such other claims and rights described in the applicable pledge agreement); and (ii) all of the Company's present and after-acquired personal property. The 2019 Sprott Facility is also guaranteed by PTM RSA.

Accounts Receivable and Payable

Accounts receivable at August 31, 2019 totaled $0.5 million (August 31, 2018 - $0.9 million) being comprised mainly of South African value added taxes refundable receivable in the current period. Accounts payable and accrued liabilities at August 31, 2019, totaled $4.1 million ($3.6 million at August 31, 2018) the majority of the previous year's payables being related to DFS costs and closure costs at the Maseve mine.

Accounts receivable at August 31, 2018 totaled $0.9 million (August 31, 2017 - $2.1 million) being comprised mainly of value added taxes refundable in South Africa of $0.7 million ($2.6 million at August 31, 2017). Accounts payable and accrued liabilities at August 31, 2018 totaled $2.9 million ($16.4 million at August 31, 2017). The majority of the August 31, 2017 payables related to care and maintenance and closure costs at the Maseve mine.

C. Research and Development, Patents and Licences, etc.

We do not engage in research and development activities.

D. Trend Information

The September 2019 Technical Report detailing the DFS was formally delivered to all of the Waterberg Project owners on October 4, 2019 as required under the Waterberg JV Resources Pty Ltd. shareholders agreement. The Company's key business objective is to advance the Waterberg Project to the grant of a mining authorization and a construction decision.

On October 10, 2018 the Company announced that a recently filed mining right application for the Waterberg Project had been accepted by the DMR for consideration. The mining right application consisted of a mining work program, social and labour plan and associated environmental applications. The mining right application was supported by the Company and all of the Waterberg joint venture partners including Implats, JOGMEC and Mnombo. The process of consultation under the MPRDA and applicable environmental assessment regulations for the mining right application has commenced.

The Company has been actively engaged with shareholders to explain the focus on the Waterberg Project and the Company's immediate and medium-term plans. Market interest in palladium has recently been increasing.

Factors which may have a material effect on the Company's net sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition are set forth in Item 3.D.- Risk Factors".

E. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

F. Tabular Disclosure of Contractual Obligations

The following table discloses the Company's contractual obligations at August 31, 2019 for loan indebtedness, services, optional mineral property acquisition payments, optional exploration work and committed lease obligations for office rent and equipment.

Contractual Obligations	Payments due by period (in thousands of dollars) < 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Lease obligations	$ 298	$ 169	$ 129	$ -	$ 596
Contractor payments	543	-	-	-	543
Convertible Note	1,374	22,739	-	-	24,113
Sprott Facility	2,237	22,163	-	-	24,400
Totals	$ 4,452	$ 45,071	$ 129	$ -	$ 49,652

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth the Company's current directors and executive officers, with each position and office held by them.

The term of office for each director of the Company expires at the annual general meeting of shareholders where they can be nominated for re-election.

Name and Place of Residence	Position	Age	Date First Elected or Appointed
R. MICHAEL JONES British Columbia, Canada	President, Chief Executive Officer and Director	56	February 18, 2002
FRANK HALLAM British Columbia, Canada	Chief Financial Officer, Corporate Secretary and Director	59	February 18, 2002
IAIN McLEAN (1)(2)(3) British Columbia, Canada	Director (Chairman of the Board)	64	February 18, 2002
TIMOTHY MARLOW (1)(2)(3) British Columbia, Canada	Director	75	June 15, 2011
DIANA WALTERS (1)(2)(3) North Salem, New York, USA	Director	56	July 16, 2013
JOHN A. COPELYN Cape Town, South Africa	Director	69	May 15, 2018
STUART HARSHAW Ontario, Canada	Director	52	April 15, 2019

Notes:
(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Governance and Nomination Committee

R. Michael Jones

Mr. Jones has over twenty-five years of experience as a professional geological engineer and has been involved with the raising of over $1 billion for exploration, mining development and production. In addition to co-founding Platinum Group Metals Ltd., Mr. Jones was a founder of Glimmer Resources Inc. and was responsible for the discovery of the Glimmer Gold mine, now Blackfox, in Ontario. During a six-year tenure as President of Cathedral Gold Corp., Mr. Jones ran a producing gold mining company and was involved in the review of a feasibility study and financing for the $1 billion Diavik Mine project during two years as Vice President with Aber Resources. Mr. Jones was a co-founder and director of West Timmins Mining that was purchased by producing company Lake Shore Gold Corp. in 2009 and was a co-founder and former director until 2012 of MAG Silver Corp. Mr. Jones is a Director, President and Chief Executive Officer of West Kirkland Mining Inc. and a director of Nextraction. Mr. Jones served on the Securities Policy Advisory Committee of the British Columbia Securities Commission for six years and holds a B.A.Sc. in geological engineering from the University of Toronto.

Frank Hallam

Mr. Hallam was the original founder of New Millennium Metals Corp, a predecessor company to Platinum Group Metals Ltd. Mr. Hallam has extensive operating and financial experience at the senior management level with several TSX and NYSE listed resource companies and has twenty-five years of experience working in East and South Africa. In his role as CFO and Director with Tan Range Exploration he set up and administered exploration offices in Tanzania, Ethiopia and Eritrea, among others. Mr. Hallam has been involved in raising over $1 billion for exploration, mining development and production and has been involved in negotiating and managing property deals with Anglo Platinum Ltd., Barrick Gold Corporation, Johannesburg Consolidated Investments and Newmont Mining Corporation. Mr. Hallam was a co-founder and director of West Timmins Mining that was purchased by producing company Lake Shore Gold Corp. in 2009, where he served as a director until April 2016. Mr. Hallam was a co-founder and former director until 2014 of MAG Silver Corp. Mr. Hallam also serves as CFO and Corporate Secretary of West Kirkland Mining Inc. and is director and Interim CFO of Nextraction. Mr. Hallam previously served as an auditor in the mining practice of Coopers and Lybrand. He is a chartered accountant and has a degree in business administration from Simon Fraser University.

Iain McLean

Mr. McLean is experienced in mine operations and senior management positions in technology companies. Mr. McLean's past roles include Chief Operating Officer of MineSense Technologies from August 2014 to September 2015; and Vice President for Gemcom Software International/Dassault Systemes GEOVIA from June 2010 to July 2014. Mr. McLean holds a degree in mining engineering from the Royal School of Mines, a Degree in Archaeology from the University of Leicester and a master's degree in Egyptology from Cambridge University. Mr. McLean also holds an M.B.A. from Harvard Business School.

Timothy Marlow

Mr. Marlow has over thirty-five years of mining engineering and mine operating experience in North America, South America, Africa and Asia. His mining and project experience spans the world and he has specific African experience in Ghana and Zambia. Mr. Marlow is President of Marlow & Associates since 1995 and was President of Philippine Gold Consulting LLC from 1995 - 2014. Mr. Marlow is a graduate of the Camborne School of Mines and is registered as a C.Eng, Registered Charter Engineer in the UK. He is a member of the Institute of Mining and Metallurgy UK and a Qualified Person as defined by NI-43-101 for mining.

Diana Walters
Ms. Walters has over twenty-nine years of experience in the Natural Resources sector, both as an investment banker and in operating roles. She is the former President of Liberty Metals & Mining, LLC and was a Managing Partner of Eland Capital, LLC, a Natural Resources advisory firm. Ms. Walters has extensive investment experience with both debt and equity through leadership roles at Credit Suisse, HSBC and other firms. Ms. Walters graduated with honors from the University of Texas at Austin with a BA in Plan II Liberal Arts and an MA in Energy and Mineral Resources.

John A. Copelyn
Mr. Copelyn has been CEO of Hosken Consolidated Investments Limited since joining in 1997. Prior to this, he was a member of the South African parliament and general secretary of the Southern African Clothing and Textile Workers' Union. Mr. Copelyn is also Chairman of E Media Holdings Ltd., a JSE listed company that comprises some of the leading media companies in South Africa, Tsogo Sun Holdings Ltd., which owns and operates hotels and casinos and is listed on the JSE, Deneb Investments Ltd., an investment holding company with interests in textile manufacturing and property investments and Niveus Investments Ltd., an investment holding company.

Stuart Harshaw
Mr. Harshaw is a seasoned professional with a successful career in the global mining industry with Vale SA and Inco Ltd, where, among other things, he was Vice President of Ontario Operations in charge of operating six underground mines, a portfolio of processing and refining facilities in Canada and Asia, as well as marketing and sales of a broad range of concentrates and finished metals worldwide. He is a member of the Board of Directors of Constantine Metal Resources, International Tower Hill Mines and Laurentian University of Sudbury, Canada. Mr. Harshaw earned a BSc. in Metallurgical Engineering from Queen's University and an MBA from Laurentian University.

There are no family relationships between any of the persons named above. Furthermore, there are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any of the persons named above were selected as a director or member of senior management.

Except as disclosed below, no director or executive officer of the Company (or any of their personal holding companies) is, or during the ten years preceding the date of filing of this Annual Report has been, a director, chief executive officer or chief financial officer of any company, including the Company, that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days:

(a) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial order; or

(b) that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

Mr. Jones and Mr. Hallam are directors of Nextraction, which is currently the subject of Cease Trade Orders by the Alberta Securities Commission ("**ASC**") and the British Columbia Securities Commission ("**BCSC**") issued in May 2015 for failure to file annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 31, 2014. Nextraction has proceeded to complete its disclosure (excluding some non-material disclosure) including completing its required audited financial statements. These records have been filed on SEDAR. Nextraction has proceeded with applications to the ASC and the BCSC seeking the vacating of the Cease Trade Orders. No decision has been provided by the ASC nor the BCSC as of the date hereof.

Ms. Walters is a director of Alta Mesa Resources, Inc. ("**AMR**"), an independent energy company focused on the development and acquisition of unconventional oil and natural gas reserves in the Anadarko Basin in Oklahoma. On September 11, 2019, AMR announced that AMR and certain of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas in order to allow AMR to reorganize its capital structure. AMR has filed a number of motions seeking court authorization to continue to support its upstream production and midstream operations during the court-supervised Chapter 11 reorganization process.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, (or any of their personal holding companies):

(a) is, as at the date of filing of this Annual Report or during the ten years preceding the date of filing of this Annual Report has been, a director or executive officer, of any company, including the Company, that while the director or executive officer was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Annual Report, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that director or executive officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, (or any of their personal holding companies) has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body which would likely be considered important to a reasonable investor in making an investment decision.

Promoters

No individuals acted as promoters of the Company within the two most recently completed financial years or during the current financial year.

B. Compensation

The following table sets forth all compensation paid or accrued by the Company to its directors and members of its administrative, supervisory or management bodies for the year ended August 31, 2019.

		Annual Compensation			Long Term Compensation[1]			
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation[2] ($)	Options (#)	RSUs (#)	DSUs (#)	All Other Compensation ($)
R. Michael Jones President, CEO and Director	2019	396,077	Nil	Nil	375,000	50,159	N/A	Nil

		Annual Compensation		Other Annual	Long Term Compensation[1]			All Other
	Year	Salary ($)	Bonus ($)	Compensation[2] ($)	Options (#)	RSUs (#)	DSUs (#)	Compensation ($)
Frank Hallam CFO, Corp. Sec. and Director	2019	358,355	Nil	Nil	325,000	45,382	N/A	Nil
Iain McLean Chairman and Director	2019	N/A	Nil	50,296	16,800	N/A	33,928	Nil
Timothy Marlow Director	2019	N/A	Nil	37,722	16,800	N/A	31,417	Nil
Diana Walters Director	2019	N/A	Nil	37,722	16,800	N/A	31,417	Nil
John A. Copelyn Director	2019	N/A	Nil	31,435	16,800	N/A	30,162	Nil
Stuart Harshaw Director	2019	N/A	Nil	14,146	16,800	N/A	23,885	Nil

Notes:
(1) For additional details, see Item 6.E. Share Ownership.
(2) Non-executive directors' fees paid as to 50% in cash and 50% in DSUs.

During the year ended August 31, 2019 no amounts were set aside for the foregoing persons to provide pension, retirement or similar benefits.

Deferred Share Unit Plan

The Deferred Share Unit Plan (the "**DSU Plan**") permits directors who are not salaried officers or employees of the Company or a related corporation (referred to as "**Eligible Directors**") to convert into DSUs the fees that would otherwise be payable by the Company to them relating to future services for their participation on the Board and on committees of the Board, including all annual retainers and amounts that would be payable for serving as the Chair of the Board and/or as a chair of a committee of the Board (excluding any reimbursement of expenses) (the "**Board Fees**"). Only Eligible Directors are permitted to participate in the DSU Plan. The DSU Plan is administered by the Board or such other persons as may be designated by the Board from time to time, through the recommendation of the Compensation Committee (the "**DSUP Administrators**").

With respect to the conversion of Board Fees into DSUs, each Eligible Director may, under the DSU Plan, elect to convert a minimum of 20% up to a maximum of 100%, in 10% increments, of his or her future Board Fees for the relevant period into DSUs in lieu of being paid such fees in cash. On the date on which the relevant Board Fees are payable, the number of DSUs to be credited to a participating Eligible Director (a "**DSU Participant**") will be determined by dividing an amount equal to the designated percentage of the Board Fees that the DSU Participant has elected to have credited in DSUs on that fee payment date, by the market value of a Common Share on that fee payment date. Eligible Directors are entitled to make an election under the DSU Plan in respect of the period from January 1 through December 31 no later than December 31 of the prior year. Newly elected Eligible Directors will have 30 days from the date of his/her appointment to make an election in respect of the remainder of such calendar year. All such elections will be irrevocable in respect of such period.

If a DSU Participant becomes a salaried officer or an employee of the Company or a related corporation, such DSU Participant shall thereupon be suspended from further participation in the DSU Plan in the manner set out in the DSU Plan.

The DSUP Administrators may also, in their sole discretion from time to time, award DSUs to one or more Eligible Directors for the purposes of providing additional equity related remuneration to such Eligible Directors in respect of future services as an Eligible Director. With respect to the award of such DSUs, the DSUP Administrators will determine when DSUs will be awarded, the number of DSUs to be awarded, the vesting criteria for each award of DSUs, if any, and all other terms and conditions of each award. Unless the DSUP Administrators determine otherwise, such DSUs will be subject to a vesting schedule whereby they will become vested in equal instalments over three years with one-third vesting on the first anniversary of the award and one-third vesting on each of the subsequent anniversaries of the award. The DSUP Administrators may consider alternatives for vesting criteria related to the Company's performance and have the flexibility under the DSU Plan to apply such vesting criteria to particular awards of DSUs. The DSU Plan also provides that: (a) where the Termination of Board Service (as defined below) of a DSU Participant (or termination of service as a salaried officer or employee, if applicable) occurs as a result of the DSU Participant's death, all unvested DSUs of that DSU Participant will vest effective on the date of death; and (b) if there is a change of control (as such term is defined in the DSU Plan), all unvested DSUs will vest immediately prior to such change of control.

If cash dividends are paid by the Company on the Common Shares, a DSU Participant will also be credited with dividend equivalents in the form of additional DSUs based on the number of vested DSUs the DSU Participant holds on the record date for the payment of such dividend.

Canadian DSU Participants are not entitled to redeem any DSUs (regardless of their vested status) until after the DSU Participant ceases to be a member of the Board by way of retirement, non-re-election as a director, resignation, incapacity or death (each, a "**Termination of Board Service**"), or termination of service as a salaried officer or employee, if applicable.

Except with respect to U.S. Eligible Directors (defined below) a DSU Participant (or the DSU Participant's legal representative, as the case may be) will be permitted to redeem his or her vested DSUs no earlier than following Termination of Board Service (and termination of service as a salaried officer or employee, if applicable) by giving written notice to the Company to redeem on one or more dates specified by the DSU Participant (or the DSU Participant's legal representative, as the case may be), which dates shall not, in any event, be earlier than the tenth day following the release of the Company's quarterly or annual financial results immediately following such termination, or later than December 1 of the first calendar year commencing after the time of such termination. The DSUs of an Eligible Director who is a citizen or resident of the United States, as defined in the United States Internal Revenue Code of 1986, as amended (the "Code"), and any other Eligible Director who is subject to tax under the Code with respect to DSUs granted pursuant to the DSU Plan (each, a "**U.S. Eligible Director**") will be redeemed during the calendar year following the year in which the U.S. Eligible Director experiences a "separation from service" (as defined in the Code) on a date selected by the Company. Upon redemption of DSUs, the Company will pay to the DSU Participant (or the DSU Participant's legal representative, as the case may be) a lump sum cash payment equal to the number of DSUs to be redeemed multiplied by the market value of a Common Share on the redemption date, net of any applicable deductions and withholdings. The DSU Plan does not entitle any DSU Participant to acquire Common Shares in connection with the redemption of vested DSUs under the DSU Plan.

The DSU Plan also contains provisions that apply to DSU Participants who are subject to tax in both the United States and Canada. For such DSU Participants, in limited circumstances specified in the DSU Plan where there is a conflict in the requirements of U.S. tax laws and Canadian tax laws, the relevant DSUs will be forfeited.

C. Board Practices

The board of directors has determined the number of directors at seven and currently consists of seven directors. Each director was elected at the Company's annual general meeting of shareholders held on February22, 2019 other than Mr. Harshaw who was appointed on April 15, 2019 pursuant to the Articles of the Company whereby the directors may appoint one or more additional directors to serve until the next annual general meeting of shareholders of the Company.

Each director elected or appointed will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the BCBCA. See "Directors and Senior Management" for the dates on which its current directors were first elected or appointed.

On January 13, 2015, the Board adopted a majority voting policy (the "**Policy**"), as amended on February 18, 2015. The Policy requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election will be required to tender an offer to resign (a "**Resignation Offer**"). The Policy applies only to uncontested elections, which are elections of directors where the number of nominees for election as director is equal to the number of directors to be elected at such meeting. Following a tender of a Resignation Offer, the Governance and Nomination Committee will consider the Resignation Offer and will recommend to the Board whether or not to accept or reject the Resignation Offer or to propose alternative actions. The Governance and Nomination Committee will be expected to recommend accepting the Resignation Offer, except in situations where extraordinary circumstances would warrant the applicable director to continue to serve on the Board. Within 90 days following the applicable annual general meeting, the Board will make a determination of the action to take with respect to the Resignation Offer and will promptly disclose by news release its decision to accept or reject the director's Resignation Offer or to propose alternative actions as referenced in the Policy. If the Board has decided to reject the Resignation Offer or to pursue any alternative action other than accepting the Resignation Offer, then the Board will disclose in the news release its reasons for doing so. The applicable director will not participate in either the Governance and Nomination Committee or Board deliberations on his or her Resignation Offer.

We have not entered into contracts providing for benefits to the directors upon termination of office, other than as described below.

Agreements with Executive Officers

The Company has the following plans or arrangements in respect of remuneration that may be received by the Company's executive officers that are also directors of the Company in respect of compensating such officer in the event of termination of employment (as a result of resignation, change of control or change of responsibilities).

Pursuant to the employment agreements, each of R. Michael Jones and Frank R. Hallam (hereinafter referred to as "**Jones**" and "**Hallam**", respectively; each an "**Officer**" and together, the "**Officers**") may resign by giving 90 days' written notice and thereafter be entitled to his annual salary earned to the date of cessation, together with any outstanding earned but untaken vacation pay, reimbursement of any final expenses and all bonuses earned in respect of any period before the date of cessation (collectively, the "**Final Wages**").

If an Officer is terminated without cause or resigns for good cause (as defined below), the Company will pay the Officer:

(a) the Final Wages; and

(b) an additional amount equal to 24 months (for Jones and Hallam) of the Officers' annual salary (the "**Severance Period**"), and

the Officer's current benefits will continue until the earlier of the end of the Severance Period and receipt of similar benefits through other employment.

In the case of either a termination or resignation for good cause following a Change of Control (as defined below), the Company will pay severance as follows (the "**COC Severance**"):

(a) the Final Wages;

(b) an additional amount equivalent to 24 months' annual salary (the "**COC Severance Period**");

(c) an additional lump sum equal to the sum of the amounts paid as bonuses to the Officer in respect of the completed three bonus years preceding the date of termination divided by 36 (the "**Average Monthly Bonus**") multiplied by the number of completed months in the current bonus year through to the termination date; and

(d) an additional lump sum equal to the Average Monthly Bonus multiplied by the number of months in the COC Severance Period, and

the Officers' current benefits will continue until the earlier of the end of the COC Severance Period and the Officers' receipt of similar benefits through other employment.

In addition, each Officer shall have a special right to resign on one month's written notice, delivered within 60 days following a Change of Control, in which case the Officer will be entitled to receive the COC Severance.

Upon a Change of Control, any non-vested options held by the Officer will be deemed vested on a Change of Control. Where the Change of Control is a transaction in which the shares of the Company are to be purchased or otherwise exchanged or acquired, such vesting shall take place so as to permit the Officer, at his election to participate in the transaction in respect of any such non-vested option shares, provided that if, for any reason such Change of Control transaction does not complete, the options shall revert to their original terms, including as to vesting and all options the vesting of which is accelerated pursuant to the foregoing shall remain open for exercise until the earlier of their expiry date or one year from the Change of Control.

"**Change of Control**" means:

(a) the acquisition, beneficially, directly or indirectly, by any person or group of persons acting jointly or in concert, within the meaning of Multilateral Instrument 62-104 - *Takeover Bids and Issuer Bids* (or any successor instrument thereto), of Common Shares which, when added to all other Common Shares at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, totals for the first time more than 50% of the outstanding Common Shares; or

(b) the removal, by extraordinary resolution of the shareholders of the Company, of more than 51% of the then incumbent directors of the Company, or the election of a majority of directors to the Company's Board who were not nominees of the Company's incumbent Board at the time immediately preceding such election; or
(c) the consummation of a sale of all or substantially all of the assets of the Company, or the consummation of a reorganization, merger or other transaction which has substantially the same effect; or
(d) a merger, consolidation, plan of arrangement or reorganization of the Company that results in the beneficial, direct or indirect transfer of more than 50% of the total voting power of the resulting entity's outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction.

"**good cause**" means the occurrence of one of the following events without the Officer's written consent:

(a) upon the material breach of any material term of the Employment Agreement by the Company if such breach or default has not been remedied to the reasonable satisfaction of the Officer within 30 days after written notice of the breach of default has been delivered by the Officer to the Company; or
(b) a material reduction in the Officer's responsibilities, title or reporting, except as a result of the Officer's disability; or
(c) any reduction by the Company in the Officer's then current annual salary; or
(d) relocation of the Officer's principal office location by more than 25 kilometres

Audit Committee

Audit Committee Charter

The following is the text of the Audit Committee's charter:

1. General

The Board of Directors of the Corporation (the "**Board**") has established an Audit Committee (the "**Committee**") to assist the Board in fulfilling its oversight responsibilities. The Committee will review and oversee the financial reporting and accounting process of Platinum Group Metals Ltd. (the "**Corporation**"), the system of internal control and management of financial risks, the external audit process, and the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation's business, operations and risks.

The Corporation's independent auditor is ultimately accountable to the Board and to the Committee. The Board and Committee, as representatives of the Corporation's shareholders, have the ultimate authority and responsibility to evaluate the independent auditor, to nominate annually the independent auditor to be proposed for shareholder approval, to determine appropriate compensation for the independent auditor, and where appropriate, to replace the outside auditor. In the course of fulfilling its specific responsibilities hereunder, the Committee must maintain free and open communication between the Corporation's independent auditors, Board and Corporation management. The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

2. Members

The Board will in each year appoint a minimum of three (3) directors as members of the Committee. All members of the Committee shall be non-management directors and shall be independent within the meaning of all applicable U.S. and Canadian securities laws and the rules of the Toronto Stock Exchange and the NYSE American LLC (collectively, the "**Applicable Regulations**"), unless otherwise exempt under the Applicable Regulations.

None of the members of the Committee may have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

All members of the Committee shall be able to read and understand fundamental financial statements and must be able to read and understand fundamental financial standards and satisfy all applicable financial literacy requirements of the Applicable Regulations. Additionally, at least one member of the Committee shall: (a) be financially sophisticated, in that he or she shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, which may include being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities; and (b) be an "audit committee financial expert" within the meaning of U.S. federal securities laws.

3. Duties

The Committee will have the following duties:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the Corporation's counsel and engage outside independent counsel and other advisors whenever as deemed necessary by the Committee to carry out its duties.
- Review the Corporation's annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to Committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**").

- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Corporation's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
    - actual financial results for the interim period varied significantly from budgeted or projected results;
    - generally accepted accounting principles have been consistently applied;
    - there are any actual or proposed changes in accounting or financial reporting practices; or
    - there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Recommend to the Board an external auditor to be nominated for appointment by the Corporation's shareholders. Subject to the appointment of the Corporation's external auditor by the Corporation's shareholders, the Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Corporation's external auditor shall report directly to the Committee.
- Review with the Corporation's management, on a regular basis, the performance of the external auditors, the terms of the external auditor's engagement, accountability and experience.
- Pre-approve all non-audit services and tax services to be provided to the Corporation or its subsidiary entities by the external auditor, or other registered accounting firm.
- Consider at least annually the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services obtained by the Corporation, including:
    - insuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;

- considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
- as necessary, taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.

- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure contained in the Corporation's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases; and must periodically assess the adequacy of those procedures.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- Establish a procedure for:
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately in the absence of management.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Review and oversee all related party transactions within the meaning of the Applicable Regulations.
- Perform other functions as requested by the Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and re-assess annually the adequacy of this Charter and recommend updates to this charter; receive approval of changes from the Board.
- With regard to the Corporation's internal control procedures, the Committee is responsible to:
  - review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and

- review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate; and
- review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
- periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4. Chair

The Committee will in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will not have a casting vote.

5. Meetings

The Committee will meet at least once every calendar quarter. Special meetings shall be convened as required. Notices calling meetings shall be sent to all members of the Committee, all Board members and the external auditor. The external auditor of the Corporation must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Committee. At the request of the external auditor, the Committee must convene a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Board or shareholders of the Corporation.

The Committee may invite such other persons (e.g. without limitation, the President or Chief Financial Officer) to its meetings, as it deems appropriate.

6. Quorum

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing, or by any combination of the foregoing, will constitute a quorum.

7. Removal and Vacancy

A member may resign from the Committee and may also be removed and replaced at any time by the Board and will automatically cease to be a member as soon as the member ceases to be a director of the Corporation. The Board will fill vacancies in the Committee by appointment from among the directors in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all of the Committee's powers.

8. Authority

The Committee may:

- engage independent counsel and other advisors as it determines necessary to carry out its duties.
- set and pay the compensation for any advisors employed by the Committee; and
- communicate directly with the internal and external auditors.

The Committee may also, within the scope of its responsibilities, seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, and to ensure the attendance of Corporation officers at meetings as appropriate.

9. Secretary and Minutes

The Chair of the Committee will appoint a member of the Committee or other person to act as Secretary of the Committee for purposes of a meeting of the Committee. The minutes of the Committee meetings shall be in writing and duly entered into the books of the Corporation and will be circulated to all members of the Board.

10. Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of

(a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;

(b) compensation to any advisers employed by the Committee; and

(c) ordinary administrative expenses of the Committee that are necessary or appropriate in carry out its duties.

Composition

The Audit Committee has been comprised of Iain McLean (Chairman), Diana Walters and Timothy Marlow since February 23, 2018. All three members of the Audit Committee are independent and financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee are set forth below:

Member	Experience/Education
Iain McLean, B.Sc.Eng (ARSM), M.B.A., MIMM. C. Eng.	Mr. McLean has experience as a senior executive in several public companies managing operations, listings, capital raising, etc. He also has experience in underground mining operations in the UK and South Africa. Mr. McLean has an M.B.A. from Harvard Business School and a B.Sc (Eng.) in Mining from the Imperial College of Science and Technology (London, England). In addition to his education, Mr. McLean has gained relevant experience acting as the Chief Operating Officer of several private technology companies since 1995 and as the Vice President of Operations at Ballard Power Systems from 1993 to 1995. The board of directors has determined that Mr. McLean is an audit committee financial expert within the meaning of the regulations promulgated by the SEC and is independent within the meaning of the NYSE American Company Guide.

Member	Experience/Education
Diana Walters, BA, MA.	Ms. Walters has over 29 years in the financial services sector and has served on the audit committee of other publicly traded companies. Ms. Walters graduated with honours from the University of Texas at Austin with a BA in Plan II Liberal arts and an MA in Energy and Mineral Resources. Ms. Walters has worked on the natural resources sector both as an investment banker and in operating roles. In addition, she gained extensive investment experience with both debt and equity through leadership roles at Credit Suisse, HSBC and other firms. The board of directors has determined that Ms. Walters is an audit committee financial expert within the meaning of the regulations promulgated by the SEC and is independent within the meaning of the NYSE American Company Guide.
Timothy Marlow, C.Eng., MIMMM	Mr. Marlow is a registered Charter Engineered in the UK with over 31 years of experience in mining engineering and mine operations in the Americas, Africa and Asia. Mr. Marlow has held roles ranging from project engineer, services and maintenance superintendent, and general manager to Vice President of Operational Excellence for a multi mine group. His mining and project experience span the world including specific African experience in Ghana and Zambia. Mr. Marlow is a graduate of the Camborne School of Mines and is registered as a C.Eng, Registered Charter Engineer in the UK. He is a member of the Institute of Mining and Metallurgy UK and a Qualified Person as defined by NI-43-101 for mining. The board of directors has determined that Mr. Marlow is independent within the meaning of the NYSE American Company Guide.

Responsibilities

See the Audit Committee Charter above for disclosure on the Audit Committee's responsibilities.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions set out in Section 2.4 *(De Minimis Non-audit Services)*, Section 3.2 *(Initial Public Offerings)*, Section 3.4 *(Events Outside Control of Member)*, Section 3.5 *(Death, Disability or Resignation of Audit Committee Member),* Subsection 3.3(2) *(Controlled Companies),* 3.6 *(Temporary Exemption for Limited and Exceptional Circumstances)* or Section 3.8 *(Acquisition of Financial Literacy)* of National Instrument 52 110 - Audit Committees ("**NI 52-110**"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

Pre-Approval Policies and Procedures

The Company's Audit Committee is authorized to review the performance of the Company's independent auditors and pre-approves all audit and non-audit services to be provided to the Company by its independent auditor. Prior to granting any pre-approval, the Audit Committee must be satisfied that the performance of the services in question is not prohibited by applicable securities laws and will not compromise the independence of the independent auditor. All non-audit services performed by the Company's auditor for the fiscal years ended August 31, 2019 and August 31, 2018 have been pre-approved by the Audit Committee.

External Auditor Service Fees (By Category)

Disclosure on the aggregate fees billed by the Company's current independent auditor, PricewaterhouseCoopers LLP, during the fiscal year ended August 31, 2019 and August 31, 2018 are described under "Item 16.C. Principal Accountant Fees and Services".

Compensation Committee

Composition

The Compensation Committee has been comprised of Diana Walters (Chairman), Iain McLean and Timothy Marlow since February 23, 2018. All three members of the Compensation Committee are independent.

Responsibilities

The responsibilities of the Compensation Committee include but are not limited to:

- Review, approve and report to the Board annually on management's succession plans for all executive officers, other than the CEO, including specific development plans and career planning for potential successors;
- Review and recommend to the Board for approval the general compensation philosophy and guidelines for all directors and executive officers, including the CEO. This includes incentive plan design and other remuneration;
- Review and make recommendations to the Board with respect to all stock options granted under the Corporation's Stock Option Plan[1], all options granted and securities awarded under the Share Compensation Plan and all securities awarded under the Deferred Share Unit Plan (collectively the "**Plans**"), including the terms and conditions of those grants;
- Review and recommend to the Board the compensation, including salary, incentives, benefits and other perquisites, of all directors and executive officers, except for the CEO; and
- Report on executive compensation as required in public disclosure documents.
- Review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those corporate goals and objectives, consider the Corporate Governance and Nomination Committee's report respecting the CEO's performance and recommend to the Board the CEO's compensation level based on this evaluation, including salary, incentives, benefits and other perquisites.

[1] The Company's Stock Option Plan existed only for the purpose of governing the terms of all outstanding options that were issued under the Stock Option Plan before the adoption of the Company's Share Compensation Plan on February 23, 2017. No options have been outstanding under the Stock Option Plan since May 24, 2019; thus, the Stock Option Plan is no longer in effect.

- Establish compensation and recruitment policies and practices for the Company's executive officers, including establishing levels of salary, incentives, benefits and other perquisites provided to executives of the Corporation and its subsidiaries; provided, however, that the compensation of individual executive officers shall be subject to the Board's approval.
- Administration of the Company's Plans and recommending to the Board awards under the plans.
- The Committee shall review all executive compensation disclosure before the Company publicly discloses this information.
- The Committee will annually review and re-assess the adequacy of this Charter and recommend updates to this Charter and will receive approval of all changes from the Board.

Governance and Nomination Committee

Composition

The Governance and Nomination Committee has been comprised of Timothy Marlow (Chairman), Iain McLean and Diana Walters since February 23, 2018. All three members of the Governance and Nomination Committee are independent.

Responsibilities

The responsibilities of the Governance and Nomination Committee include but are not limited to:

- review and make recommendations to the Board respecting corporate governance in general and regarding the Board's stewardship role in the management of the Company.
- review, approve and report to the Board on:
  - the establishment of appropriate processes for the regular evaluation of the effectiveness of the Board and its members and its committees and their charters;
  - in conjunction with the Chair of the Board, the performance of individual directors, the Board as a whole, and committees of the Board;
  - the performance evaluation of the Chair of the Board and the Chair of each Board Committee;
  - regularly, the performance evaluation of the CEO, including performance against corporate objectives.
- CEO succession planning;
- oversee compliance with the Company's Code of Business Conduct and Ethics (the "**Code**"), monitor compliance with the Code, investigate any alleged breach or violation of the Code, authorize any waiver granted in connection with the Code
- oversee compliance with any rules, regulations or guidelines promulgated by regulatory authorities relating to corporate governance.

D. Employees

As of August 31, 2019 the Company's complement of managers, staff and consultants in Canada consisted of approximately 6 individuals. The Company's complement of managers, staff, consultants, security and casual workers in South Africa currently consisted of approximately 9 individuals, inclusive of 2 individuals active at the Waterberg Project conducting exploration and engineering activities. The Waterberg Project is operated by the Company utilizing its own staff and personnel. Contract drilling, geotechnical, engineering and support services are utilized as required.

E. Share Ownership

With respect to the persons listed in "Compensation", above, who are current directors, officers or employees of the Company, the following table discloses the number and percent of the Common Shares outstanding held by those persons, as of the date of this Annual Report. The Common Shares possess identical voting rights.

Name and Title	No. of Shares (1) (2)	Percent of Shares Outstanding of the Class(3)
R. Michael Jones Chairman, President, CEO and Director	37,559 (4)	*
Frank R. Hallam CFO and Director	20,863	*
Iain McLean Director	2,033	*
Timothy Marlow Director	300	*
Diana Walters Director	400	*
John A. Copelyn Director	Nil(5)	Nil
Stuart Harshaw Director	5,000	*

Notes:

* Less than one percent

(1) Includes beneficial, direct and indirect shareholdings.

(2) Does not include stock options and other rights to purchase or acquire shares.

(3) There are 58,603,827 shares of Common Stock issued and outstanding as of the date of filing of this Annual Report.

(4) Of these shares, 9,560 shares are held by 599143 B.C. Ltd., a company 50% owned by Mr. Jones and 50% owned by Mr. Jones' wife.

(5) Does not include shares owned by HCI, of which Mr. Copelyn is the Chief Executive Officer. For a description of such shares, see "Item. 7.A - Major Shareholders".

The following table discloses the options and RSUs outstanding held by the aforementioned persons as of the date of filing of this Annual Report:

		Options			RSUs	
Name and Title	**Date of Grant/Award or Issuance**	**# of Shares of Common Stock Subject to Issuance**	**Exercise Price in CAD Per Share**	**Expiry Date**	**# of Shares of Common Stock Subject to Issuance**	**Maturity [(1)] Date**
R. Michael Jones President, CEO and Director	Apr 9, 2019	375,000	$2.61	Apr 9, 2024	50,159	Dec 15, 22
Frank R. Hallam CFO and Director	Apr 9, 2019	325,000	$2.61	Apr 9, 2024	45,382	Dec 15, 22
Iain McLean Chairman and Director	Apr 9, 2019	16,800	$2.61	Apr 9, 2024	-	-
Timothy Marlow Director	Apr 9, 2019	16,800	$2.61	Apr 9, 2024	-	-
Diana Walters Director	Apr 9, 2019	16,800	$2.61	Apr 9, 2024	-	-
John A. Copelyn Director	Apr 9, 2019	16,800	$2.61	Apr 9, 2024	-	-
Stuart Harshaw Director	Apr 9, 2019	16,800	$2.61	Apr 9, 2024	-	-

Note:

(1) Vesting as to 33 1/3% on each of the 12, 24 and 36-month anniversary of the Date of Award. All vesting and issuance or payments, as applicable, in respect of an RSU shall be completed no later than December 15 of the 3rd calendar year commencing after the Dare of Award for such RSU.

Share Compensation Plan

The Share Compensation Plan was adopted by the Company for a three year term after it was approved by the shareholders at the annual general meeting held on February 23, 2017 (the "**Adoption Date**"). As of the Adoption Date, the Share Compensation Plan govern all new awards of RSUs and grants of options to purchase Common Shares (the "**Options**").

The Share Compensation Plan is a 10% "rolling" plan whereby the number of Common Shares which may be issuable pursuant to RSUs awarded and Options granted under the Share Compensation Plan, together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries, is a maximum of 10% of the issued and outstanding Common Shares at the time of the award or grant.

The Share Compensation Plan provides participants (each, an "**SCP Participant**"), who may include participants who are citizens or residents of the United States (each, a "**US-SCP Participant**"), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Company. The RSUs will rise and fall in value based on the value of the Common Shares. Unlike the Options, the RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Common Share following the attainment of vesting criteria determined at the time of the award. The Options, on the other hand, are rights to acquire Common Shares upon payment of monetary consideration (*i.e.*, the exercise price), subject also to vesting criteria determined at the time of the grant.

Purpose of the Share Compensation Plan

The stated purpose of the Share Compensation Plan is to advance the interests of the Company, its subsidiaries and its shareholders by: (a) ensuring that the interests of SCP Participants are aligned with the success of the Company and its subsidiaries; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

The following people will be eligible to participate in the Share Compensation Plan: any officer or employee of the Company or any officer or employee of any subsidiary of the Company and, solely for purposes of the grant of Options, any non-employee director of the Company or any non-employee director of any subsidiary of the Company, and any consultant (defined under the Share Compensation Plan as a consultant that (x) is an individual that provides *bona fide* services to the Company pursuant to a written contract for services with the Company and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities, or (y) otherwise satisfies the requirements to participate in an "employee benefit plan" as defined in Rule 405 under the U.S. Securities Act of 1933, as amended, registered by the Company on Form S-8). Non-employee directors of the Company will not be eligible to participate in the Share Compensation Plan in respect of RSUs. Under the Share Compensation Plan, non-employee directors of the Company will continue to be eligible to participate in respect of Options, however, only on a limited basis. See "Restrictions on the Award of RSUs and Grant of Options" below. Under the Existing Plan, directors of the Company have been technically eligible to participate on a discretionary basis without any limits on participation.

Administration of the Share Compensation Plan

The Share Compensation Plan is administered by the Board or such other persons as may be designated by the Board (the "**SCP Administrators**") based on the recommendation of the compensation committee of the Board (the "**Compensation Committee**"). The SCP Administrators determine the eligibility of persons to participate in the Share Compensation Plan, when RSUs and Options will be awarded or granted, the number of RSUs and Options to be awarded or granted, the vesting criteria for each award of RSUs and grant of Options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and stock exchange requirements.

Number of Common Shares Available for Issuance under the Share Compensation Plan

The number of Common Shares available for issuance upon the vesting of RSUs awarded and Options granted under the Share Compensation Plan will be limited to 10% of the issued and outstanding Common Shares at the time of any grant.

As of the date of filing of this Annual Report, the Company has 58,603,827 Common Shares issued and outstanding. Accordingly, the aggregate number of Common Shares that may be issued pursuant to the Share Compensation Plan is 5,860,383, less 1,777,443 Common Shares issuable pursuant to RSUs and options outstanding under the Share Compensation Plan.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The Company is not directly or indirectly owned or controlled by another corporation(s), by any foreign government or by any other natural or legal person(s), severally or jointly.

There are no arrangements known to the Company the operation of which may at a subsequent date result in a change in control of the Company.

The following table discloses the holders of the Common Shares who are known or believed by the Company to be the beneficial owners of 5% or more of the Common Shares (the "**Major Shareholders**"). The percentages in the table below are based on 58,603,827 Common Shares outstanding as November 22, 2019, except as noted.

Identity of Person or Group	Amount and Nature of Beneficial Ownership	Percent of Class
Hosken Consolidated Investments Limited (1)	17,969,057	30.66%
Franklin Resources, Inc./Franklin Advisors, Inc. (2)	11,662,161	19.9%
Liberty Metals & Mining Holdings, LLC.	11,061,819	18.88%

Notes:

(1) Based on information HCI provided to the Company as of November 22, 2019, HCI through its wholly owned subsidiary Deepkloof Limited had sole voting and dispositive power with respect to 17,969,057 Common Shares.
(2) Based on information Franklin Resources, Inc./Franklin Advisors, Inc. provided to the Company as of November 22, 2019, Franklin Resources, Inc./Franklin Advisors, Inc. had sole voting and dispositive power with respect to 11,662,161 Common Shares. Franklin Resources, Inc./Franklin Advisors, Inc. also holds an $8.0 million principal amount of convertible notes, 1,683,104 of the underlying shares for which are reported in the table above subject to a 19.9% beneficial ownership limitation.
(3) Based on information LMM provided to the Company as of November 22, 2019, LMM had sole voting and dispositive power with respect to 11,061,819 Common Shares.

Except as disclosed in the table above, the Company is not aware of any other person or group who owns more than 5% of the issued and outstanding Common Shares as of November 22, 2019.

In their capacity as shareholders of the Company, the Company's Major Shareholders have the same voting rights as other holders of the Common Shares.

We are aware of the following significant changes in the percentage ownership held by the foregoing Major Shareholders over the past three years:

- HCI first became a shareholder of the Company in 2018.
- LMM's percentage ownership has varied from time to time, although it has continued to be a Major Shareholder throughout this period.

Based on information available to the Company, as of October 11, 2019, approximately 57.14% of the Company's outstanding Common Shares were beneficially owned in the United States, by approximately 9,911 holders with U.S. addresses.

B. Related Party Transactions

For purposes of this section, a Related Party means (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the company, and close members of any such individual's family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the company, including directors and senior management of companies and close members of such individuals' families; and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. Shareholders beneficially owning a 10% interest in the voting power of the Company are presumed to have a significant influence on the Company for purposes of this disclosure.

Neither the Company nor any of its subsidiaries has made any loan or guarantee in favor of any Related Party, nor has any Related Party been indebted to the Company or its subsidiaries, since September 1, 2018.

Neither the Company nor any of its subsidiaries is a party to any transactions since September 1, 2018 or any presently proposed transactions involving a Related Party, which transactions are material to the Company or the Related Party or are unusual in their nature or conditions, except as follows or as described elsewhere in this Annual Report:

(1) LMM, a Major Shareholder, was the lender to the Company pursuant to the LMM Facility, as amended and restated which was paid in full in August 2019. The transactions between the Company and LMM are more fully described elsewhere in this Annual Report. LMM purchased 7,575,758 Common Shares in the LMM Private Placement as more fully described elsewhere in this Annual Report.

(2) Franklin Advisors, Inc., a Major Shareholder, subscribed on behalf of certain funds for $8 million of the principal amount of convertible notes issued by the Company on June 30, 2017. Based on information provided to the Company as of November 22, 2019 by Franklin Advisors, Inc., the Company believes that Franklin Advisors, Inc. continues to hold such notes. Transactions relating to the convertible notes are more fully described elsewhere in this Annual Report. In addition, Franklin Advisors, Inc. purchased 4,000,000 Common Shares in the BMO Public Offering as more fully described elsewhere in this Annual Report.

(3) HCI, a Major Shareholder, indirectly acquired through its subsidiary Deepkloof 2,141,942 Common Shares in the February 2019 Private Placement, 1,111,111 Common Shares in the June 2019 Private Placement and 6,940,000 Common Shares in the Deepkloof Private Placement, as more fully described elsewhere in this Annual Report.

(4) Compensatory matters relating to the Company's directors and executive officers are described in Item 6 of this Annual Report.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

See the audited consolidated financial statements listed in Item 18 hereof and filed as part of this Annual Report. These financial statements include the consolidated balance sheets as at August 31, 2019 and 2018 and the statements of operations and cash flows for the three years ended August 31, 2019.

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB. The consolidated financial statements have been prepared under the historical cost convention.

Legal Proceedings

On August 28, 2018 the Company received a summons issued by Africa Wide in the High Court of South Africa whereby Africa Wide, formerly the holder of a 17.1% interest in Maseve, instituted legal proceedings in South Africa against the Company's wholly owned subsidiary, PTM RSA, RBPlat and Maseve ("**Defendants**") in relation to the Maseve Sale Transaction. See above at Item 5.A. - Operating results - Maseve - Sale in Fiscal 2018 to Royal Bafokeng Platinum. Africa Wide sought to set aside the Maseve Sale Transaction, alternatively, sought that Africa Wide be paid the "true value" of its 17.1% shareholding in Maseve, to be determined at the time prior to the implementation of stage one of the Maseve Sale Transaction. Africa Wide averred that (i) pursuant to the term sheet pertaining to the Maseve Sale Transaction the Defendants disposed of Maseve's main asset (allegedly the plant) without Africa Wide's consent as required under the Maseve shareholders agreement; (ii) such disposal significantly devalued its shares in Maseve which (iii) resulted in the disposal of Africa Wide's shares in Maseve through a drag-along provision in Maseve's constitutional documents and (iv) that Africa Wide did not have an election to refuse to dispose of its shareholding.

On November 21, 2018 in the High Court of South Africa, RBPlat, as second defendant, filed exceptions to Africa Wide's "particulars of claim on the grounds that they were vague and embarrassing and/or lacked averments necessary to sustain a cause of action". The Company, as first defendant, was not required to file any motion or heads of arguments related to the Africa Wide particulars of claim until such time as the exceptions filed by RBPlat were heard and ruled upon by the High Court.

Both Africa Wide and RBPlat filed heads of arguments relating to RBPlat's exceptions with the High Court on or around March 11, 2019. Subsequently, on March 27, 2019, the High Court in Johannesburg held a hearing at which RBPlat's exceptions were argued before two judges. Following the hearing, the judges ordered that RBPlat's exceptions be upheld. Africa Wide was also ordered to pay costs.

On April 17, 2019 Africa Wide filed amended particulars of claim with the High Court of South Africa, wherein Africa Wide seeks to set aside the Maseve Sale Transaction. Africa Wide claims (i) that pursuant to the definitive legal agreements pertaining to the Maseve Sale Transaction the defendants disposed of Maseve's main asset (allegedly the plant and certain surface assets) without Africa Wide's consent as required under the Maseve shareholders agreement; (ii) had it not been for such disposal, Africa Wide would not have disposed of its shares in Maseve; and (iii) that Africa Wide was forced to dispose of its shares in Maseve. In the alternative, Africa Wide seeks merely to set aside the sale of the plant and certain surface assets. Senior counsel for RBPlat and PTM RSA have both reviewed the amended particulars of claim as filed by Africa Wide.

On May 9, 2019 the Company filed notice in the High Court calling upon Africa Wide to produce those agreements and documents upon which it has based its claim. Africa Wide has declined to produce those documents.

Statements of defence have separately been filed by the company and by RBPlat and Maseve. In each instance the statements of defence include a special plea of nonjoinder. The defendants contend that other entities, having a direct and substantial interest in the relief which Africa Wide seeks, ought to have been joined by Africa Wide as defendants in these proceedings. Following a case management meeting held before the two judges, and upon a hearing having been scheduled in regard to the special pleas of nonjoinder, Africa Wide has now taken the decision to proceed with joinder applications (and the need for a special hearing in regard to the pleas of nonjoinder has been averted).

While both the Company and RBPlat believe and have been so advised by their respective legal counsel, that the Africa Wide action is factually and legally defective, no assurance can be provided that the Company will prevail in this action.

Tax Audit South Africa

During the 2014, 2015 and 2016 fiscal years, PTM RSA claimed unrealized foreign exchange differences as income tax deductions in its South African corporate tax returns in the amount of Rand 1.4 billion. The exchange losses emanate from a Canadian dollar denominated shareholder loan advanced to PTM RSA and weakening of the Rand. Under applicable South African tax legislation, exchange losses can be claimed in the event that the shareholder loan is classified as a current liability as determined by IFRS.

For the years in question, the intercompany debt was classified as current in PTM RSA's audited financial statements. During 2018, the South African Revenue Service, or SARS, conducted an income tax audit of the 2014 to 2016 years of assessment and issued PTM RSA with a letter of audit findings on November 5, 2018. SARS proposed that the exchange losses be disallowed on the basis that SARS is not in agreement with the reclassification of the shareholder loan as a current liability. SARS also invited the Company to provide further information and arguments if we disagreed with the audit findings. On the advice of the Company's legal and tax advisors, the Company is in strong disagreement with the proposed interpretation by SARS.

The Company responded to the SARS letter on January 31, 2019 and again on April 5, 2019 following a request for additional information received on March 20, 2019. The Company also met with SARS, together with the Company's advisors, on May 30, 2019 in order to address any remaining concerns that SARS may have. At present this matter is unresolved and SARS has not issued any reassessment in relation to this matter. Should SARS issue any negative reassessment in relation to this matter, such reassessment will be legally contested by PTM RSA.

In the event that the exchange losses are disallowed by SARS, the Company estimates that for the years under review that PTM RSA's exposure would be taxable income of approximately Rand 182 million and an income tax liability of approximately Rand 51 million (approximately $3.35 million at period end based on the daily exchange rates reported by the Bank of Canada on August 30, 2019). For fiscal years 2017 and 2018 we estimate that a further Rand 266 million in income could be subject to taxation at a rate of approximately 28% if our exchange losses are disallowed by SARS. SARS may apply interest and penalties to any amounts due, which could be substantial. The Company believes its accounting classification of the shareholder loan is correct and that no additional tax assessment is warranted; however, we cannot assure that SARS will not issue a reassessment or that we will be successful in legally contesting any such assessment. Any assessment could have a material adverse effect on the Company's business and financial condition.

Dividend Policy

We have not declared any dividends since incorporation and do not anticipate doing so in the foreseeable future. The following restrictions could prevent the Company from paying dividends or distributions:

- The exchange controls of the Government of South Africa. See Item 4.B. - South African Regulatory Framework;
- In 2012, the Government of South Africa replaced the longstanding secondary tax on corporations with a dividend tax levied on shareholders. Before the new dividend tax became law, secondary tax on corporations had been levied at a rate of 10% on all dividends declared by companies resident in South Africa. The current rate of dividends tax is 20%. Under an existing tax treaty between Canada and South Africa, the effective rate under the new dividend tax in South Africa on dividends paid from PTM RSA to the Company will be 5% of the gross amount of dividends, provided the Company continues to hold at least 10% of the capital of PTM RSA. Dividend taxes are to be withheld by corporations in South Africa on behalf of shareholders and remitted to the South African Revenue Service; and
- The 2019 Sprott Facility specifies that the Company may not declare and pay dividends during the term of the 2019 Sprott Facility, except with the prior written consent of the Sprott Lenders.

The Company has no current dividend or distribution policy and has no present intention to change its dividend or distribution policy, as it anticipates that all available funds will be invested to finance the growth of its business. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time.

B. Significant Changes

There have been no significant changes since August 31, 2019, except as otherwise discussed herein.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

There is no offer associated with this Annual Report.

Trading History

The following table sets forth the high and low market prices for the Common Shares on the TSX and on the NYSE American for each full quarterly period within the two most recent fiscal years ended August 31st and any subsequent period:

PERIOD	TSX HIGH CDN$	TSX LOW CDN$	NYSE AMERICAN HIGH USD$	NYSE AMERICAN LOW USD$
2019				
Fourth Quarter	2.60	1.49	1.99	1.15
Third Quarter	2.89	1.71	2.17	1.25
Second Quarter	2.33	1.67	1.75	1.20
First Quarter	2.60	1.40	2.00	1.00
2018				
Fourth Quarter	0.17	0.12	0.13	0.10
Third Quarter	0.45	0.14	0.35	0.11
Second Quarter	0.72	0.36	0.58	0.28
First Quarter	0.89	0.40	0.72	0.32

The following table sets forth the high and low market prices of the Common Shares for the five most recent fiscal years ended August 31:

AUG. 31	TSX HIGH CDN$	TSX LOW CDN$	NYSE AMERICAN HIGH USD$	NYSE AMERICAN LOW USD$
2019				
2018	0.89	0.12	0.72	0.10
2017	3.97	0.64	3.08	0.51
2016	5.25	1.35	4.04	1.00
2015	1.19	0.32	1.08	0.24

The following table sets forth the high and low market prices for the most recent six months:

MONTH	TSX HIGH CDN$	TSX LOW CDN$	NYSE AMERICAN HIGH USD$	NYSE AMERICAN LOW USD$
October 2019	2.17	1.98	1.66	1.50
September 2019	2.50	1.95	1.89	1.47
August 2019	2.60	1.57	1.99	1.18
July 2019	2.02	1.77	1.53	1.32
June 2019	1.85	1.49	1.39	1.15
May 2019	1.95	1.71	1.45	1.25

The closing price of the Common Shares on November 25, 2019 was C$1.76 on the TSX and $1.33 on the NYSE American.

There have been no trading suspensions in the prior three years.

B. Plan of Distribution

Not applicable.

C. Markets

The Common Shares are listed on the TSX under the symbol "PTM" and on the NYSE American under the symbol "PLG".

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Incorporation

The Company was formed by way of an amalgamation of Platinum Group Metals Ltd. and New Millennium Metals Corporation on February 18, 2002 under the *Company Act* (British Columbia) pursuant to an order of the Supreme Court of British Columbia. The Company was transitioned to the BCBCA on January 25, 2005. The Company's British Columbia incorporation number is BC0642278.

Objects and Purposes

Neither the Notice of Articles nor the Articles of the Company contain a limitation on objects and purposes.

Directors

Part 17 of the Articles deals with the directors' involvement in transactions in which they have an interest. Article 17.2 provides that a director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

Pursuant to the BCBCA, a director does not have a disclosable interest in a contract or transaction merely because the contract or transaction relates to the remuneration of the director in that person's capacity as a director of the Company.

Part 8 of the Articles deals with borrowing powers. The Company, if authorized by the directors, may: (i) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate; (ii) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate; (iii) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and (iv) mortgage, charge (whether by way of specific or floating charge), grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

Qualifications of Directors

The Articles do not specify a retirement age for directors.

Directors are not required to own any Common Shares of the Company.

Section 124 of the BCBCA provides that an individual is not qualified to become or act as a director of a company if that individual is:

1. under the age of 18 years;
2. found by a court, in Canada or elsewhere, to be incapable of managing the individual's own affairs;
3. an undischarged bankrupt; or
4. convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation or unincorporated business, or of an offence involving fraud, unless:
    a. the court orders otherwise;
    b. 5 years have elapsed since the last to occur of:
        i. the expiration of the period set for suspension of the passing of sentence without a sentence having been passed;
        ii. the imposition of a fine;
        iii. the conclusion of the term of any imprisonment; and
        iv. the conclusion of the term of any probation imposed; or
    c. a pardon was granted or issued, or a record suspension ordered, under the *Criminal Records Act* (Canada) and the pardon or record suspension, as the case may be, has not been revoked or ceased to have effect.

A director who ceases to be qualified to act as a director of the Company must promptly resign.

Section 120 of the BCBCA provides that every company must have at least one director, and a public company must have at least three directors.

Rights, Preference and Restrictions

All of the shares in the authorized share structure of the Company are of the same class, being the Common Shares and, once issued, rank equally as to dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding up its affairs after the Company have paid out its liabilities. The issued Common Shares are not subject to call or assessment rights or any pre-emptive or conversion rights. The shareholders are entitled to one vote for each Common Share on all matters to be voted on by the shareholders. There are no provisions for redemption, purchase for cancellation, surrender or sinking funds, and there are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of Common Shares.

The rights of shareholders may be altered only with the approval of the holders of 2/3 or more of the Common Shares voted at a meeting of the Company's shareholders called and held in accordance with the Articles and applicable law.

Shareholder Meetings

The BCBCA provides that: (i) a general meeting of shareholders must be held in British Columbia, unless otherwise provided in the Company's Articles (and the Company's Articles provide that a meeting of shareholders may be held in or outside of British Columbia as determined by a resolution of the directors); (ii) the Company must hold an annual general meeting of shareholders not later than 15 months after the last preceding annual general meeting and once in every calendar year; (iii) for the purpose of determining shareholders entitled to receive notice of or vote at a meeting of shareholders, the directors may set a date as the record date for that determination, provided that such date shall not precede by more than 2 months (or, in the case of a general meeting requisitioned by shareholders under the BCBCA, by more than 4 months) or be less than 21 days before the date on which the meeting is to be held; (iv) a quorum for the transaction of business at a meeting of shareholders of the Company is the quorum established by the Articles (and the Company's Articles provide that the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting); (v) the holders of not less than five percent of the issued shares entitled to vote at a meeting may requisition the directors to call a meeting of shareholders for the purpose of transacting any business that may be transacted at a general meeting; and (vi) the Supreme Court of British Columbia (the "**Court**") may, on its own motion or on the application of the Company, upon the application of a director or the application of a shareholder entitled to vote at the meeting: (a) order that a meeting of shareholders be called, held and conducted in a manner that the Court considers appropriate; and (b) give directions it considers necessary as to the call, holding and conduct of the meeting.

Limitations on Ownership of Securities

Except as provided in the *Investment Canada Act*, there are no limitations specific to the rights of non-Canadians to hold or vote the Common Shares under the laws of Canada or British Columbia or in the Company's charter documents. See "Exchange Controls" below in this Annual Report for a discussion of the principal features of the *Investment Canada Act* for non-Canadian residents proposing to acquire the Common Shares.

Change in Control

There are no provisions in the Articles or charter documents that would have the effect of delaying, deferring or preventing a change in the control of the Company, or that would operate with respect to any proposed merger, acquisition or corporate restructuring involving its company or any of its subsidiaries.

Ownership Threshold

There are no provisions in the Articles requiring share ownership to be disclosed. Securities legislation in Canada requires that shareholder ownership (as well as ownership of an interest in, or right or obligation associated with, a related financial instrument of a security of the Company) must be disclosed once a person beneficially owns or has control or direction over, directly or indirectly, securities of a reporting issuer carrying more than 10% of the voting rights attached to all the reporting issuer's outstanding voting securities. This threshold is higher than the 5% threshold under U.S. securities legislation at which stockholders must report their share ownership.

Changes to Capital

There are no conditions imposed by the Articles governing changes in the rights of holders of Common Shares where such conditions are more significant than is required by the laws of British Columbia.

Description of Capital Structure

The Company's authorized share structure consists of an unlimited number of Common Shares without par value, of which 58,603,827 Common Shares were issued and outstanding as of the date of filing of this Annual Report. All of the issued Common Shares are fully paid. The Company does not own any of its Common Shares.

On July 10, 2012 the Company announced that its board of directors had approved the adoption of a shareholder rights plan dated July 9, 2012 (the "**Shareholder Rights Plan**") subject to shareholder approval, which was approved at the Company's annual general meeting held on January 8, 2013 and which shareholder approval was renewed at the Company's Annual General Meeting held on February 26, 2016. The Shareholders Rights Plan continued in force up to the end of the Company's annual general meeting of shareholders dated February 22, 2019, at which meeting a further shareholder approval was not sought. As a result, the Shareholders Rights Plan was terminated and is no longer in force or effect.

C. Material Contracts

Neither the Company nor its subsidiaries has been a party within the two years immediately preceding the publication of this Annual Report to a contract that is material to the Company, except for (i) contracts entered into in the ordinary course of business, and (ii) contracts discussed elsewhere in this Annual Report.

D. Exchange Controls

Canada has no system of exchange controls. There are no Canadian governmental laws, decrees, or regulations relating to restrictions on the repatriation of capital or earnings of the Company to non-resident investors. There are no laws in Canada or exchange control restrictions affecting the remittance of dividends, profits, interest, royalties and other payments by the Company to non-resident holders of the Common Shares, except as discussed below under "Item 10.E. Taxation."

There are no limitations under the laws of Canada or in the organizing documents of the Company on the right of foreigners to hold or vote securities of the Company, except that the *Investment Canada Act* may require that a "non-Canadian" not acquire "control" of the Company without prior review and approval by the Minister of Innovation, Science and Economic Development. The acquisition of one-third or more of the voting shares of the Company would give rise a rebuttable presumption of the acquisition of control, and the acquisition of more than fifty percent of the voting shares of the Company would be deemed to be an acquisition of control. In addition, the *Investment Canada Act* provides the Canadian government with broad discretionary powers in relation to national security to review and potentially prohibit, condition or require the divestiture of, any investment in the Company by a non-Canadian, including non-control level investments. "Non-Canadian" generally means an individual who is neither a Canadian citizen nor a permanent resident of Canada within the meaning of the *Immigration and Refugee Protection Act* (Canada) who has been ordinarily resident in Canada for not more than one year after the time at which he or she first became eligible to apply for Canadian citizenship, or a corporation, partnership, trust or joint venture that is ultimately controlled by non-Canadians.

E. Taxation

Canadian Federal Income Tax Consequences

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") generally applicable to a beneficial holder of Common Shares who, at all relevant times, for the purposes of the Tax Act, deals at arm's length with the Company, is not affiliated with the Company, holds such Common Shares as capital property, is neither resident nor deemed to be resident in Canada, does not use or hold, and will not be deemed to use or hold, Common Shares in a business carried on in Canada, is a resident of the United States for purposes of the Canada-United States Income Tax Convention (1980) (the "**Canada-U.S. Tax Convention**"), and is a "qualifying person" within the meaning of the Canada-U.S. Tax Convention (each, a "**US Resident Holder**"). In some circumstances, persons deriving amounts through fiscally transparent entities (including limited liability companies) may be entitled to benefits under the Canada-U.S. Tax Convention. US Resident Holders are urged to consult their own tax advisors to determine their entitlement to benefits under the Canada-U.S. Tax Convention based on their particular circumstances.

Common Shares will generally be considered to be capital property to a US Resident Holder unless the US Resident Holder holds or uses the Common Shares or is deemed to hold or use the Common Shares in the course of carrying on a business of trading or dealing in securities or has acquired them or deemed to have acquired them in a transaction or transactions considered to be an adventure in the nature of trade.

This summary does not apply to a US Resident Holder (a) that is a "financial institution" for purposes of the mark to market rules contained in the Tax Act; (b) an interest in which is or would constitute a "tax shelter investment" as defined in the Tax Act; (c) that is a "specified financial institution" as defined in the Tax Act; (d) that is a corporation that does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada and that is or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Common Shares, controlled by a non-resident corporation for the purposes of the foreign affiliate dumping rules in Section 212.3 of the Tax Act; (e) that reports its "Canadian tax results" in a currency other than Canadian currency, all as defined in the Tax Act; (f) that is exempt from tax under the Tax Act; or (g) that has entered into, or will enter into, a "synthetic disposition arrangement" or a "derivative forward agreement" with respect to the Common Shares, as those terms are defined in the Tax Act. Such US Resident Holders should consult their own tax advisors with respect to their holding of Common Shares.

Special considerations, which are not discussed in this summary, may apply to a US Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere or an authorized foreign bank (as defined in the Tax Act). Such US Resident Holders should consult their own advisors.

This summary does not address the deductibility of interest by a US Resident Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Common Shares.

This summary is based upon the current provisions of the Tax Act and the Regulations in force as of the date hereof, specific proposals to amend the Tax Act and the Regulations (the "**Tax Proposals**") which have been announced by or on behalf the Minister of Finance (Canada) prior to the date hereof, the current provisions of the Canada-U.S. Tax Convention, and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that the Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the holding of Common Shares. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular US Resident Holder. US Resident Holders should consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.

Amounts Determined in Canadian Dollars

For purposes of the Tax Act, all amounts relating to the Common Shares must be expressed in Canadian dollars, including cost, adjusted cost base, proceeds of disposition, and dividends, and amounts denominated in U.S. dollars must be converted to Canadian dollars using single daily exchange rate published by the Bank of Canada on the particular date the particular amount arose, or such other rate of exchange as may be accepted by the CRA. US Resident Holders may therefore realize additional income or gain by virtue of changes in foreign exchange rates and are advised to consult with their own tax advisors in this regard. Currency tax issues are not discussed further in this summary.

Taxation of Dividends

Subject to an applicable international tax treaty or convention, dividends paid or credited, or deemed to be paid or credited, to a non-resident of Canada on the Common Shares will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend. Such rate is generally reduced under the Canada-U.S. Tax Convention to 15% if the beneficial owner of such dividend is a US Resident Holder. The rate of withholding tax is further reduced to 5% if the beneficial owner of such dividend is a US Resident Holder that is a company that owns, directly or indirectly, at least 10% of the voting stock of the Company. In addition, under the Canada-U.S. Tax Convention, dividends may be exempt from such Canadian withholding tax if paid to certain US Resident Holders that are qualifying religious, scientific, literary, educational, or charitable tax exempt organizations or qualifying trusts, companies, organizations, or arrangements operated exclusively to administer or provide pension, retirement, or employee benefits or benefits for the self-employed under one or more funds or plans established to provide pension or retirement benefits or other employee benefits that are exempt from tax in the United States and that have complied with specific administrative procedures.

Disposition of Common Shares

A US Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such US Resident Holder on a disposition of Common Shares, unless the Common Shares constitute "taxable Canadian property" (as defined in the Tax Act) of the US Resident Holder at the time of the disposition and are not "treaty-protected property" (as defined in the Tax Act) of the US Resident Holder at the time of the disposition.

Generally, as long as the Common Shares is then listed on a designated stock exchange (which currently includes the TSX and the NYSE American), the Common Shares will not constitute taxable Canadian property of a US Resident Holder, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (a) the US Resident Holder, persons with which the US Resident Holder does not deal at arm's length, partnerships whose members include, either directly or indirectly through one or more partnerships, the US Resident Holder or persons which do not deal at arm's length with the US Resident Holder, or any combination of them, owned 25% or more of the issued shares of any class or series of shares of the authorized share structure of the Company, and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly, from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of or interests in, or for civil law rights in, any such property (whether or not such property exists).

In the case of a US Holder, the Common Shares of such US Holder will generally constitute "treaty- protected property" for purposes of the Tax Act unless the value of the Common Shares is derived principally from real property situated in Canada. For this purpose, "real property" has the meaning that term has under the laws of Canada and includes any option or similar right in respect thereof and usufruct of real property, rights to explore for or to exploit mineral deposits, sources and other natural resources and rights to amounts computed by reference to the amount or value of production from such resources.

Taxation of Capital Gains and Losses

If the Common Shares are taxable Canadian property of a US Resident Holder and is not treaty-protected property of that US Resident Holder at the time of its disposition, that US Resident Holder will realize a capital gain (or incur a capital loss) equal to the amount by which the proceeds of disposition in respect of the Common Shares exceed (or are exceeded by) the aggregate of the adjusted cost base to the Resident Holder of such Common Shares immediately before the disposition and any reasonable expenses incurred for the purpose of making the disposition.

Generally, one half of any capital gain (a "taxable capital gain") realized by a US Resident Holder must be included in the US Resident Holder's income for the taxation year in which the disposition occurs. Subject to and in accordance with the provisions of the Tax Act, one half of any capital loss incurred by a Resident Holder (an "allowable capital loss") must generally be deducted from taxable capital gains realized by the Resident Holder in the taxation year in which the disposition occurs. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted in the three preceding taxation years or carried forward and deducted in any subsequent year against taxable capital gains realized in such years, in the circumstances and to the extent provided in the Tax Act.

US Resident Holders whose Common Shares are taxable Canadian property should consult their own advisors.

United States Federal Income Tax Considerations

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined herein) arising from and relating to the ownership and disposition of shares of Common Stock. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from or relating to the ownership and disposition of shares of Common Stock. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences to U.S. Holders of the ownership and disposition of shares of Common Stock. In addition, except as specifically set forth below, this summary does not discuss applicable income tax reporting requirements. Each prospective U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the ownership and disposition of shares of Common Stock.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "**IRS**") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the ownership and disposition of shares of Common Stock. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, or contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the conclusions described in this summary.

Scope of this Summary

Authorities

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Canada-U.S. Tax Convention, and U.S. court decisions that are available as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis, which could affect the U.S. federal income tax considerations described in this summary. Except as provided herein, this summary does not discuss the potential effects of any proposed legislation.

U.S. Holders

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of shares of Common Stock that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;

- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own shares of Common Stock as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) acquired shares of Common Stock in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold shares of Common Stock other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) are subject to the alternative minimum tax; (i) are required to accelerate the recognition of any item of gross income with respect to shares of Common Stock as a result of such income being recognized on an applicable financial statement; or (j) own or have owned or will own (directly, indirectly, or by attribution) 10% or more of the total combined voting power of the outstanding shares of the Company. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the U.S.; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold shares of Common Stock in connection with carrying on a business in Canada; (d) persons whose shares of Common Stock constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent establishment in Canada for the purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal net investment income, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the ownership and disposition of shares of Common Stock.

In particular, it is noted that the Company may be or may become a "controlled foreign corporation" for U.S. federal income tax purposes, and therefore, if a U.S. Holder is a U.S. shareholder owning 10% or more of the Company's voting stock directly, indirectly and/or under the applicable attribution rules, the U.S. federal income tax consequences to such U.S. Holder of owning shares of Common Stock may be significantly different than those described below in several respects. If a U.S. Holder owns 10% or more of the Company's voting stock directly, indirectly and/or under the applicable attribution rules, such holder should consult its own tax advisors regarding the U.S. federal income tax rules applicable to an investment in a controlled foreign corporation.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds shares of Common Stock, the U.S. federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such entity or owner. Partners (or other owners) of entities or arrangements that are classified as partnerships or as "pass-through" entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the ownership and disposition of shares of Common Stock.

Passive Foreign Investment Company Rules

PFIC Status of the Company

If the Company were to constitute a "passive foreign investment company" under the meaning of Section 1297 of the Code (a "**PFIC**", as defined below) for any year during a U.S. Holder's holding period, then certain potentially adverse rules may affect the U.S. federal income tax consequences to a U.S. Holder as a result of the acquisition, ownership and disposition of shares of Common Stock. Based on current business plans and financial expectations, the Company believes that it may be a PFIC for its current tax year ending August 31, 2020 and may be a PFIC in future tax years. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by the Company (or any subsidiary of the Company) concerning its PFIC status. Each U.S. Holder should consult its own tax advisors regarding the PFIC status of the Company and each subsidiary of the Company.

In any year in which the Company is classified as a PFIC, a U.S. Holder will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. In addition to penalties, a failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621 annually.

The Company generally will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the Company is passive income (the "**PFIC income test**") or (b) 50% or more of the value of the Company's assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "**PFIC asset test**"). "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all of a foreign corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in the ordinary course of its trade or business, and certain other requirements are satisfied.

For purposes of the PFIC income test and PFIC asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and PFIC asset test described above, and assuming certain other requirements are met, "passive income" does not include certain interest, dividends, rents, or royalties that are received or accrued by the Company from certain "related persons" (as defined in Section 954(d)(3) of the Code) also organized in Canada, to the extent such items are properly allocable to the income of such related person that is not passive income.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of the Company's direct or indirect equity interest in any company that is also a PFIC (a "**Subsidiary PFIC**"), and will generally be subject to U.S. federal income tax on their proportionate share of (a) any "excess distributions," as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by the Company or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of shares of Common Stock. Accordingly, U.S. Holders should be aware that they could be subject to tax under the PFIC rules even if no distributions are received and no redemptions or other dispositions of shares of Common Stock are made.

Default PFIC Rules Under Section 1291 of the Code

If the Company is a PFIC for any tax year during which a U.S. Holder owns shares of Common Stock, the U.S. federal income tax consequences to such U.S. Holder of the acquisition, ownership, and disposition of shares of Common Stock will depend on whether and when such U.S. Holder makes an election to treat the Company and each Subsidiary PFIC, if any, as a "qualified electing fund" or "**QEF**" under Section 1295 of the Code (a "**QEF Election**") or makes a mark-to-market election under Section 1296 of the Code (a "**Mark-to-Market Election**"). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "**Non-Electing U.S. Holder**."

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code (described below) with respect to: (a) any gain recognized on the sale or other taxable disposition of shares of Common Stock; and (b) any "excess distribution" received on the shares of Common Stock. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the shares of Common Stock, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of shares of Common Stock (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess distribution" received on shares of Common Stock or with respect to the stock of a Subsidiary PFIC, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the respective shares of Common Stock. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income (and not eligible for certain preferred rates). The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the Company is a PFIC for any tax year during which a Non-Electing U.S. Holder holds shares of Common Stock, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such shares of Common Stock were sold on the last day of the last tax year for which the Company was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which the holding period of its shares of Common Stock begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its shares of Common Stock. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, for any tax year in which the Company is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to the Company generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents "earnings and profits" of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the shares of Common Stock to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of shares of Common Stock.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the shares of Common Stock in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder's holding period for the shares of Common Stock, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such shares of Common Stock were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder makes a QEF Election but does not make a "purging" election to recognize gain as discussed in the preceding sentence, then such U.S. Holder shall be subject to the QEF Election rules and shall continue to be subject to tax under the rules of Section 1291 discussed above with respect to its shares of Common Stock. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which the Company qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that the Company will satisfy the record keeping requirements that apply to a QEF, or that the Company will supply U.S. Holders with information that such U.S. Holders are required to report under the QEF rules, in the event that the Company is a PFIC. Thus, U.S. Holders may not be able to make a QEF Election with respect to their shares of Common Stock. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if the Company does not provide the required information with regard to the Company or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules of Section 1291 of the Code discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the shares of Common Stock are marketable stock. The shares of Common Stock generally will be "marketable stock" if the shares of Common Stock are regularly traded on (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Each U.S. Holder should consult its own tax advisor in this regard.

A U.S. Holder that makes a Mark-to-Market Election with respect to its shares of Common Stock generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such shares of Common Stock. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the shares of Common Stock for which the Company is a PFIC and such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the shares of Common Stock.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the shares of Common Stock, as of the close of such tax year over (b) such U.S. Holder's adjusted tax basis in such shares of Common Stock. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the shares of Common Stock, over (b) the fair market value of such shares of Common Stock (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the shares of Common Stock to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of shares of Common Stock, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the Code and Treasury Regulations.

A U.S. Holder makes a Mark-to-Market Election by attaching a completed IRS Form 8621 to a timely filed United States federal income tax return. A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the shares of Common Stock cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the shares of Common Stock, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to avoid the application of the default rules of Section 1291 of the Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC to its shareholder.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of shares of Common Stock that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which shares of Common Stock are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses shares of Common Stock as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such shares of Common Stock.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with its own tax advisors regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of shares of Common Stock.

Ownership and Disposition of Shares of Common Stock to the Extent that the Passive Foreign Investment Company Rules Do Not Apply

The following discussion is subject, in its entirety, to the rules described above under the heading "Passive Foreign Investment Company Rules".

Distributions on Shares of Common Stock

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to an share of Common Stock will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the Company, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the shares of Common Stock and thereafter as gain from the sale or exchange of such shares of Common Stock. (See "Sale or Other Taxable Disposition of Shares of Common Stock" below). However, the Company does not intend to maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder therefore should assume that any distribution by the Company with respect to the shares of Common Stock will constitute ordinary dividend income. Dividends received on shares of Common Stock will not be eligible for the "dividends received deduction". Subject to applicable limitations and provided the Company is eligible for the benefits of the Canada-U.S. Tax Convention or the shares of Common Stock are readily tradable on a United States securities market, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC in the tax year of distribution or in the preceding tax year. If the Company is a PFIC, a dividend generally will be taxed to a U.S. Holder at ordinary income tax rates. The dividend rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Sale or Other Taxable Disposition of Shares of Common Stock

Upon the sale or other taxable disposition of shares of Common Stock, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder's tax basis in such shares of Common Stock sold or otherwise disposed of. A U.S. Holder's tax basis in shares of Common Stock generally will be such U.S. Holder's U.S. dollar cost for such shares of Common Stock. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the shares of Common Stock have been held for more than one year.

Preferential tax rates currently apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Considerations

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of shares of Common Stock, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the shares of Common Stock generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source". Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose. However, and subject to certain exceptions, a portion of the dividends paid by a foreign corporation will be treated as U.S. source income for U.S. foreign tax credit purposes, in proportion to its U.S. source earnings and profits, if U.S. persons own, directly or indirectly, 50 percent or more of the voting power or value of the foreign corporation's Common Shares. If a portion of any dividends paid with respect to the shares of Common Stock are treated as U.S. source income under these rules, it may limit the ability of a U.S. Holder to claim a foreign tax credit for Canadian withholding taxes imposed in respect of such dividend. In addition, the amount of a distribution with respect to the shares of Common Stock that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. With respect to gains recognized on the sale of stock of a foreign corporation by a U.S. Holder, such gains are generally treated as U.S. source for purposes of the foreign tax credit. These limitations are calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own U.S. tax advisors regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a non-U.S. entity. U.S. Holders may be subject to these reporting requirements unless their shares of Common Stock are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, shares of Common Stock will generally be subject to information reporting and backup withholding tax at the rate of 24% if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute an exhaustive description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Additional information relating to the Company may be found on SEDAR, the system for electronic document analysis and retrieval, at www.sedar.com and on EDGAR, the SEC's electronic data gathering, analysis and retrieval database, at www.sec.gov.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders.

Additional financial information is provided in the Company's Financial Statements and Management's Discussion and Analysis for the year ended August 31, 2019.

Copies of the above may be obtained, on the Company's website www.platinumgroupmetals.net; on the SEDAR website at www.sedar.com; on the SEC's EDGAR website at www.sec.gov; or by calling the Company's investor relations personnel at 604-899-5450.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

(a) Currency Risk

While the Company's financial statements are presented in U.S. dollars, the Company's functional currency is the Canadian dollar, the functional currency of the Company's subsidiaries is the South African Rand, and a significant portion of the Company's and its subsidiaries' expenses are incurred in Canadian dollars and South African Rand. Therefore, the Company is subject to currency risk with respect to changes in exchange rates among the U.S. dollar, Canadian dollar and South African Rand. The Company has not entered into any agreements or purchased any instruments to hedge its currency risks. A hypothetical 10% strengthening/weakening in the U.S. dollar versus the Canadian dollar and Rand would have given rise to a decrease/increase in net loss for the year ended August 31, 2019 of approximately $3.4 million (2018 - $6.8 million). For further information, see note 18 to the Company's financial statements.

(b) Interest Rate Risk

The Company has no primary exposure to interest rate risk through its borrowings under the 2019 Sprott Facility, which bears annual interest at 11.0 %, or through its outstanding Notes, which bear interest at an annual rate of 6 7/8%. The Company has no other material borrowing or interest rate risk.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

Not applicable.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Certain restrictions on the payment of dividends are described under Item 8.A.

ITEM 15. CONTROLS AND PROCEDURES

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 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 Chief Executive Officer and the Chief Financial Officer have evaluated the Company's disclosure controls and procedures as at August 31, 2019 through inquiry, review and testing, as well as by drawing upon their own relevant experience. The Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as at August 31, 2019.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, and evaluating the effectiveness of the Company's internal control over financial reporting as at each fiscal year end. Management has used the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") to evaluate the effectiveness of the Company's internal control over financial reporting as at August 31, 2019. Based on this evaluation, management has concluded that the Company's internal controls over financial reporting was effective as at August 31, 2019.

Changes in Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There has been no change in the Company's internal control over financial reporting during the year ended August 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Exemption from Section 404(b) of the Sarbanes-Oxley Act

Non-accelerated filers are exempt from Section 404(b) of the Sarbanes-Oxley Act, which generally requires public companies to provide an independent auditor attestation of management's assessment of the effectiveness of their internal control over financial reporting. The Company qualifies as a non-accelerated filer and therefore has not included an independent auditor attestation of management's assessment of the effectiveness of its internal control over financial reporting in this Annual Report or in its audited annual consolidated financial statements for the year ended August 31, 2019.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The board of directors has determined that there are two financial experts on the Company's Audit Committee: Iain McLean, director and Diana Walters, director. Mr. McLean has an M.B.A. from Harvard Business School and a B.Sc. (Eng.) in Mining from the Imperial College of Science and Technology (London, England). In addition to his education, Mr. McLean has gained relevant experience acting as the Chief Operating Officer of several private technology companies since 1995 and as the Vice President of Operations at Ballard Power Systems from 1993 to 1995. Ms. Walters has worked on the natural resources sector both as an investment banker and in operating roles. In addition, she gained extensive investment experience with both debt and equity through leadership roles at Credit Suisse, HSBC and other firms. Each of Mr. McLean and Ms. Walters is independent within the meaning of NYSE American listing standards.

ITEM 16B. CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics (the "**Code of Conduct**") that applies to all of its directors, officers and employees, including the Chief Executive Officer and Chief Financial Officer. The Code of Conduct includes provisions covering conflicts of interest, ethical conduct, compliance with applicable government laws, rules and regulations, disclosure in reports and documents filed with, or submitted to, the SEC, reporting of violations of the Code of Conduct and accountability for adherence to the Code of Conduct. A copy of the Code of Conduct is posted on the Company's website, at www.platinumgroupmetals.net.

The Company has not granted any waiver, including any implicit waiver, from a provision of the Code during the Company's most recently completed fiscal year ending August 31, 2019.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's current independent auditor, PricewaterhouseCoopers LLP, during the fiscal years ended August 31, 2019 and 2018 are set forth below in $:

	Year ended August 31, 2019 ($)	Year ended August 31, 2018 ($)
Audit Fees	206,767	324,828
Audit-Related Fees[(1)]	88,722	42,226
All Other Fees[(2)]	1,504	45,398
Total	296,996	412,512

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements, which are not included under the heading "Audit Fees".

(2) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees".

Pre-Approval Policies

The Audit Committee's pre-approval policies are described under Item 6.C. Board Practices.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

There were no purchases of equity securities by us or by any affiliated purchaser during the period covered by this Annual Report.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16G. CORPORATE GOVERNANCE

The Common Shares are listed for trading on the NYSE American. Section 110 of the NYSE American Company Guide permits the NYSE American to consider the laws, customs and practices of foreign issuers in relaxing certain NYSE American listing criteria, and to grant exemptions from NYSE American listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE American standards is as follows:

Shareholder Meeting Quorum Requirement: The NYSE American minimum quorum requirement for a shareholder meeting is one-third of the outstanding shares of common stock. In addition, a company listed on NYSE American is required to state its quorum requirement in its bylaws. The Company's quorum requirement is set forth in its articles. The Company's articles provide that a quorum for the transaction of business at any shareholders' meetings is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted thereat. However, if there is only one shareholder entitled to vote at a meeting of shareholders, the quorum is one person who is, or who represents by proxy, that shareholder. If within one-half hour from the time set for the holding of a shareholders' meeting, a quorum is not present, a meeting convened by requisition of the shareholders shall be dissolved. In any other case a meeting shall stand adjourned to the same day in the next week at the same time and place; and, if a quorum is not present within one-half hour from the time appointed for the adjourned meeting, the persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at such meeting shall constitute a quorum.

Proxy Delivery Requirement: NYSE American requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings and requires that these proxies be solicited pursuant to a proxy statement that conforms to the proxy rules of the U.S. Securities and Exchange Commission. The Company is a foreign private issuer as defined in Rule 3b-4 under the U.S. Securities Exchange Act of 1934, as amended, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of such Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

Shareholder Approval Requirements: NYSE American requires a listed company to obtain the approval of its shareholders for certain types of securities issuances, including private placements that may result in the issuance of Common Shares (or securities convertible into Common Shares) equal to 20% or more of presently outstanding shares for less than the greater of book or market value of the shares. In general, there is no such requirement under British Columbia law or under the policies of the Toronto Stock Exchange unless the transaction: materially affects control of the listed issuer; provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer, during any six-month period, and has not been negotiated at arm's length; or the transaction is a private placement for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction where the price per security is less than the market price (as such term is defined under Toronto Stock Exchange policies) but within the discounts allowable under Toronto Stock Exchange policies. The Company will seek a waiver from NYSE American's shareholder approval requirements in circumstances where the securities issuance does not trigger such a requirement under British Columbia law or under the policies of the Toronto Stock Exchange.

The foregoing is consistent with the laws, customs and practices in Canada.

ITEM 16H. MINE SAFETY DISCLOSURE

The Company was not the operator and did not have a subsidiary that was an operator of a coal or other mine, as defined in Section 3 of the Federal Mine Safety and Health Act of 1977, in the United States during the year ended August 31, 2019.

PART III

ITEM 17. FINANCIAL STATEMENTS

Not applicable

ITEM 18. FINANCIAL STATEMENTS

Following are the Company's Consolidated Financial Statements for the year ended August 31, 2019

Platinum Group Metals Ltd.

Consolidated Financial Statements
(*all amounts in thousands of United States Dollars unless otherwise noted*)

For the year ended August 31, 2019

Filed: November 25, 2019

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

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, 2019 and 2018, and the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows for each of the three years in the period ended August 31, 2019, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended August 31, 2019 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has significant amounts of debt payable without any current source of operating income. The Company also has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements 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 of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
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Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
November 25, 2019

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, 2019	August 31, 2018
ASSETS		
Current		
Cash	$ 5,550	$ 3,017
Restricted Cash - Waterberg	-	126
Marketable Securities (Note 4)	-	7,084
Amounts receivable	507	863
Prepaid expenses	298	226
Total current assets	**6,355**	**11,316**
Performance bonds and other assets	65	70
Exploration and evaluation assets (Note 5)	36,792	29,406
Property, plant and equipment	451	1,057
Total assets	**$ 43,663**	**$ 41,849**
LIABILITIES		
Current		
Accounts payable and other liabilities	$ 4,134	$ 3,572
Brokerage fees payable (Note 8)	2,775	-
Total current liabilities	**6,909**	**3,572**
Loans payable (Note 7,8)	18,785	42,291
Convertible notes (Note 9)	16,075	14,853
Warrant derivative (Note 11)	3,051	663
Total liabilities	**$ 44,820**	**$ 61,379**
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	$ 855,270	$ 818,454
Contributed surplus	26,777	25,950
Accumulated other comprehensive loss	(159,637)	(159,742)
Deficit	(739,018)	(715,344)
Total shareholders' deficit attributable to shareholders of Platinum Group Metals Ltd.	**(16,608)**	**(30,682)**
Non-controlling interest	15,451	11,152
Total shareholders' deficit	**(1,157)**	**(19,530)**
Total liabilities and shareholders' deficit	**$ 43,663**	**$ 41,849**

Going Concern (Note 1)
Contingencies and Commitments (Note 14)

Approved by the Board of Directors and authorized for issue on November 25, 2019

/s/ Iain McLean
Iain McLean, 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)

	Years Ended		
	August 31, 2019	**August 31, 2018**	**August 31, 2017**
Expenses			
General and administrative (Note 17)	$ 4,677	$ 6,084	$ 5,749
Interest	8,355	18,414	367
Foreign exchange loss (gain)	1,006	4,068	(4,563)
Share of joint venture expenditures - Lion Battery (Note 6)	595	-	-
Stock compensation expense (Note 10)	787	77	1,144
Closure, care and maintenance costs (recovery)	(509)	14,437	-
Impairment charge	-	-	589,162
	$ 14,911	$ 43,080	$ 591,859
Other Income			
Loss (Gain) on fair value derivatives and warrants (Note 9,11)	2,732	(3,726)	(2,081)
Loss on Asset Held for Sale	-	2,304	-
(Gain) Loss on fair value of marketable securities (Note 4)	(609)	105	-
Net finance income	(364)	(739)	(1,062)
Loss for the year before income taxes	$ 16,670	$ 41,024	$ 588,716
Deferred income tax expense	106	-	1,655
Loss for the year	$ 16,776	$ 41,024	$ 590,371
Items that may be subsequently reclassified to net loss:			
Currency translation adjustment	(105)	(6,350)	(59,086)
Tax impact of previously recorded to comprehensive loss	-	(15,527)	-
Comprehensive loss for the year	**$ 16,671**	**$ 19,147**	**$ 531,285**
Loss attributable to:			
Shareholders of Platinum Group Metals Ltd.	16,776	38,682	542,415
Non-controlling interests	-	2,342	47,956
	$ 16,776	$ 41,024	$ 590,371
Comprehensive loss attributable to:			
Shareholders of Platinum Group Metals Ltd.	$ 16,671	16,805	480,741
Non-controlling interests	-	2,342	50,544
	16,671	$ 19,147	$ 531,285
Basic and diluted loss per common share	$ 0.52	$ 2.03	$ 43.04
Weighted average number of common shares outstanding:			
Basic and diluted	32,534,646	19,053,144	12,601,908

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, 2016	**8,885,703**	**$ 714,190**	**$ 24,003**	**$ (232,179)**	**$ (125,245)**	**$ 380,769**	**$ 38,679**	**$ 419,448**
Stock based compensation	-	-	1,867	-	-	1,867	-	1,867
Share issuance - financing	5,731,375	88,774	-	-	-	88,774	-	88,774
Share issuance costs	-	(7,210)	-	-	-	(7,210)	-	(7,210)
Shares issued on conversion of convertible note	1,319	12	-	-	-	12	-	12
Shares issued for loan facilities	228,541	5,128	-	-	-	5,128	-	5,128
Transactions with non-controlling interest	-	-	-	-	43	43	(43)	-
Foreign currency translation adjustment	-	-	-	61,674	-	61,674	(2,588)	59,086
Net loss for the year	-	-	-	-	(542,415)	(542,415)	(47,956)	(590,371)
Balance August 31, 2017	**14,846,938**	**$ 800,894**	**$ 25,870**	**$ (170,505)**	**$ (667,617)**	**$ (11,358)**	**$ (11,908)**	**$ (23,266)**
Stock based compensation	-	-	80	-	-	80	-	80
Shares issued for interest on convertible note	1,001,987	1,416	-	-	-	1,416	-	1,416
Units issued - financing	13,254,486	18,557	-	-	-	18,557	-	18,557
Unit issuance costs	-	(2,413)	-	-	-	(2,413)	-	(2,413)
Non-controlling interest impact of the sale of Maseve	-	-	-	(11,114)	(7,690)	(18,804)	18,804	-
Equity impact from the partial sale of Waterberg	-	-	-	-	14,172	14,172	1,962	16,134
Contributions of Waterberg JV Co	-	-	-	-	-	-	4,636	4,636
Foreign currency translation adjustment	-	-	-	6,350	-	6,350	-	6,350
Tax impact from Waterberg and other equity transactions	-	-	-	15,527	(15,527)	-	-	-
Net loss for the year	-	-	-	-	(38,682)	(38,682)	(2,342)	(41,024)
Balance August 31, 2018	**29,103,411**	**$ 818,454**	**$ 25,950**	**$ (159,742)**	**$ (715,344)**	**$ (30,682)**	**$ 11,152**	**$ (19,530)**
IFRS 9 transition adoption on September 1, 2018[1]	-	-	-	-	(5,781)	(5,781)	-	(5,781)
Balance September 1, 2018 (restated)	**29,103,411**	**$ 818,454**	**$ 25,950**	**$ (159,742)**	**$ (721,125)**	**$ (36,463)**	**$ 11,152**	**$ (25,311)**
Stock based compensation	-	-	827	-	-	827	-	827
Shares issued for interest on convertible note	545,721	687	-	-	-	687		687
Share issuance - financing	27,077,885	35,024	-	-	-	35,024		35,024
Share issuance costs	-	(1,876)	-	-	-	(1,876)	-	(1,876)
Warrants exercised	1,048,770	1,981	-	-	-	1,981	-	1,981
Shares issued for loan facility	800,000	1,000	-	-	-	1,000	-	1,000
Contributions of Waterberg JV Co	-	-	-	-	(1,117)	(1,117)	4,299	3,182
Foreign currency								

translation adjustment	-	-	-	105	-	105	-	105
Net loss for the year	-	-	-	-	(16,776)	(16,776)	-	(16,776)
Balance August 31, 2019	**58,575,787**	**$ 855,270**	**$ 26,777**	**$ (159,637)**	**$ (739,018)**	**$ (16,608)**	**$ 15,451**	**$ (1,157)**

[1] See Note 2 and Note 8 below for details.

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, 2019	**August 31, 2018**	**August 31, 2017**
OPERATING ACTIVITIES			
Loss for the year	$ (16,776)	$ (41,024)	$ (590,371)
Add items not affecting cash:			
Depreciation	235	347	535
Interest expense	8,355	18,414	367
Unrealized foreign exchange gain (loss)	13	(65)	(324)
Share of joint venture expenditures	595	-	-
Loss on assets held for sale	-	2,305	-
Gain (Loss) on fair value of convertible debt derivatives	2,732	(3,726)	(2,081)
(Gain) Loss on marketable securities	(609)	105	-
Deferred tax expense	106	-	1,656
Stock compensation expense	787	77	1,144
Impairment charge	-	-	589,162
Net change in non-cash working capital (Note 15)	(390)	209	2,533
	$ (4,952)	$ (23,358)	$ 2,621
FINANCING ACTIVITIES			
Share issuance - warrant exercise	$ 1,783	$ -	$ -
Proceeds from issuance of equity	25,024	19,882	88,774
Equity issuance costs	(1,876)	(2,562)	(7,210)
Cash received from sale of Maseve	-	62,000	-
Cash proceeds convertible note	-	-	20,000
Costs associated with convertible note	-	(95)	(249)
Convertible note interest paid	(687)	-	-
Cash proceeds from debt	20,000	10,000	5,000
Costs associated with debt	(228)	(866)	(224)
Sprott principal repayments	-	(50,000)	(5,000)
Sprott interest paid	(73)	(3,401)	(3,938)
Repayment of Liberty debt and production payment termination	(41,023)	(23,163)	-
Interest capitalized on debt proceeds	-	-	67
Cash received from Waterberg partners (Note 15)	3,522	2,756	-
	6,442	14,551	$ 97,220
INVESTING ACTIVITIES			
Proceeds from partial sale of interest in Waterberg	$ -	$ 16,124	$ -
Fees paid on asset held for sale	-	(1,000)	-
Transfer to restricted cash (Waterberg)	-	(5,000)	-
Expenditures from restricted cash (Waterberg)	126	4,874	-
Investment in Lion Battery	(554)	-	-
Acquisition of property, plant and equipment	-	-	(134,488)
Cash received from sale of marketable securities	7,951	-	-
Proceeds from the sale of concentrate	-	2,016	16,609
Performance bonds	19	-	(600)
Waterberg exploration expenditures	(6,990)	(9,125)	-
	552	7,889	$ (118,479)
Net decrease in cash and cash equivalents	2,042	(918)	(18,638)
Effect of foreign exchange on cash and cash equivalents	491	521	5,602
Cash and cash equivalents, beginning of year	**3,017**	**3,414**	**16,450**
Cash and cash equivalents, end of year	**$ 5,550**	**$ 3,017**	**$ 3,414**

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

(in thousands of United States Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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 ("**TSX**") in Canada and the NYSE American LLC ("**NYSE American**") in the United States (formerly the NYSE MKT LLC). The Company's address is Suite 838-1100 Melville Street, Vancouver, British Columbia, V6E 4A6.

The Company is an exploration and development company conducting work on mineral properties it has staked or acquired by way of option agreements in the Republic of South Africa.

These financial statements consolidate the accounts of the Company and its subsidiaries. The Company's subsidiaries, associates and joint ventures (collectively with the Company, the "**Group**") as at August 31, 2019 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			August 31, 2019	August 31, 2018
Platinum Group Metals (RSA) (Pty) Ltd.	Exploration	South Africa	100.0%	100.0%
Mnombo Wethu Consultants (Pty) Limited.[1]	Exploration	South Africa	49.9%	49.9%
Waterberg JV Resources (Pty) Ltd.[2]	Exploration	South Africa	37.05%	37.05%
Lion Battery Technologies Inc.[3]	Research	Canada	57.69%	N/A

[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 Resources (Pty) Ltd. Is 63.05% when Mnombo's ownership portion is combined with Platinum Group Metals (RSA) (Pty) Ltd ownership portion.

[3]Lion Battery Technologies is accounted for using the equity method as the Company jointly controls the investee despite having the majority of the shares.

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") applicable to a going concern which contemplates that the Company will be able to realize its assets and settle its liabilities in the normal course as they come due for the foreseeable future. During the year the Company incurred a loss of $16.8 million and used cash in operating activities of $5.0 million. The Company had a working capital deficit of $0.5 million at August 31, 2019. At August 31, 2019, the Company was also indebted $20 million pursuant to the Sprott Loan Facility (as defined below). This debt is due August 21, 2021 with the Company holding the option to extend the maturity date by one year in exchange for a payment in common shares or cash of three percent of the outstanding principal amount. Additional payments/interest are also due on the convertible debt (which can be paid with shares of the Company). The Company currently has limited financial resources and has no sources of operating income at present.

The Company's ability to continue operations in the normal course of business will therefore depend upon its ability to secure additional funding by methods that could include debt refinancing, equity financing, the exercise of warrants, sale of assets and strategic partnerships. Management believes the Company will be able to secure further funding as required although there can be no assurance that these efforts will be successful. Nonetheless, there exist material uncertainties resulting in substantial doubt as to the ability of the Company to continue to meet its obligations as they come due and hence, the ultimate appropriateness of the use of accounting principals applicable to a going concern.

These consolidated financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments would be required to the carrying value of assets and liabilities, the expenses, the reported comprehensive loss and balance sheet classifications used that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the Handbook of the Canadian Institute of Chartered Professional Accountants, in accordance with IFRS, as issued by the International Accounting Standards Board ("**IASB**"), applicable to the preparation of consolidated financial statements and in accordance with accounting policies based on IFRS standards and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations. 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 except for the adoption of IFRS 9, *Financial Instruments,* ("**IFRS 9**") effective for the 2019 fiscal year, (see Note 8 for further details of IFRS 9 implementation).

Significant Accounting Polices

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

a. Consolidation

The consolidated financial statements include those of the Company, its subsidiaries, associates, 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 ceases.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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:	R15.2099 (2018 R14.6883)
Year average rate:	R14.3314 (2018 R12.9572)

CAD/USD
Year-end rate: C$1.3295 (2018 C$1.3055)
Year average rate: C$1.3255 (2018 C$1.2776)

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 period-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 period; 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 Battery Technologies Inc. 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. Parties to a joint operation account for their share of assets, liabilities, revenues and expenses in accordance with their contractual rights and obligations.

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. Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits, which are readily convertible to cash and have original maturities of 90 days or less.

f. Marketable Securities

Marketable Securities represented common shares of Johannesburg Stock Exchange listed Royal Bafokeng Platinum Ltd. ("**RBPlats**") received from the sale of the Company's interest in Maseve Investments 11 (Pty) Ltd. ("**Maseve**"), which owned and operated the Maseve Mine. While these shares were held in escrow prior to phase 2 of the Maseve sale to RBPlats being completed (the "**Maseve Sale Transaction**") in April 2018, all changes in value were recorded in 'Loss on Asset Held for Sale.' Following the completion of phase 2 of the Maseve Sale Transaction all changes in value of the shares were recorded in 'Loss on Fair Value of Marketable Securities.'

g. Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation activity includes:

- acquiring the rights to explore;
- researching and analyzing historical exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- surveying transportation and infrastructure requirements; and
- compiling pre-feasibility and feasibility studies.

Exploration and evaluation expenditures on identifiable properties are capitalized. Exploration and evaluation assets are shown separately until technical feasibility and commercial viability is achieved at which point the relevant asset is transferred to development assets under property, plant and equipment. Capitalized costs are all considered to be tangible assets as they form part of the underlying mineral property.

Capitalized exploration and evaluation assets are reviewed for impairment when facts or circumstances suggest an asset's carrying amount may exceed its recoverable amount. If impairment is considered to exist, the related asset is written down to the greater of its value in use and its fair value less costs to sell.

h. 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.

Costs incurred for new construction, mine development, and major overhauls of existing equipment are capitalized as property, plant and equipment and are subject to depreciation once they are put into use. The costs of routine maintenance and repairs are expensed as incurred.

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 "exploration and evaluation assets". Capitalization of costs incurred and revenue received during commissioning ceases when the property is capable of operating at levels intended by management.

The present value of the decommissioning cost, which is the dismantling and removal of the asset included in the environmental rehabilitation obligation, is included in the cost of the related preproduction assets. These assets are depreciated over their useful lives.

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.

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. Property, plant and equipment are recorded at cost and are depreciated on a straight-line basis over the following periods:

Mining equipment	2 - 22 years
Vehicles	3 - 5 years
Computer equipment and software	3 - 5 years
Furniture and fixtures	5 years

i. Impairment

Long-lived 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 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.

Long-lived assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

j. 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.

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

k. 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.

l. Warrants

As the exercise price of certain of the Company's share purchase warrants is fixed in US Dollar, and the functional currency of the Company is the Canadian Dollar, these warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these share purchase warrants are classified and accounted for as a derivative liability. The fair value of the warrants is determined by the market price at end of the relevant period or year.

m. 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.

n. 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 ("RSU") represent an entitlement to one common share of the Corporation, 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. Upon redemption of the RSU, the liability is transferred to share capital.

Deferred share units

Deferred share units ("**DSU's**") are measured at fair value on grant date. The expense for DSU's is recognized over the vesting period. DSU's can only be redeemed in cash and are adjusted at each financial position reporting date for changes in fair value until such time when the directors retire from all positions with the Company.

o. 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 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.

p. 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.

q. Financial instruments (since September 1, 2018)

The Company adopted all of the requirements of IFRS 9 as of September 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("**IAS 39**"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model.

Upon the adoption of IFRS 9, the Company did not restate prior periods, but has recognized the effects of the modified retrospective application at the beginning of the fiscal 2019 reporting period, which is the date of initial application. Therefore, on September 1, 2018 the adoption of IFRS 9 resulted in a decrease in deficit of $5.8 million with a corresponding increase in the carrying value of the LMM Facility for the same amount. See Note 8 for further details.

The following is the Company's new accounting policy for financial instruments since adoption of IFRS 9 on September 1, 2018:

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.

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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.

(in thousands of United States Dollars)

The original measurement categories under IAS 39 and the new measurement categories under IFRS 9 are summarized in the following table:

	Original (IAS 39)	New (IFRS 9)
Financial Assets:		
Cash	Loans and receivables	Amortized cost
Marketable securities	Available for sale (designated to profit and loss)	Fair value through profit or loss
Accounts receivable	Loans and receivables	Amortized cost
Financial Liabilities:		
Accounts payable	Other liabilities	Amortized cost
Brokerage fees payable	Other liabilities	Amortized cost
Loan payable	Amortized cost	Amortized cost
Convertible debenture	Other financial liabilities	Other financial liabilities
Convertible debenture derivative	Fair value through profit or loss	Fair value through profit or loss
Warrants	Fair value through profit or loss	Fair value through profit or loss

IFRS established a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 – Quoted prices in active markets for the same instrument. classified
- Level 2 – Valuation techniques for which significant inputs are based on observable market data.
- Level 3 – Valuation techniques for which any significant input is not based on observable market data.

r. Financial Instruments (prior to September 1, 2018)

In the previous comparable year, the carrying value of marketable securities was based on the quoted market prices of the shares as at August 31, 2018 and was therefore considered to be Level 1 as the Company anticipated disposing of these shares within the following fiscal year.

(i) Financial assets and liabilities

Loans and receivables – Loans and receivables comprised of cash and cash equivalents, amounts receivable and performance bonds. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They were classified as current assets or non-current assets based on their maturity date. Loans and receivables were initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities were classified as either financial liabilities or at fair value through profit or loss.

Financial liabilities - Other financial liabilities were initially measured at fair value, net of transaction costs and were subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company had classified accounts payable, accrued liabilities and the debt portion of the convertible notes as other financial liabilities.

Fair value through profit or loss - The Company had classified the convertible note derivative as fair value through profit or loss and adjusted the fair value each quarter.

(ii) Impairment of financial assets

The Company assessed at each reporting date whether there is objective evidence that a financial asset or a group of financial assets was impaired. Impairment losses on financial assets carried at amortized cost were reversed in subsequent periods if the amount of the loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognized.

s. Future accounting changes

Recently Issued Accounting Pronouncements

The following new accounting standards, amendments and interpretations, that have not been early adopted in these consolidated financial statements, will or may have an effect on the Company's future results and financial position:

(i) IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16. IFRS 16 sets out the principals for the recognition, measurement, presentation and disclosure of lases for both parties to a contract, which is the customer ("**lessee**") and the supplier ("**lessor**"). IFRS 16 replaces IAS 17, *Leases* and related interpretations. Save for limited exceptions, all leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

i) Assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value; and
ii) Depreciation of lease assets separately from interest on lease liabilities in the statement of income.

The new standard is effective for annual periods beginning on or after January 1, 2019. As the Company's year end is August 31st, the first effective year will be fiscal 2020. The adoption of this standard will not have a significant impact on the financial statements of the Company based on its current leasing activity at August 31, 2019 however the Company anticipates an increase in property plant and equipment and the creation of a lease liability for approximately $0.5 million.

3. Significant accounting judgments 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:

- Fair value of embedded derivatives including convertible debt derivative and warrants
- Determination of ore reserves and mineral resource estimates
- Assumption of control of Mnombo for accounting purposes
- Deferred tax assets and liabilities and resource taxes

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

Fair value of embedded derivatives

Where the fair value of financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using valuation techniques including the partial differential equation method. The inputs to this model are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible.

Determination of ore reserve and mineral resource estimates

The Company estimates its ore reserves and mineral resources based on information compiled by Qualified Persons as defined by NI 43-101. Reserves determined in this way are used in the calculation of depreciation, amortization and impairment charges, and for forecasting the timing of the payment of close down and restoration costs. In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation and they may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in reserves being restated. Such changes in reserves could impact depreciation and amortization rates, asset carrying values and provisions for close down and restoration costs.

Assumption of control of Mnombo and Waterberg JV Resources 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 50.01% shareholders are historically disadvantaged South Africans. The Company also determined that it controls Waterberg JV Resources given its control over Mnombo as well as its power over the investee.

Deferred tax assets and liabilities and resource taxes

The determination of our future tax liabilities and assets involves significant management estimation and judgment involving a number of assumptions. In determining these amounts the Company interprets tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of future tax assets and liabilities. We also make estimates of our future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessment by various taxation authorities, which may interpret tax legislation in a manner different from our view. These differences may affect the final amount or the timing of the payment of taxes. When such differences arise, we make provision for such items based on our best estimate of the final outcome of these matters.

(in thousands of United States Dollars)

4. MARKETABLE SECURITIES

As part of the Company's consideration for the sale of its interests in Maseve pursuant to the Maseve Sale Transaction, the Company received 4,524,279 common shares of RBPlats. While these marketable securities were owned by the Company they were designated as fair value through profit and loss ("**FVTPL**") with changes in fair value recorded through profit or loss. On December 14, 2018, the Company sold these shares for $7.8 million and realized a gain of $609 in fiscal 2019 (December 31, 2018 - $105 loss).

5. EXPLORATION AND EVALUATION ASSETS

Since mid-2015, the Company's only active exploration project has been the Waterberg Project located on the North Limb of the Western Bushveld Complex. Total capitalized exploration and evaluation expenditures for all exploration properties held by the Company are as follows:

Balance, August 31, 2017	**$**	**22,900**
Additions		9,096
Foreign exchange movement		(2,590)
Balance, August 31, 2018	**$**	**29,406**
Additions		8,362
Foreign exchange movement		(976)
Balance, August 31, 2019	**$**	**36,792**

Waterberg

The Waterberg Project consists of adjacent, granted and applied-for prospecting rights and applied for mining rights with a combined active project area of approximately 99,244.79 ha, located on the Northern Limb of the Bushveld Complex, approximately 85 km north of the town of Mokopane (formerly Potgietersrus). The Waterberg Project is comprised of the former Waterberg JV Property and the Waterberg Extension Property.

On August 21, 2017, PTM RSA completed the cession of legal title for all Waterberg Project prospecting rights into Waterberg JV Co. after earlier receiving Section 11 approval of the 2nd Amendment (defined below). On September 21, 2017, Waterberg JV Co. also 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., the Japan Oil, Gas and Metals National Corporation ("**JOGMEC**") holding a 28.35% interest and Mnombo, as the Company's Black Economic Empowerment ("**BEE**") partner, holding 26%.

Implats Transaction

On November 6, 2017, the Company closed a transaction (the "**Implats Transaction**"), originally announced on October 16, 2017, whereby Impala Platinum Holdings Ltd. ("**Implats**"):

a) Purchased an aggregate 15.0% equity interest in Waterberg JV Co (the "**Initial Purchase**") 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. From its $17.2 million in proceeds, the Company committed $5.0 million towards its pro rata share of remaining DFS costs, which was held as restricted cash with no balance remaining as at August 31, 2019 ($0.1 million remaining at August 31, 2018). Implats has contributed its 15.0% pro rata share of Definitive Feasibility Study ("**DFS**") costs to date. Following the Initial Purchase, the Company held a direct 37.05% equity interest, JOGMEC held a 21.95% equity interest and Black Economic Empowerment partner Mnombo maintained a 26.0% equity interest. The Company holds a 49.9% interest in Mnombo, bringing its overall direct and indirect ownership in Waterberg JV Co. to 50.02%.

b) Acquired an option (the "**Purchase and Development Option**") whereby upon completion and approval by Waterberg JV Co. or Implats of the DFS, Implats will have a right within 90 business days to exercise an option to increase its interest to up to 50.01% in Waterberg JV Co. If Implats exercises the Purchase and Development Option, Implats would commit to purchase an additional 12.195% equity interest in Waterberg JV Co. from JOGMEC for $34.8 million and commit to an expenditure of $130.2 million in development work.

Following an election to go to a 50.01% project interest as described above, Implats will have another 90 business days to confirm the salient terms of a development and mining financing for the Waterberg Project. After exercising the Purchase and Development Option, Implats will control Waterberg JV Co.

Should Implats complete the increase of its interest in Waterberg JV Co. to 50.01% pursuant to the Purchase and Development Option, the Company would retain a 31.96% direct and indirect interest in Waterberg JV Co. and following completion of Implats' earn-in spending all of the project partners would be required to participate pro-rata. The transaction agreements also provide for the transfer of equity and the issuance of additional equity to one or more broad based black empowerment partners, at fair value.

If Implats does not elect to complete the Purchase and Development Option, Implats will retain a 15.0% project interest and the Company will retain a 50.02% direct and indirect interest in the project.

c) Acquired a right of first refusal to enter into an offtake agreement, on commercial arms-length terms, for the smelting and refining of mineral products from the Waterberg Project. JOGMEC will retain a right to receive platinum, palladium, rhodium, gold, ruthenium, iridium, copper and nickel in refined mineral products at the volume produced from the Waterberg Project.

Acquisition and Development of the Property

In October 2009, PTM RSA, JOGMEC and Mnombo entered into a joint venture agreement with regard to the Waterberg Project (the "**JOGMEC Agreement**"). Under the terms of the JOGMEC Agreement, in April 2012, 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 were covered by the Company and subsequent expenditures on the non-JV property are still owed to the Company ($4.5 million at August 31, 2019). The portion of Mnombo not owned by the Company is accounted for as a non-controlling interest, calculated at $6.9 million at August 31, 2019 ($5.8 million - August 31, 2018).

On May 26, 2015, the Company announced a second amendment (the "**2nd Amendment**") to the existing JOGMEC Agreement. Under the terms of the 2nd Amendment the Waterberg JV and Waterberg Extension properties are to be combined and contributed into the newly created operating company Waterberg JV Co. On August 3, 2017, the Company received Section 11 transfer approval from the South African Department of Mineral Resources ("**DMR**") and title to all of the Waterberg prospecting rights held by the Company were ceded into Waterberg JV Co. on September 21, 2017.

Under the 2nd Amendment, JOGMEC committed to fund $20 million in expenditures over a three-year period ending March 31, 2018. This requirement was completed by $8 million in funding from JOGMEC to March 31, 2016, followed by two $6 million tranches funded by JOGMEC in each of the following two 12-month periods ending March 31, 2018.

To August 31, 2019 an aggregate total of $70.4 million has been funded by all parties on exploration and engineering on the Waterberg Project. Up until the Waterberg property was transferred to Waterberg JV Company, all costs incurred by other parties were treated as recoveries.

6. LION BATTERY

On July 15, 2019 the Company announced that Anglo American Platinum Limited ("Anglo American Platinum") and itself had launched a new company named Lion Battery Technologies Inc. ("**Lion**"). Lion was formed to research battery technology using platinum and palladium. Lion has entered into an agreement with Florida International University ("**FIU**") to fund a $3.0 million research program over approximately three years. Under the agreement with FIU, Lion will have exclusive rights to all intellectual property developed and will lead all commercialization efforts. Lion is also currently reviewing several additional and complementary opportunities focused on developing next-generation battery technology using platinum and palladium.

During the year the Company and Anglo American Platinum each invested $550 into Lion in exchange for 1,100,000 Lion preferred shares each at a price of $0.50 per share. In addition, the Company invested $4 as the original founder of Lion in exchange for 400,000 common shares of Lion at a price of $0.01 per share. Both the Company and Anglo American Platinum have agreed together to invest up to a total of $4.0 million, subject to certain conditions, in exchange for preferred shares of Lion at a price of $0.50 per share over an approximate three to four year period. The Company accounts for Lion using equity accounting as the Company is jointly controlled with Anglo American Platinum. Lion pays a fee of $3 per month to the Company for general and administrative services.

7. SPROTT LOAN

On August 15, 2019 the Company announced it had entered into a credit agreement with Sprott Private Resource Lending II (Collector), LP ("**Sprott**") and other lenders party thereto (the "**Sprott Lenders**") pursuant to which the Sprott Lenders advanced $20.0 million principal senior secured credit facility ("**Sprott Facility**"). The loan was drawn August 21, 2019 and is due August 21, 2021 with the Company holding the option to extend the maturity date by one year in exchange for a payment in common shares or cash of three percent of the outstanding principal amount. All amounts outstanding will be charged interest of 11% per annum compounded monthly. Interest payments will be made monthly with interest of $73 having been paid to Sprott during fiscal 2019.

The Company is required to maintain certain minimum working capital and cash balances under the Sprott loan and are in compliance with these covenants at year end.

All fees directly attributable to the Sprott Facility were capitalized against the loan balance and amortized using the effective interest method over the life of the loan. In connection with the advance the Company issued Sprott 800,000 common shares worth $1,000. Additional fees of $225 were also incurred. Effective interest of $83 was also recognized during fiscal 2019.

8. LIBERTY METALS & MINING LOAN FACILITY

On November 20, 2015, the Company drew down a $40 million loan facility (the "**LMM Facility**") pursuant to a credit agreement (the "**LMM Credit Agreement**") entered into on November 2, 2015 with a significant shareholder, Liberty Metals & Mining Holdings, LLC ("**LMM**"), a subsidiary of Liberty Mutual Insurance. The LMM Facility bears interest at LIBOR plus 9.5%. LMM held the first lien position on (i) the shares of PTM (RSA) held by the Company and (ii) all current and future assets of the Company. Pursuant to the LMM Credit Agreement the Company also entered into a life of mine Production Payment Agreement ("**PPA**") with LMM.

During fiscal 2018 the Company made payments to Liberty totalling $23.1 million. These payments first settled the production payment termination accrual of $15 million. The remaining $8.1 million was then applied against the loan and accrued interest owing.

On January 11, 2019 the Company repaid a further $8.0 million to Liberty from the proceeds of sale of its RBPlats shares, (see Note 4 for further details). On August 21, 2019 the $43.0 million outstanding balance of the LMM Facility was repaid in full. A portion of the repayment was funded by Liberty's August 21, 2019 subscription in a private placement for 7,575,758 shares at US$1.32 for total proceeds of $10 million.

Brokerage Fees Payble

There were certain deferred brokerage fees related to the Maseve Sale Transaction and the Implats Transaction that became payable as soon as practicable after the Company repaid the LMM Facility. The outstanding amount payable of $2,775 has been reclassified to current liabilities subsequent to the repayment of the LMM Facility on August 21, 2019.

Effect of IFRS 9 on the LMM Facility

The LLM Credit Agreement had multiple amendments. Under IAS 39, when an entity makes an amendment it must decide whether the modification was significant enough to constitute an extinguishment. If the modification was considered an extinguishment of the initial debt, the new modified debt is recorded at fair value and a gain/loss recognized in income for the difference between the carrying amount of the 'old' debt and the 'new' debt. This extinguishment accounting remains the same under IFRS 9.

However, accounting under the newly adopted IFRS 9 differs where the change was not significant enough to be an extinguishment. Under IAS 39, modifications would not lead to an immediate income change because the entity would typically discount the cash flows of the modified debt at a revised effective interest rate. However, under IFRS 9, the cash flows under the modified debt should be rediscounted at the original effective interest rate. This leads to an immediate income charge on the date of the modification.

Effective September 1, 2018 the Company adopted IFRS 9 which was applied to the LMM Facility retrospectively without restating prior periods. The implementation of IFRS 9 resulted in an increase in the carrying value of $5.8 million with a corresponding decrease in deficit also being recognized.

9. CONVERTIBLE NOTES

On June 30, 2017, the Company closed a private placement of $20 million aggregate principal amount of convertible senior subordinated notes ("**Convertible Notes**") due 2022. The Convertible Notes bear interest at a rate of 6 7/8% per annum, payable semi-annually on January 1 and July 1 of each year, beginning on January 1, 2018, in cash or at the election of the Company, in common shares of the Company or a combination of cash and Common Shares, and will mature on July 1, 2022, unless earlier repurchased, redeemed or converted. An additional interest charge of 0.25% for the period January 1, 2018 to March 31, 2018, plus a further 0.25% for the period April 1, 2018 to July 1, 2018, was added to the coupon rate of the Convertible Notes at the Company's election to not file a prospectus and a registration statement for the Convertible Notes with Canadian securities regulatory authorities and with the U.S. Securities and Exchange Commission. After July 1, 2018, at which time the Convertible Notes became freely tradable by holders other than affiliates, the Convertible Notes once again bear interest at the coupon rate of 6 7/8% per annum.

Upon maturity the Convertible Notes are to be settled by the Company in cash. The Convertible Notes are convertible at any time prior to maturity at the option of the holder, and conversion may be settled, at the Company's election, in cash, Common Shares, or a combination of cash and Common Shares. If any Convertible Notes are converted on or prior to the three and one half year anniversary of the issuance date, the holder of the Convertible Notes will also be entitled to receive an amount equal to the remaining interest payments on the converted notes to the three and one half year anniversary of the issuance date, discounted by 2%, payable in Common Shares. The initial conversion rate of the Convertible Notes will be 1,001.1112 Common Shares per $1,000 principal amount of Convertible Notes, which is equivalent to an initial conversion price of approximately $0.9989 per Common Share, representing a conversion premium of approximately 15% above the NYSE American closing sale price for the Company's Common Shares of $0.8686 per share on June 27, 2017. After giving effect to the December 13, 2018 share consolidation, the conversion rate is 100.1111 per US$1,000 which is equivalent to a conversion price of approximately $9.989 per common share.

(in thousands of United States Dollars)

The Convertible Notes contain multiple embedded derivatives (the "**Convertible Note Derivatives**") relating to the conversion and redemption options. The Convertible Note Derivatives were valued upon initial recognition at fair value using partial differential equation methods at $5,381 (see below). At inception, the debt portion of the Convertible Notes were reduced by the estimated fair value of the Convertible Note Derivatives of $5,381 and transaction costs relating to the Convertible Notes of $1,049 resulting in an opening balance of $13,570. The Convertible Notes are measured at amortized cost and will be accreted to maturity over the term using the effective interest method.

On January 2, 2018, the Company issued 244,063 common shares in settlement of $691 of bi-annual interest payable on $19.99 million of outstanding Convertible Notes.

On July 3, 2018, the Company issued 757,924 common shares in settlement of $724 of bi-annual interest payable on $19.99 million of outstanding Convertible Notes.

On January 2, 2019 the Company issued 545,721 common shares in settlement of $687 of bi-annual interest payable on $19.99 million of outstanding Convertible Notes.

On July 1, 2019 the Company paid $687 of bi-annual interest payable on outstanding Convertible Notes.

The components of the Convertible Notes are as follows:

Convertible Note balance August 31, 2017	$	13,925
Transaction costs incurred during the year		(95)
Interest payments		(1,416)
Accretion and interest incurred during the year		2,378
Debt portion of the Convertible Notes August 31, 2018		14,792
Embedded Derivatives balance August 31, 2018 (see below)		61
Convertible Note balance August 31, 2018	$	14,853
Transactions costs incurred		(79)
Interest payments		(1,374)
Accretion and interest incurred during the year		2,487
Embedded Derivatives balance August 31, 2019 (see below)		188
Convertible Note balance August 31, 2019	$	16,075

Embedded Derivatives

The Convertible Note Derivatives were valued upon initial recognition at a fair value of $5,381 using partial differential equation methods and is subsequently re-measured at fair value at each period-end through the consolidated statement of net loss and comprehensive loss. The fair value of the Convertible Note Derivatives was measured at $61 at August 31, 2018, then $188 at August 31, 2019 resulting in a loss of $127 for the year. Combined with the loss on the warrant derivative (Note 11) of $2,605, this results in a loss of $2,732.

The assumptions used in the valuation model used at August 31, 2019 and August 31, 2018 include:

Valuation Date	August 31, 2019	August 31, 2018
Share Price (USD)	$1.99	$1.00
Volatility	80.90%	72.43%
Risk free rate	1.55%	2.71%
Credit spread	15.11%	11.58%
All-in rate	16.66%	14.30%

The Convertible Note derivative is classified as a level 2 financial instrument in the fair value hierarchy.

10. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding

On November 20, 2018 the Company announced a consolidation of its common shares on the basis of one new share for ten old shares (1:10). The purpose of the consolidation was to increase the Company's common share price to be in compliance with the NYSE American's low selling price requirement. All share numbers in these financial statements are presented on a post consolidation basis.

At August 31, 2019, the Company had 58,575,787 shares outstanding.

Fiscal 2019

On August 21, 2019, the Company announced it had closed a bought deal financing of 8,326,957 common shares at a price of US$1.25 per share for gross proceeds of $10.4 million. Also, on August 21, 2019 the Company announced the sale of 7,575,758 common shares to LMM and 6,940,000 common shares to Hosken Consolidated Investments Limited ("**HCI**") both at price of US$1.32 per share for gross proceeds of $10.0 million and $9.1 million respectively. Total fees of $1,769 were paid on the August 21, 2019 transactions including a 6% finders fee of $624.

On June 28, 2019 the Company closed a non-brokered private placement with HCI for gross proceeds of $1.3 million. In connection with the private placement, the Company issued an aggregate of 1,111,111 common shares to Deepkloof Limited, a subsidiary of HCI, at a price of US$1.17 per common share. On a non-diluted basis and after giving effect to the private placement, HCI's ownership in the Company was increased from 20.05% to 22.60% of the Company's issued and outstanding common shares. The Company did not pay any finder's fees in connection with the private placement.

On February 4, 2019, the Company announced it had closed a non-brokered private placement of 3,124,059 shares at a price of US$1.33 per share for gross proceeds of $4.16 million. A 6% finders fee of $72 was paid on a portion of the private placement, with total issuance costs (including the finders fee) totalling $107.

During the year, the Company issued 1,048,770 shares upon the exercise of 1,048,770 warrants.

On January 2, 2019 the Company issued 545,721 shares in settlement of $687.16 of bi-annual interest payable on $19.99 million of outstanding Convertible Notes.

Fiscal 2018

On May 11, 2018 the Company announced a private placement offering of 1,509,100 units at a price of US$1.50 per unit for gross proceeds of $2.3 million. Each unit consisted of one common share and one common share purchase warrant, with each common share purchase warrant allowing the holder to purchase a further common share at a price of US$1.70. The private placement was contingent on the closure of the public offering that closed May 15, 2018 outlined below. See note 11 for valuation of the warrants.

On May 15, 2018 the Company announced it had closed a public offering of 11,745,386 units at a price of US$1.50 per unit for gross proceeds for $17.6 million. Each unit consisted of one common share and one common share purchase warrant, with each common share purchase warrant allowing the holder to purchase a further common share at a price of US$1.70. See note 11 for valuation of the warrants. Total unit issuance costs of $2.5 million were incurred for the private placement and public offering

(in thousands of United States Dollars)

On January 2, 2018 and July 3, 2018, the Company issued 244,063 and 757,924 respectively in settlement of $691.11 and $724,78 of bi-annual interest payable on $19.99 million of outstanding Convertible Notes. See Note 9 for further details.

(c) Incentive stock options

The Company has entered into Incentive Stock Option Agreements ("**Agreements**") under the terms of its stock option plan with directors, officers, consultants and employees. Under the terms of the 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. Certain stock options of the Company are subject to vesting provisions, while others vest immediately. All exercise prices are denominated in Canadian Dollars.

The following tables summarize the Company's outstanding stock options:

	Number of Shares	Average Exercise Price CAD$
Options outstanding at August 31, 2017	438,228	46.50
Forfeited	(129,678)	41.50
Options outstanding at August 31, 2018	308,550	45.20
Forfeited/Cancelled	(308,550)	45.20
Granted	1,554,000	2.61
Options outstanding at August 31, 2019	1,554,000	2.61

During the year ended August 31, 2019 the Company granted 1,554,000 stock options. The stock options granted in the current period vest in four equal annual stages commencing on the date of the grant on April 9, 2019. The Company recorded $730 ($638 expensed and $92 capitalized to mineral properties) of compensation expense during fiscal 2019.

During the year ended August 31, 2019, 46,300 share options expired while the Company cancelled a further 262,250 share options by mutual agreement.

Stock options outstanding at August 31, 2019	Stock options exercisable at August 31, 2019	Exercise Price CAD$	Average Remaining Contractual Life (Years)
1,554,000	388,500	2.61	4.61

During the year ended August 31, 2018 the Company did not grant any options.

The Company used the Black-Scholes model to determine the grant date fair value of stock options granted. The following assumptions were used in valuing stock options granted during the years ending August 31, 2019 and August 31, 2018:

Year ended	August 31, 2019	August 31, 2018
Risk-free interest rate	1.6%	N/A
Expected life of options	3.9 years	N/A
Annualized volatility[1]	74%	N/A
Forfeiture rate	2.1%	N/A
Dividend rate	0.0%	N/A

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

(d) Deferred Share Units

The Company has established a DSU plan for non-executive directors. Each DSU has the same value as one Company common share. DSU's must be retained until the director leaves the Board of Directors, at which time the DSU's are paid.

The DSU liability at August 31, 2019 is $113. During the year ended August 31, 2019 an expense of $113 was recorded in relation to the outstanding DSUs (August 31, 2018 - $Nil) with $63 recorded as share-based compensation and $50 recorded as director fees. At August 31, 2019, 183,370 DSUs have been issued with 32,561 fully vested.

(e) Restricted Share Units

The Company has established an RSU plan for certain employees of the Company. Each RSU has the same value as one Company common share. RSU's vest over a three year period.

The RSU liability at August 31, 2019 is $101. During the year ended August 31, 2019 an expense of $102 was recorded ($86 expensed and $15 capitalized) in relation to the outstanding RSUs, (August 31, 2018 $Nil). At August 31, 2019, 223,443 RSU's have been issued. No RSUs have vested at August 31, 2019.

11. WARRANT DERIVATIVE

The exercise price of the Company's outstanding warrants is denominated in US Dollars; however, the functional currency of PTM Canada (where the warrants are held) is the Canadian Dollar. Therefore, the warrants are required to be recognized and measured at fair value at each reporting period. Any changes in fair value from period to period are recorded as non-cash gain or loss in the consolidated statement of loss and comprehensive loss.

(in thousands of United States Dollars)

The warrants were issued May 15, 2018 and were initially valued using the residual value method. An initial valuation of $1,171 was attributed to the warrants which included $157 of unit issuance costs being attributed to the value of the warrants. As the warrants are publicly traded on the TSX the value of the warrants at each period is estimated by using the warrant TSX closing price on the last day of trading in the applicable period. At August 31, 2019 the warrants were trading at US$0.025 (US$0.005 at August 31, 2018) resulting in a value of $3,051 being attributed to the warrants and loss of $2,605 being recognized in fiscal 2019. When combined with the gain on the embedded derivatives in the Convertible Notes (see Note 9) this results in a net loss of $2,732 on derivatives.

12. NON-CONTROLLING INTEREST

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Company	Proportion of ownership and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Maseve Investments 11 (Pty) Ltd	-	17.1%[1]	$ -	$ 2,342	$ -	$ -
Mnombo Wethu Consultants (Pty) Limited	50.1%	50.1%	-	-	6,889	5,768
Waterberg JV Co[2]	63.05%	63.05%	-	-	8,562	5,384
				Total	$ 15,451	$ 11,152

[1]The Company closed the sale of Maseve in fiscal 2018

[2]Includes the 26% owned by Mnombo

13. 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:

(a) During the year ended August 31, 2019 $326 ($184 - August 31, 2018) was paid or accrued to independent directors for directors' fees and services.

(b) During the year ended August 31, 2019, the Company accrued payments of $54 ($56 - August 31, 2018) from West Kirkland Mining Inc. ("**West Kirkland**"), a company with two directors in common, for accounting and administrative services. All amounts due from West Kirkland have been paid subsequent to year end.

(c) On May 15, 2018 the Company closed a private placement for 1,509,100 units with HCI. Also, on May 15, 2018, HCI participated for an additional 2,490,900 units in the Company's separate public offering (See Note 10 above for more details). By way of the 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. On February 4, 2019 HCI subscribed for 2,141,942 common shares and on August 21, 2019 HCI subscribed for a further 6,940,000 common shares as part the Company's private placements. Combined with warrants exercised during the year and shares purchased on the open market HCI owns approximately 30.66% of the Company's outstanding common shares as of the date of these financial statements.

(in thousands of United States Dollars)

LMM was considered a related party in prior years, (refer to Note 8 for details of LMM transactions). At August 31, 2019 LMM is no longer considered a related party due to the contractual obligations between LMM and the Company no longer being present.

Key Management Compensation

The remuneration the CEO, CFO, COO and other key management personnel and the directors during the years ended August 31, 2019 to 2017 is as follows:

Year ended	**August 31, 2019**	**August 31, 2018**	**August 31, 2017**
Salaries	$ 927	$ 963	$ 1,093
Directors fees	171	184	235
Share-based payments - management	393	13	396
Share-based payments - directors	155	12	504
Total	**$ 1,646**	**$ 1,172**	**$ 2,228**

14. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements in Canada and South Africa total approximately $596 to March 2022.

Contractor payments are based on approximate costs to complete services remaining at Waterberg.

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	$ 298	$ 169	$ 129	$ -	$ 596
Contractor payments	543	-	-	-	543
Convertible Note[1]	1,374	22,739	-	-	24,113
Sprott Facility (Note 7)	2,237	22,163	-	-	24,400
Totals	**$ 4,452**	**$ 45,071**	**$ 129**	**$ -**	**$ 49,652**

[1]The convertible note and related interest can be settled at the Company's discretion in cash or shares

Africa Wide Legal Action

The Company reports that it is in receipt of a summons issued by Africa Wide whereby Africa Wide has instituted legal proceedings in South Africa against PTM RSA, RBPlats and Maseve in relation to the Maseve Sale Transaction. Africa Wide is seeking, at this very late date, to set aside or be paid increased value for, the closed Maseve Sale Transaction. Africa Wide held a 17.1% interest in Maseve prior to the Maseve Sale Transaction. RBPlats consulted with senior counsel, both during the negotiation of the Maseve Sale Transaction and in regard to the current Africa Wide legal proceedings. The Company has received legal advice to the effect that the Africa Wide action, as issued, is ill-conceived and is factually and legally defective.

Tax Audit South Africa

During the 2014, 2015 and 2016 fiscal years, PTM RSA claimed unrealized foreign exchange differences as income tax deductions in its South African corporate tax returns in the amount of Rand 1.4 billion. The exchange losses emanate from a Canadian dollar denominated shareholder loan advanced to PTM RSA and weakening of the Rand. Under applicable South African tax legislation, exchange losses can be claimed in the event that the shareholder loan is classified as a current liability as determined by IFRS.

(in thousands of United States Dollars)

For the years in question, the intercompany debt was classified as current in PTM RSA's audited financial statements. During 2018, the South African Revenue Service, or SARS, conducted an income tax audit of the 2014 to 2016 years of assessment and issued PTM RSA with a letter of audit findings on November 5, 2018. SARS proposed that the exchange losses be disallowed on the basis that SARS is not in agreement with the reclassification of the shareholder loan as a current liability. SARS also invited the Company to provide further information and arguments if we disagreed with the audit findings. On the advice of the Company's legal and tax advisors, the Company is in strong disagreement with the proposed interpretation by SARS.

The Company responded to the SARS letter on January 31, 2019 and again on April 5, 2019 following a request for additional information received on March 20, 2019. The Company also met with SARS, together with the Company's advisors, on May 30, 2019 in order to address any remaining concerns that SARS may have. At present this matter is unresolved. Any tax assessment issued by SARS will be legally contested by PTM RSA.

In the event that the exchange losses are disallowed by SARS, the Company estimates that for the years under review that PTM RSA's exposure would be taxable income of approximately Rand 182 million and an income tax liability of approximately Rand 51 million (approximately $3.35 million at year end based on the daily exchange rates reported by the Bank of Canada on August 31, 2019). For fiscal years 2017 and 2018 the Company estimates that a further Rand 266 million in income could be subject to taxation at a rate of approximately 28% if our exchange losses are disallowed by SARS. SARS may apply interest and penalties to any amounts due, which could be substantial. The Company believe its accounting classification of the shareholder loan is correct and that no tax assessment is warranted; however, we cannot assure that SARS will not issue a reassessment or that we will be successful in legally contesting any such assessment. Any assessment could have a material adverse effect on the Company's business and financial condition.

15. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital:

Year ended	August 31, 2019	August 31, 2018	August 31, 2017
Amounts receivable, prepaid expenses and other assets	$ 195	$ (42)	$ 3,603
Accounts payable and other liabilities	(585)	251 [1]	(1,070)
	$ (390)	**$ 209**	**$ 2,533**

[1]Prior year reclassification: An amount of $2,756 has been reclassified to investing activities for the year ending August 31, 2018. The classification was made to correct the prior year presentation in the cash flow statement versus what was previously presented. The cash flow re-classification did not impact any item on the statement of financial position or on the statement of Loss and Comprehensive Loss.

The significant non-cash investing and financing transactions during the year are as follows:

	August 31, 2019
Fair value of common shares issued for repayment of LMM Loan	$ 10,000
Fair value of common shares issued for arrangement of Sprott Loan	1,000
Fair value of common shares issued for convertible note interest payment	687

16. SEGMENTED REPORTING

Segmented information is provided on the basis of geographical segments as the Company manages its business and exploration activities through geographical regions - Canada and South Africa. The Chief Operating Decision Makers ("**CODM**") reviews information from the below segments separately so the below segments are separated. This represents a change from prior years and comparative information has been represented to reflect the way the CODM currently reviews the information

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

At August 31, 2019	Assets	Liabilities
Canada	$ 4,983	$ 39,278
South Africa	38,680	5,542
	$ 43,663	**$ 44,820**

(in thousands of United States Dollars)

At August 31, 2018		Assets		Liabilities
Canada	$	3,333	$	58,396
South Africa		38,516		2,983
	$	**41,849**	**$**	**61,379**

Comprehensive Loss (Income) for the year ended		August 31, 2019		August 31, 2018
Canada	$	16,471	$	23,401
South Africa		200		(4,254)
	$	**16,671**	**$**	**19,147**

17. GENERAL AND ADMINISTRATIVE EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES		Year Ending August 31, 2019		Year Ending August 31, 2018
Salaries and benefits	$	1,423	$	1,772
Professional/consulting fees		1,230		1,672
Asset Impairment		344		-
Equipment rental and storage		342		752
Travel		323		255
Depreciation		235		347
Regulatory Fees		214		232
Insurance		193		373
Shareholder relations		173		163
Rent		76		305
Other		124		213
Total	**$**	**4,677**	**$**	**6,084**

18. 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.

As at August 31, 2019, the Company is subject to externally imposed capital requirements under the Sprott Facility. Please see Note 7 for further details.

19. FINANCIAL INSTRUMENTS AND 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.

(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. There is no material concentration of credit risk in cash and cash equivalents, trade and other receivables and loans.

(i) Amounts receivable

Total credit risk is limited to the carrying amount of amounts receivable.

(ii) Cash and cash equivalents

In order to manage credit and liquidity risk the Company invests only in term deposits with Canadian Chartered and South African banks that have maturities of three months or less.

(iii) 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. Also refer to Note 1 for discussion of going concern risk.

(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 Battery Technology Inc. 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 Canadian and United States dollar. The Company also held material USD denominated cash balances. The Company's significant foreign currency exposures on financial instruments comprise cash and cash equivalents, loans payable, warrants, convertible notes, 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.

(in thousands of United States Dollars)

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

Year ended	August 31, 2019	August 31, 2018
Cash (Rand)	$ 1,204	$ 350
Cash (USD)	3,708	2,613
Accounts receivable (Rand)	436	802
Marketable Securities (Rand)	-	7,084
Accounts payable (Rand)	2,767	3,074
Loan Payable (USD)	18,785	39,465
Convertible Note (USD)	16,075	14,853

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, 2019, 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 net loss for the year presented of approximately $3.4 million, (August 31, 2018 - $6.8 million).

(d) Interest rate risk

The Company's interest income earned on cash and cash equivalents and on short term investments is exposed to interest rate risk. At August 31, 2019, based on this exposure a 1% change in the average interest rate would give rise to an increase/decrease in the net loss for the year of approximately $3.

At August 31, 2019, the carrying amounts of cash and cash equivalents, 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.

20. 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:

	2019	2018	2017
Loss before income taxes	$ 16,670	$ 40,024	$ 588,716
Income tax recovery at statutory rates	(4,503)	(10,941)	(153,066)
Difference of foreign tax rates	(2)	(231)	(11,774)
Non-deductible expenses and non-taxable portion of capital gains	1,316	358	158,059
Changes in unrecognized deferred tax assets and other	3,295	10,814	8,436
Income tax expense (recovery)	106	-	1,655
Income tax expense (recovery) consists of:			
Current income taxes	$ -	$ -	$ -
Deferred income taxes	106	-	1,655
	$ 106	$ -	$ 1,655

(in thousands of United States Dollars)

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

	2019	2018	2017
Deferred tax liability at the beginning of the year	$ -	$ -	$ -
Tax recovery relating to the loss (income) from continuing operations		(15,527)	(1,655)
Tax (expense) recovery relating to components of other comprehensive income	(106)	-	1,655
Tax (expense) recovery recorded in deficit	(106)	15,527	-
Deferred tax liability at the end of the year	$ -	$ -	$ -

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

	2019	2018	2017
Convertible notes	$ (1,024)	-	$ -
Loans payable	(339)	-	-
Mineral properties	(2,354)	(2,434)	(4,635)
Loss carry-forwards	3,717	2,434	4,635
	$ -	$ -	$ -

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

	2019	2018	2017
Tax Losses:			
Operating loss carry-forwards - Canada	$ 125,851	$ 106,058	$ 85,898
Operating loss carry-forwards - South Africa	28,925	23,026	204,500
Net capital loss carry-forwards	204	621	-
	$ 154,980	$ 129,705	$ 290,398
Temporary Differences:			
Mineral properties	$ 7,526	$ 7,664	$ 305,515
Financing Costs	13,357	18,831	16,481
Property, plant and equipment	807	735	692
Other	381	254	368
	$ 22,071	$ 27,484	$ 323,056
Investment Tax Credits:	$ 312	$ 318	$ 331

The Company's Canadian operating loss carry-forwards expire between 2026 and 2039. 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.

ITEM 19. EXHIBITS

See "EXHIBIT INDEX", below.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

PLATINUM GROUP METALS LTD.
(Registrant)

Date: November 25, 2019

By: /s/ Frank R. Hallam
Frank R. Hallam
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
1.1	Articles of the Company, as amended and consolidated on February 27, 2014 (incorporated by reference to Exhibit 1.1 to the Form 20-F filed by the Company on December 29, 2017)
2.1	Description of Common Share Rights (included under Items 9.A and 10.B)
4.1	Share Compensation Plan (incorporated by reference to Schedule "B" to Exhibit 99.1 to the Form 6-K filed by the Company on January 17, 2017)
4.2	Sprott Credit Agreement dated August 15, 2019
4.3	Convertible Notes Indenture dated June 30, 2017 (incorporated by reference to Exhibit 99.1 to the Form 6-K as filed by the Company on July 5, 2017)
4.4	Supplement No. 1 to Convertible Notes Indenture dated January 31, 2018 (incorporated by reference to Exhibit 4.12 to the Form 20-F filed by the Company on November 30, 2018)
4.5	HCI Amended and Restated Subscription Agreement dated May 10, 2018 (incorporated by reference to Exhibit 99.1 to the Form 6-K filed by the Company on May 14, 2018)
8.1	List of Subsidiaries (included under Item 4.C. of this Form 20-F)
12.1	Certification of Chief Executive Officer
12.2	Certification of Chief Financial Officer
12.3	Certification of Chief Executive Officer
12.4	Certification of Chief Financial Officer
15.1	Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa" dated effective September 4, 2019 (incorporated by reference to Exhibit 99.1 to the Form 6-K filed by the Company on October 7, 2019)
15.2	Consent of PricewaterhouseCoopers LLP
15.3	Consent of Charles J. Muller
15.4	Consent of Gordon I. Cunningham
15.5	Consent of Michael Murphy
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

CREDIT AGREEMENT

DATED AS OF AUGUST 15, 2019

Between:

PLATINUM GROUP METALS LTD.
as Borrower

PLATINUM GROUP METALS (RSA) PROPRIETARY LIMITED
as Guarantor

SPROTT PRIVATE RESOURCE LENDING II (COLLECTOR), LP
as Agent

- and -

THE SEVERAL LENDERS FROM TIME TO TIME PARTY HERETO
as Lenders

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CREDIT AGREEMENT

THIS AGREEMENT made as of August 15, 2019

BETWEEN:

PLATINUM GROUP METALS LTD., a company existing under the laws of the Province of British Columbia

(the "**Borrower**")

AND:

PLATINUM GROUP METALS (RSA) PROPRIETARY LIMITED, a company existing under the laws of the Republic of South Africa

(the "**Guarantor**")

AND:

SPROTT PRIVATE RESOURCE LENDING II (COLLECTOR), LP, a limited partnership organized and existing under the laws of the Province of Ontario, as agent

(together with its successors and permitted assigns, the "**Agent**")

AND:

THE SEVERAL LENDERS FROM TIME TO TIME PARTY HERETO AS LENDERS

(together with their respective successors and permitted assigns, the "**Lenders**")

WHEREAS the Borrower has requested, and the Lenders have severally agreed, to establish a $20,000,000 principal amount senior secured credit facility on and subject to the terms and conditions herein set forth.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are acknowledged, each of the parties agrees with each of the others as follows:

ARTICLE 1
INTERPRETATION

Definitions

1.1 In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

"**Advance**" means the advance of the Facility contemplated herein;

"**Affiliate**" has the meaning attributed to that term in the *Business Corporations Act* (British Columbia);

"**Affiliate Transaction**" has the meaning attributed to that term in Section 7.3(i);

"**Agent**" means Sprott Private Resource Lending II (Collector), LP, in its capacity as agent of the Lenders as contemplated by this Agreement, and any successor thereto pursuant to Section 9.12.

"**Agreement**", "**this Agreement**", "**hereto**", "**hereby**", "**hereunder**", "**hereof**", "**herein**" and similar expressions refer to this credit agreement and not to any particular Article, section, subsection, paragraph, clause, subdivision or other portion hereof, and include any and every supplemental agreement; and the expressions "**Article**", "**Section**", "**subsection**" and "**paragraph**" followed by a number mean and refer to the specified Article, section, subsection or paragraph of this Agreement;

"**Amount Payable**" means any principal amount advanced and any other amount payable hereunder or under any of the Facility Documents;

"**Anti-Corruption Policy**" means the anti-bribery and anti-corruption policy adopted by the board of directors of the Borrower;

"**Applicable Law**" means, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter, and also includes any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;

"**Applicable Securities Legislation**" means all applicable securities laws of each of the Reporting Jurisdictions and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of the Reporting Jurisdictions and such other jurisdictions as may be agreed to between the Borrower and the Agent;

"**arm's length**" has the meaning attributed to that term in the ITA;

"**Authorization**" means any authorization, consent, permit, certificate, approval, resolution, licence, concession, exemption, filing, notarization or registration;

"**Availability Period End Date**" means August 30, 2019, or such later date as the Lenders may determine in their sole and absolute discretion, by written notice to the Borrower;

"**BCSC**" means the British Columbia Securities Commission;

"**Borrower Warrants**" means collectively:

(a) the 14,290,999 share purchase warrants issued by the Borrower to Deepkloof Limited, Registration #: 101945, No.2, The Forum, Greenville Street, St. Heller, Jersey JEI 4HH pursuant to warrant certificate no. HC-1C dated June 20, 2019; and

(b) the 107,766,162 share purchase warrants issued by the Borrower pursuant to a warrant indenture dated as of May 15, 2018 between the Borrower and Computershare Trust Company of Canada, as amended by a supplemental warrant indenture dated as of December 13, 2018 between the Borrower and Computershare Trust Company of Canada;

"**Business Day**" means any day (other than Saturday, Sunday or a statutory holiday) when banks are open in the cities of Vancouver, British Columbia, Toronto, Ontario and Johannesburg, South Africa;

"**Call Option Agreement**" has the meaning attributed to that term in Schedule D;

"**Capital Lease**" means, with respect to a Person, a lease or other arrangement in respect of real or personal property that is required to be classified and accounted for as a capital lease obligation on a balance sheet of the Person in accordance with IFRS;

"**Capital Lease Obligation**" means, with respect to a Person, the obligation of the Person to pay rent or other amounts under a Capital Lease and for the purposes of this definition, the amount of such obligation at any date shall be the capitalized amount of such obligation at such date as determined in accordance with IFRS;

"**Cash Proceeds of Realization**" means the aggregate of (a) all Proceeds of Realization in the form of cash, and (b) all cash proceeds of the sale or disposition of non-cash Proceeds of Realization, in each case expressed in U.S. Dollars.

"**Cession and Pledge in Security (Guarantor Shares)**" has the meaning attributed to that term in Schedule B;

"**Cession and Pledge in Security (Waterberg Shares)**" has the meaning attributed to that term in Schedule B;

"**Change of Control**" means the occurrence of any of the following events:

(a) a report is filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as such term is defined in Section 1.1 of Multilateral Instrument 62-104), has acquired beneficial ownership (within the meaning of the Securities Act) of, or the power to exercise control or direction over, or securities convertible into, any Voting Shares of the Borrower, that together with the offeror's securities (as such term is defined in Section 1.1 of Multilateral Instrument 62-104) in relation to the Voting Shares of the Borrower, would constitute Voting Shares of the Borrower representing more than 40**%** of the total voting power attached to all Voting Shares of the Borrower then outstanding;

(b) any amalgamation, consolidation, statutory arrangement (involving a business combination) or merger of any Credit Party is consummated (i) in which such Credit Party is not the continuing or surviving corporation, or (ii) pursuant to which any Voting Shares of such Credit Party would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement or merger of any Credit Party in which the holders of the Voting Shares of such Credit Party immediately prior to the amalgamation, consolidation, statutory arrangement or merger have, directly or indirectly, more than 60% of the Voting Shares of such Credit Party immediately after such transaction;

(c) any Person or group of Persons shall succeed in having a sufficient number of its nominees elected as Directors of the Borrower such that such nominees, when added to any existing Directors after such election who was a nominee of or is an Affiliate or related Person of such Person or group of Persons, will constitute a majority of the Directors;

(d) the Guarantor shall cease to be a direct wholly-owned Subsidiary of the Borrower; or

(e) Mnombo shall cease to be a direct or indirect Subsidiary of the Borrower;

"**Closing**" means the closing of the transactions contemplated herein, including the making of the Advance by the Lender to the Borrower in accordance with the terms hereof;

"**Closing Date**" means August 15, 2019, or such other date as the Lender and the Borrower may agree in writing;

"**Closing Time**" means the time that all conditions precedent to the Advance in Section 5.2 have been satisfied and the Advance is made;

"**Code**" means the United States Internal Revenue Code of 1986;

"**Commitment**" means the aggregate principal amount of $20,000,000, which the Lenders have severally agreed to make available to the Borrower on and subject to the terms hereof;

"**Common Shares**" means common shares without par value in the authorized share structure of the Borrower as such common shares exist at the close of business on the date of this Agreement;

"**Compliance Certificate**" means a certificate in the form attached as Schedule G;

"**Constating Documents**" means:

(a) with respect to a corporation, its articles of incorporation, amalgamation or continuance or other similar documents and its by-laws, notice of articles or other similar documents; and

(b) with respect to any other Person which is an artificial body, whether with or without legal personality, the organization and governance documents of such Person,

in each case as amended or supplemented from time to time;

"**Contingent Liabilities**" means, with respect to a Person, any agreement, undertaking or arrangement by which the Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or other, to provide funds for payment, to supply funds to, or otherwise to invest in a debtor, or otherwise to assure a creditor against loss) the obligation, debt or other liability of any other Person or guarantees the payment of dividends or other distributions upon the shares (or other ownership interests) of any Person. The amount of any contingent liability will, subject to any limitation contained therein, be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the obligation, debt or other liability to which the contingent liability is related;

"**Credit Parties**" means the Borrower and the Guarantor and "**Credit Party**" means either one of them;

"**Current Assets**" means, at any time, all current assets on the consolidated balance sheet of the Borrower, determined as of such time in accordance with IFRS;

"**Current Liabilities**" means, at any time, all current liabilities (excluding the Facility) on the consolidated balance sheet of the Borrower, determined as of such time in accordance with IFRS;

"**Default**" means an Event of Default or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) be an Event of Default;

"**Defaulting Lender**" has the meaning ascribed thereto in Section 2.15;

"**Deepkloof**" means Deepkloof Limited, a subsidiary of Hosken Consolidated Investments Limited;

"**Deepkloof Private Placement**" means, collectively, the $1,300,000 private placement of Common Shares issued to Deepkloof and completed by the Borrower on June 28, 2019 and the private placement of Common Shares to be issued to Deepkloof and completed by the Borrower on or before the Closing Time, resulting in the Borrower raising total net cash proceeds of not less than $9,600,000;

"**Director**" means a director of the Borrower for the time being and "**Directors**" means the board of directors of the Borrower or, whenever duly empowered, a committee of the board of directors of the Borrower, and reference to action by the Directors means action by the directors as a board or action by such a committee of the board as a committee;

"**EDGAR**" means the SEC's Electronic Data Gathering, Analysis and Retrieval System;

"**Enforcement Date**" means the date on which the Agent notifies the Borrower, pursuant to Section 8.2, that the entire unpaid principal amount of the Facility is forthwith due and payable or on which such indebtedness automatically becomes due and payable pursuant to such section, whichever occurs first;

"**Environmental Laws**" means all federal, provincial, state, municipal, county, local and other laws including statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other Authorizations, as well as common law, civil law and other jurisprudence or authority, in each case, domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, direction, certificate, approval, consent, registration, licence or other Authorization of any kind held or required to be held in connection with any Environmental Matters;

"**Environmental Matters**" means:

(a) any condition, any activity, or substance, heat, energy, sound, vibration, radiation, odour or other pollution that either (1) may affect ambient or indoor air, water, soils, land, groundwater or other sub-surface strata or affect human health, including workplace safety, or any plant, animal or other living organism or (2) may give rise to any violation of, liability or any claim under any Environmental Law; and

(b) any use, generation, distribution, disposal, storage, transportation, processing, management, handling, manufacture, treatment, release, spilling, emitting, leaching, migrating or discharge of any Hazardous Material or other pollution on, at or into ambient or indoor air, water, soils, land, groundwater or other subsurface strata or any other location from which any such Hazardous Material or pollution may enter any ambient or indoor air, water, soils, land, groundwater or other sub-surface strata;

"**Escrow Agent**" means U.S. Bank National Association;

"**Escrow Agreement**" means the escrow agreement to be dated on or before the date of Advance, between the Borrower, Deepkloof, the Agent, BMO Capital Markets Corp. and the Escrow Agent, in respect of the escrow of the Advance proceeds together with certain other amounts;

"**Event of Default**" has the meaning attributed to such term in Section 8.1 hereof;

"**Exchanges**" means the TSX and the NYSE American and each of their respective successors thereto;

"**Excluded Taxes**" means, with respect to a Finance Party or Tax Related Person (each, a "**Recipient**") and any payment to be made to a Recipient by or on account of any obligation of any Credit Party under any of the Facility Documents, (i) any Taxes imposed on (or measured by) its net or gross income or any other Taxes imposed as a result of such Recipient being organized or having its principal office located in or, in the case of any Finance Party or Tax Related Person, having its applicable lending office located in, the taxing jurisdiction or that are Other Connection Taxes, and (ii) any US federal withholding tax under FACTA;

"**Exposure**" means, at any particular time with respect to a particular Lender, the ratio of the Facility Indebtedness owing to such Lender at such time to the aggregate of the Facility Indebtedness owing to all of the Lenders at such time;

"**Facility**" has the meaning attributed to such term in Section 2.1 hereof;

"**Facility Documents**" means this Agreement, the Security Documents, the Escrow Agreement and all other certificates, instruments, notices and documents delivered or to be delivered by the Credit Parties hereunder or thereunder, each as amended, modified, supplemented, restated or replaced from time to time;

"**Facility Indebtedness**" means all present and future debts, liabilities and obligations of the Borrower and each other Credit Party to any of the Finance Parties under or in connection with this Agreement and the other Facility Documents, including all Amounts Payable and all fees, interest and other money payable or owing from time to time pursuant to the terms of this Agreement and/or any of the other Facility Documents;

"**FACTA**" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantially comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to current Section 1471(b)(l) of the Code (or any amended or successor version described above) and any intergovernmental agreements implementing any of the foregoing and related legislation or official administrative rules or practices with respect thereto;

"**Finance Parties**" means the Agent and the Lenders;

"**Financial Instrument Obligations**" means, with respect to any Person, obligations arising under:

(a) interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is interest rates or the price, value or amount payable thereunder is dependent or based upon interest rates or fluctuations in interest rates in effect from time to time (but excluding non-speculative conventional floating rate Indebtedness);

(b) currency swap agreements, cross-currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates in effect from time to time; and

(c) any agreement for the making or taking of any commodity (including but not limited to platinum, gold, silver, copper, nickel, cobalt, coal, natural gas, oil and electricity), swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by the Person where the subject matter thereof is any commodity or the price, value or amount payable thereunder is dependent or based upon the price or fluctuations in the price of any commodity;

or any other similar transaction, including any option to enter into any of the foregoing, or any combination of the foregoing, in each case to the extent of the net amount due or accruing due by the Person under the obligations determined by marking the obligations to market in accordance with their terms;

"**Governmental Authority**" means each national, state, provincial, county, municipal or other such governmental, legislative, regulatory or other public authority (whether domestic or foreign), including their authorized administrative bodies, boards, tribunals, courts, commissions and agencies which has legal jurisdiction over a Person or a matter relevant to this Agreement;

"**Guarantee**" has the meaning attributed to that term in Schedule B;

"**Guarantor**" means Platinum Group Metals (RSA) Proprietary Limited, a company incorporated under the laws of the Republic of South Africa, and any other guarantors from time to time party hereto, and their respective successors and permitted assigns;

"**Guarantor Pledged Shares**" has the meaning attributed to that term in Section 5.1(a)(xxi);

"**Hazardous Materials**" means any radioactive materials, asbestos materials, urea formaldehyde, pollutants, deleterious substances, dangerous substances or goods, hazardous, corrosive or toxic substances, hazardous waste or waste of any kind or any other substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or release into the environment of which impairs or may impair the environment, injure or damage property, plant or animal life, or harm or impair the health of any individual;

"**IASB**" means the International Accounting Standards Board or any successor thereto;

"**IFRS**" means international financial reporting standards, approved by the IASB, as at the date on which any calculation or determination is required to be made, provided that, in accordance with such international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financing reporting standard;

"**Implats**" means Impala Platinum Holdings Limited;

"**Incentive Shares**" has the meaning attributed to that term in Section 2.12;

"**Indebtedness**" means, with respect to a Person, without duplication:

(a) all obligations of the Person for borrowed money, including debentures, notes or similar instruments and other financial instruments and obligations with respect to bankers' acceptances and contingent reimbursement obligations relating to letters of credit;

(b) all Financial Instrument Obligations of the Person;

(c) all Capital Lease Obligations and Purchase Money Obligations of the Person;

(d) all Indebtedness of any other Person secured by a Security Interest on any asset of the Person;

(e) all obligations to repurchase or redeem any Common Shares or any other shares of the Borrower prior to the Stated Maturity Date;

(f) all Contingent Liabilities of the Person with respect to obligations of another Person if such obligations are of the type referred to in paragraphs (a) to (e) above; and

(g) all financial obligations in respect of the Securities (as defined in the Note Indenture) issued under the Note Indenture;

"**Indemnified Parties**" has the meaning attributed to such term in Section 11.1 hereof;

"**Indemnified Taxes**" means Taxes imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Facility Document other than Excluded Taxes;

"**Individual Commitment**" means, in respect of any Lender, its obligation to make the Advance to the Borrower in the maximum amount set forth as its "Individual Commitment" opposite such Lender's name in Schedule A, or in any assignment agreement by a Lender which is permitted hereunder, in each case, as such amount may be amended from time to time in accordance herewith;

"**International Trade Laws**" has the meaning attributed to such term in Section 6.1(iii);

"**Investment**" shall mean any advance, loan, extension of credit or capital contribution to, purchase of shares, bonds, notes, debentures or other securities of, or any other investment made in, any Person. The amount of any Investment shall be the original principal or capital amount thereof less all returns of principal or equity, or distributions or dividends paid, thereon and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair value of such property at the time of such Investment;

"**ITA**" means the *Income Tax Act* (Canada);

"**JOGMEC**" means Japan Oil, Gas and Metals Nationals Corporation;

"**Lenders**" means the Persons listed on the signature pages hereto as Lenders and any other Person who becomes party to this Agreement pursuant to an assignment agreement by a Lender which is permitted hereunder, in each case its capacity as a lender hereunder, and "**Lender**" means any one of them;

"**Lenders' Counsel**" means DLA Piper (Canada) LLP and, at any time, any other legal counsel retained by the Agent for and on behalf of the Finance Parties in the relevant jurisdiction to the matter in question;

"**Liberty**" means Liberty Metals & Mining Holdings, LLC;

"**Liberty Credit Agreement**" means the second amended and restated credit agreement dated as of February 12, 2018 between Liberty and the Credits Parties, as amended, modified, restated or replaced to the date of this Agreement;

"**Liberty Documents**" means collectively, the documents listed in Schedule H, including the Liberty Credit Agreement and all security and other documents and instruments contemplated therein or executed and delivered thereunder or in connection with the Liberty Facility, as amended, modified, restated or replaced to the date of this Agreement;

"**Liberty Facility**" means a secured credit facility in the initial principal amount of USD $40,000,000 made available pursuant to the Liberty Credit Agreement;

"**Liberty Obligations**" means all debts, liabilities and obligations, direct or indirect, contingent or otherwise, owed by the Credit Parties and their Subsidiaries to Liberty, whether pursuant to the Liberty Documents or otherwise, but excluding any obligations of the Borrower to Liberty in its capacity as a shareholder of the Borrower;

"**Liberty Payout Agreement**" means the payout agreement made as of the 15th day of August, 2019 between the Borrower, the Guarantor and Liberty, as acknowledged and agreed to by the Agent and otherwise in form and terms satisfactory to the Agent, pursuant to which the Borrower will effect the full and final payout in full of all Liberty Obligations and the release and discharge of all security for the Liberty Obligations;

"**Liberty Private Placement**" means a private placement of Common Shares completed by the Borrower on or before the Closing Time, pursuant to which Liberty shall subscribe for such number of Common Shares resulting in the Borrower raising net cash proceeds of not less than $10,000,000, which shall be immediately applied to the Liberty Obligations.

"**Liberty Production Payment Agreement**" means the production payment agreement between the Borrower, the Guarantor and Liberty providing for the creation, sale and grant by the Borrower to Liberty of a right to receive a payout equal to 1.5% of the Proceeds from each Sale of Products (each as defined therein), as such may be amended, modified, restated or replaced to the date of this Agreement;

"**Majority Lenders**" means, at any time and from time to time, such group of Lenders (which are not Defaulting Lenders) whose Individual Commitments advanced hereunder aggregate at least 51% of the Individual Commitments advanced hereunder by Lenders (which are not Defaulting Lenders) at such time;

"**Material Adverse Effect**" means, individually or in the aggregate, a material adverse effect on:

(a) the business, operations, prospects, results of operations, assets, liabilities or condition (financial or otherwise) of the Project or any part thereof or any Credit Party;

(b) the ability of any Credit Party to observe or perform its material obligations under this Agreement or any of the other Facility Documents in accordance with the terms hereof and thereof;

(c) the validity or enforceability of this Agreement or any other Facility Document;

(d) any rights or remedies of any Finance Party under this Agreement or any other Facility Document; or

(e) the priority or ranking of any Security Interest granted pursuant to the Security Documents or any of the rights or remedies of the Agent thereunder;

"**Material Contracts**" means any Project Document which (i) is prudent or necessary for the continuing operation and development of the Project and (ii) contains terms and conditions which, if amended or, upon breach, termination, non-renewal or non-performance, could reasonably be expected to have a Material Adverse Effect, and includes each Project Documents listed on Schedule D;

"**Material Subsidiaries**" means the Guarantor, Waterberg and Mnombo;

"**Minerals**" means the minerals that Waterberg is entitled to under the mineral rights comprising the Property, including but not limited to any platinum, palladium, rhodium, iridium, ruthenium, gold, nickel, copper or other minerals, that a PTM Group Member (including its successors and assigns) mines, produces, excavates, extracts, or otherwise recovers from the Property; provided however that, if any of the mineral rights comprising the Property are supplemented to include any additional minerals or economic, marketable metal bearing material, then the definition of "Minerals" shall be deemed to include such minerals and materials that the mineral rights comprising the Property have been supplemented to include;

"**Money Laundering Laws**" has the meaning attributed to such term in Section 6.1(hhh);

"**MPRDA**" means the *Mineral and Petroleum Resources Development Act, 28 of 2002* (South Africa);

"**Mnombo**" means Mnombo Wethu Consultants Proprietary Limited, a company incorporated under the laws of the Republic of South Africa;

"**Mnombo Shareholder Agreement**" has the meaning attributed to that term on Schedule D;

"**NI 43-101**" means National Instrument 43-101 (Standards of Disclosure for Mineral Projects), as adopted by the Canadian Securities Administrators, as it may be amended, replaced or superseded from time to time;

"**NI 45-102**" means National Instrument 45-102 (Resale of Securities), as adopted by the Canadian Securities Administrators, as it may be amended, replaced or superseded from time to time;

"**NI 51-102**" means National Instrument 51-102 (Continuous Disclosure Obligations), as adopted by the Canadian Securities Administrators, as it may be amended, replaced or superseded from time to time;

"**Note Indenture**" has the meaning attributed to that term on Schedule D;

"**Notice of Borrowing**" has the meaning attributed to such term in Section 2.3;

"**Obligations**" means, without duplication, with respect to a Person, all items which, in accordance with IFRS, would be included as liabilities on the liability side of the balance sheet of the Person and all Contingent Liabilities of the Person;

"**OFAC**" has the meaning attributed to such term in Section 6.1(jjj);

"**Ordinary Course of Business**" means an action taken by a Credit Party or its Subsidiaries if:

(a) such action is consistent with past practices and is taken in the ordinary course of the normal day-to-day operations;

(b) such action is not required to be authorised by the board of directors or general meeting of shareholders (or by any person or group of persons exercising similar authority) and is not required to be specifically authorised by an affiliate of such company; or

(c) such action is similar in nature, magnitude and frequency to actions customarily taken, without any authorisation by the board of directors or general meeting of shareholders (or by any person or group of persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other companies that are in the same line of business;

"**Other Connection Taxes**" means, with respect to a Lender, Tax Related Person, or the Agent, Taxes imposed as a result of a present or former connection between such Person and the jurisdiction imposing such Tax (other than connections arising from such Person having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Facility Document, or sold or assigned an interest in the Facility or Facility Document);

"**Other Taxes**" has the meaning attributed to such term in Section 11.5(c);

"**Permitted Encumbrances**" means:

(a) any Security Interest granted pursuant to the Security Documents;

(b) any Security Interest or deposit under workers' compensation, social security or similar legislation or in connection with bids, tenders, leases, contracts or expropriation proceedings or to secure related public or statutory obligations, surety and appeal bonds or costs of litigation where required by law;

(c) any Security Interest imposed pursuant to statute such as builders', mechanics', materialman's, carriers', warehousemen's and landlords' liens and privileges, in each case, which relate to obligations not yet due or delinquent or, if due or delinquent, which any Credit Party or its Subsidiaries are contesting in good faith if such contest will involve no material risk of loss of any material part of the property of any Credit Parties and their Subsidiaries, taken as a whole;

(d) any Security Interest for Taxes, assessments, unpaid wages or governmental charges or levies for the then current year, or not at the time due and delinquent or the validity of which is being contested at the time in good faith;

(e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim, bond or permit held or acquired by any Credit Party or its Subsidiaries, or by any Applicable Law, to terminate the lease, licence, franchise, grant, claim, bond or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;

(f) any reservations, limitations, provisos and conditions expressed in original grants or authorizations from any Governmental Authority or existing under Applicable Law;

(g) any encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Credit Party or its Subsidiaries, or title defects, encroachments or irregularities, that do not in the aggregate detract from the value of the property or impair its use in the operation of the business of any Credit Party or its Subsidiaries, in each case, in a way that is material to the Credit Parties and their Subsidiaries, taken as a whole;

(h) Security Interests which secure any Purchase Money Obligations or Capital Lease Obligations in respect of Indebtedness permitted under clause (b) of "Permitted Indebtedness";

(i) any Security Interests which secure Indebtedness permitted under clause (c) and clause (f) of "Permitted Indebtedness"; and

(j) any other Security Interest which the Agent (in accordance with the instructions of the Majority Lenders) agrees in writing is a Permitted Encumbrance for the purposes of this Agreement;

"**Permitted Indebtedness**" means:

(a) Indebtedness under this Agreement;

(b) Indebtedness in an aggregate amount not to exceed $2,000,000 that constitutes Purchase Money Obligations and Capital Lease Obligations acquired by a Credit Party after the date hereof, provided that the Security Interests for any such obligation are limited to the particular financed/leased equipment and proceeds thereof;

(c) Indebtedness which is fully subordinated and postponed to all of the Facility Indebtedness on such terms as the Agent (in accordance with the instructions of the Majority Lenders, none of whom shall unreasonably withhold their consent) may agree in writing, pursuant to an intercreditor agreement, in form and substance satisfactory to the Agent and the Majority Lenders, executed and delivered by the third party creditor and the applicable Credit Parties in favour of the Agent;

(d) Indebtedness comprised of amounts owed to trade creditors and accruals in the Ordinary Course of Business, in each case (i) outstanding less than 90 days, or (ii) which are being disputed in good faith and, if material, in respect of which reasonable reserves have been established;

(e) Indebtedness comprised of Financial Instrument Obligations which comply with Section 7.3(q);

(f) Indebtedness permitted under Section 7.3(p);

(g) with respect to government royalties payable in respect of the Project pursuant to the terms of the *Mineral and Petroleum Resources Royalty Act*, No. 28 of 2008 and the *Mineral and Petroleum Resources Royalty (Administration) Act*, No. 29 of 2008;

(h) Indebtedness in respect of judgments that do not result in a Default;

(i) Indebtedness comprising all present and future debts, liabilities and obligations of any kind owing or remaining unpaid by any Credit Party to the other Credit Party or any of its Subsidiaries, provided always that all such Indebtedness is and remains unsecured, subordinated and postponed to the Facility Indebtedness;

(j) Indebtedness in respect of the Securities (as defined in the Note Indenture) issued under the Note Indenture;

(k) any other Indebtedness which the Agent (in accordance with the instructions of the Majority Lenders) agrees in writing is Permitted Indebtedness for the purposes of this Agreement;

"**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, body corporate, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, government or Governmental Authority or entity, however designated or constituted;

"**Platinum Group Assets**" means all of the assets now owned or leased or hereafter acquired by the Credit Parties or any of their Subsidiaries and all properties and assets comprising the Project, but excluding the equity interests in Lion Battery Technologies Inc. owned by the Borrower, as more particularly described on Schedule E;

"**PPSA**" means the *Personal Property Security Act* (British Columbia);

"**Pro Rata Share**" means, at any particular time with respect to a particular Lender, the ratio of the Individual Commitment of such Lender at such time to the aggregate of the Individual Commitments of all of the Lenders at such time.

"**Proceeds of Realization**" means all cash and non-cash proceeds derived from any sale, disposition or other realization of the Platinum Group Assets or received from a Guarantor pursuant to a guarantee (a) after any notice being sent by the Agent to the Borrower pursuant to Section 8.2 declaring all indebtedness of the Borrower hereunder to be immediately due and payable, (b) upon any dissolution, liquidation, business rescue, winding-up, reorganization, bankruptcy, insolvency or receivership of any Credit Party (or any other arrangement or marshalling of the Platinum Group Assets that is similar thereto), or (c) upon the enforcement of, or any action taken with respect to, a guarantee or other Security Document. For greater certainty, insurance proceeds derived as a result of the loss or destruction of any of the Platinum Group Assets or cash or non-cash proceeds derived from any expropriation or other condemnation of any of the Platinum Group Assets shall not constitute Proceeds of Realization prior to the Enforcement Date;

"**Process Agent**" has the meaning ascribed thereto in Section 1.6;

"**Project**" means the Waterberg Project, comprising a mining right application and applications for associated environmental authorizations, by Waterberg JV Resources by reason of it being, or having been the holder of prospecting rights LP 30/5/1/1/2/10667 PR, LP 30/5/1/1/2/10809 PR, LP 30/1/1/2/11013 PR and LP 30/1/1/2/10804 PR, located on the farms Rosamund 357 LR, Disseldorp 369 LR (Disseldorp), Millstream 358 LR, Ketting 368 LR, Portion 1 of Goedetrouw 366 LR (Goedetrouw), Goedetrouw 366, Early Dawn 361 LR, Old Langsine 360 LR, Langbryde 324 LR and Lomondside 323 LR, within the Northern Limb of the Bushveld Igneous Complex in the Limpopo Province, South Africa ("**Mining Area**"), and the development of a platinum and palladium mine on the Mining Area consequent upon the grant of the applications, and including any extensions to the Mining Area from time to time;

"**Project Document**" means any agreement, contract, license, permit, instrument, lease, easement or other document which (i) deals with or is related to the construction, operation or development of the Project, and (ii) is executed from time to time by or on behalf of or is otherwise made or issued in favour of any Credit Party or any of its Subsidiaries relating to the Project;

"**Property**" means all mineral rights, including any mineral claims, leases, licences, concessions, permits, agreements or any other rights in relation to the Project, together with any present or future renewal, extension in time, modification, substitution, amalgamation, succession, conversion, demise to lease, renaming or variation of any of those mineral rights or additional acquired interests that derive directly from those mineral rights or additional acquired interests (whether granting or conferring the same, similar or any greater rights);

"**PTM Group**" means the Credit Parties, Mnombo and Waterberg and/or each of their respective Affiliates (and all respective successors and permitted assigns) and "**PTM Group Member**" means any one or more members of the PTM Group;

"**PTM Public Offering**" means a public offering of Common Shares completed by the Borrower after July 8, 2019 and on or before the Closing Time (excluding the Deepkloof Private Placement), pursuant to which the Borrower shall raise net cash proceeds of not less than $**10,400,000**;

"**Public Disclosure Record**" means all information circulars, prospectuses (including preliminary prospectuses), annual information forms, offering memoranda, financial statements, annual and other reports, SEC filings, material change reports and news releases filed from time to time by the Borrower with the Exchanges and all securities regulatory authorities in each Reporting Jurisdiction;

"**Purchase Money Obligation**" means, with respect to a Person, indebtedness of the Person issued, incurred or assumed to finance all or part of the purchase price of any asset or property acquired by such Person;

"**Relevant Jurisdiction**" means, from time to time, any jurisdiction in which any of the Credit Parties have material properties or assets, or in which they carry on any material business being, on the date hereof, the Province of British Columbia, Canada and the Republic of South Africa;

"**Reporting Jurisdictions**" means all of the jurisdictions in Canada in which the Borrower is a "reporting issuer" (being, as of the date hereof, the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador) and the United States;

"**Retainer**" has the meaning attributed to that term in Section 7.4;

"**SARB Approval**" has the meaning attributed to that term on 7.1(b);

"**SDNs**" has the meaning attributed to such term in Section 6.1(kkk);

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Securities Act**" means the *Securities Act* (British Columbia);

"**Security**" means the security including Security Interests provided by the Security Documents;

"**Security Documents**" means, collectively, the agreements, instruments and documents listed in Schedule B and delivered pursuant to Section 4.1 of this Agreement and all amendments thereto and any other guarantees or security documents from time to time delivered hereunder;

"**Security Interest**" means any security interest, assignment by way of security, mortgage, charge (whether fixed or floating), hypothec, deposit arrangement, pledge, lien, encumbrance, preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing and any other "Security Interest" as defined in section 1(1) of the PPSA);

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Shares**" as applied to the shares or other ownership or equity interests of any corporation or other entity, means the shares or other ownership or equity interests of every class whether now or hereafter authorized, regardless of whether such shares or other ownership or equity interests shall be limited to a fixed sum or percentage with respect to the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary or involuntary liquidation, business rescue, dissolution or winding-up of such corporation or other entity;

"**Stated Maturity Date**" means August 14, 2021;

"**Subsidiaries**" means, with respect to any Person, any corporation, company or other similar business entity (including, for greater certainty, a chartered bank) of which more than 49% of the outstanding Shares or other equity interests (in the case of Persons other than corporations) having ordinary voting power to elect a majority of the board of directors or the equivalent thereof of such corporation, company or similar business entity (irrespective of whether at the time Shares of any other class or classes of the Shares of such corporation, company or similar business entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries of such Person, or by one or more other Subsidiaries of such Person, including for greater certainty, all Material Subsidiaries, and "**Subsidiary**" means any one of them;

"**Tax Related Person**" means any Person (including a beneficial owner of an interest in a pass-through entity) who is required to include in income amounts realized (whether or not distributed) by the Agent or a Lender;

"**Taxes**" means all present or future taxes, assessments, rates, levies, imposts, deductions, withholdings, dues, duties, fees and other charges of any nature, including any interest, fines, penalties or other liabilities with respect thereto, imposed, levied, collected, withheld or assessed by any Governmental Authority (of any jurisdiction), and whether disputed or not;

"**Term Sheet**" means the term sheet for credit facility dated July 8, 2019 between the Borrower and Sprott Private Resource Lending II (Collector), LP;

"**Tiger Gate**" means Tiger Gate Platinum Propriety Limited;

"**TSX**" means the Toronto Stock Exchange;

"**United States**" means United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**Voting Shares**" means shares of capital stock of any class of any corporation carrying voting rights under all circumstances, provided that for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of any event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such event;

"**Waterberg**" means Waterberg JV Resources Proprietary Limited, a company incorporated under the laws of the Republic of South Africa; and

"Waterberg Pledged Shares" has the meaning attributed to that term in 5.1(a)(xxi);

"**Waterberg Shareholders Agreement**" has the meaning attributed to that term on Schedule D;

"**Working Capital**" means Current Assets less Current Liabilities.

Subdivisions, Table of Contents and Headings

1.2 The division of this Agreement into articles, sections, subsections and paragraphs, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

References to Bodies Corporate, Statutes, Contracts

1.3 Any reference in this Agreement:

(a) to any body corporate shall include successors thereto, whether by way of amalgamation, merger or otherwise; provided that transfers and assignments by the parties and corporate and other reorganizations shall nonetheless be undertaken only in accordance with any restrictions imposed by the terms of this Agreement;

(b) to any statute, enactment or legislation or to any section or provision thereof shall include a reference to any order, ordinance, regulation, rule or by-law or proclamation made under or pursuant to that statute, enactment or legislation and all amendments, modifications, consolidations, re-enactments or replacements thereof or substitutions therefor from time to time; and

(c) to any agreement, instrument, Authorization or other document (including Material Contracts) shall include reference to such agreement, instrument, Authorization or other document as the same may from time to time be amended, supplemented, replaced or restated, irrespective of whether particular reference shall have been made to some (but not all) amendments, supplements, replacements or restatements thereof; provided that transfers, amendments, supplements, replacements and restatements shall nonetheless be undertaken only in accordance with any restrictions imposed by the terms of this Agreement.

Currency

1.4 Any reference in this Agreement to "**U.S. Dollars**", "**USD**", "**US$**", "**dollars**" or "**$**" shall be deemed to be a reference to lawful money of the United States and any reference to any payments to be made by any Credit Party shall be deemed to be a reference to payments made in lawful money of the United States.

Use of the Words "Best Knowledge"

1.5 The words "**best knowledge**", "**to the best of the Borrower's knowledge**", "**to the knowledge of**", "**of which they are aware**", "**any knowledge of**" or other similar expressions limiting the scope of any representation, warranty, acknowledgement, covenant or statement by the Borrower or the Credit Parties will be understood to be made on the basis of the actual knowledge of any of the executive officers of the Borrower or Credit Party, in each case, after due inquiry.

Governing Law

1.6 This Agreement shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract. The parties hereby irrevocably attorn to the non-exclusive jurisdiction of the Courts of the Province of British Columbia and agree to be bound by any suit, action or proceeding commenced in such courts and by any order or judgment resulting from such suit, action or proceeding but the foregoing will in no way limit the Lenders' right to commence suits, actions or proceedings in any jurisdiction.

The parties further agree that service of any process, summons, notice or document by delivery in the manner set forth in Article 10 shall be effective service of process for any action, suit or proceeding brought against any party in such court. The parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

The Guarantor hereby irrevocably designates the Borrower (in such capacity, the "**Process Agent**"), with an office at 838 - 1100 Melville Street, Vancouver, B.C., V6E 4A6, as its designee, appointee and agent to receive, for and on its behalf service of process in such jurisdiction in any legal action or proceedings with respect to this Agreement or the transactions contemplated hereby, and such service shall be deemed complete upon delivery thereof to the Process Agent; provided that in the case of any such service upon the Process Agent, the party effecting such service shall also deliver a copy thereof to the Guarantor in the manner provided in Article 10. The Guarantor shall take all such action as may be necessary to continue said appointment in full force and effect or to appoint another agent so that the Guarantor will at all times have an agent for service of process for the above purposes.

Nothing herein shall affect the right of any party to serve process in any manner permitted by Applicable Law. The Credit Parties each expressly acknowledge that the foregoing waiver is intended to be irrevocable under all Applicable Laws and that nothing contained herein will in anyway limit any Finance Party's right to commence suits, actions or proceedings in any jurisdiction.

Paramountcy

1.7 If any covenant, representation, warranty or event of default contained in any other Facility Document is in conflict with or is inconsistent with a provision of this Agreement relating to the same specific matter, such covenant, representation, warranty or event of default shall be deemed to be amended to the extent necessary to ensure that it is not in conflict with or inconsistent with the provision of this Agreement relating to the same specific matter.

Interpretation

1.8 In this Agreement and each other Facility Document, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The words "**including**" and "**includes**" mean "including" (or "includes") without limitation.

Time of Essence

1.9 Time shall be of the essence in all respects of this Agreement.

Rule of Construction

1.10 The Facility Documents have been negotiated by each party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of the Facility Documents.

Schedules

1.11 The Schedules attached hereto are incorporated into this Agreement by reference and are deemed to be an integral part thereof.

ARTICLE 2
THE FACILITY

The Facility

2.1 Subject to the terms and conditions hereof, the Lenders hereby severally establish in favour of the Borrower a senior secured single advance reducing term credit facility (the "**Facility**") in an amount equal to the Commitment amount, which shall be made available to the Borrower, or as the Borrower may direct, by way of a single Advance made in accordance with this Agreement.

Non-Revolvement

2.2 The Facility is a non-revolving facility, and any repayment under the Facility shall not be re-borrowed.

Notice of Borrowing

2.3 The Borrower shall provide a notice of borrowing to the Agent in respect of the Advance no later than 12:00 p.m. (Toronto time) not less than two Business Days prior to the requested drawdown date. The notice of borrowing shall be in form and on terms satisfactory to the Agent and shall be irrevocable (the "**Notice of Borrowing**").

Term

2.4 The outstanding principal amount of the Facility, together with all accrued but unpaid interest, bonus and other costs, fees or charges payable hereunder from time to time, will be immediately due and payable by the Borrower to the respective Lenders on the Stated Maturity Date.

Extension of the Stated Maturity Date

2.5 The Borrower may elect to extend the maturity of the Facility by one year to August 14, 2022 (the "**Extended Maturity Date**") by written notice to the Agent, to be delivered no earlier than the date which is four months prior to the Stated Maturity Date and no later than the date which is two months prior to the Stated Maturity Date, subject to the following being satisfied to the Lenders' satisfaction, in their sole and absolute discretion, which the Lenders shall have confirmed same by notice in writing to the Borrower:

(a) subject to the Lenders' agreement to extend the maturity to the Extended Maturity Date, the Borrower shall deliver to the Lenders on the Stated Maturity Date such number of Common Shares issued from treasury (the "**Extension Shares**") as is equal to 3% of the outstanding principal amount of the Facility as measured on the date which is two Business Days prior to the Stated Maturity Date (the "**Determination Date**"), divided by the volume weighted average trading price of the Common Shares as they trade on the TSX for the five trading days immediately preceding the Determination Date. At the Borrower's option, it may also pay the Lenders on the Stated Maturity Date an amount equal to 3% of the outstanding principal amount of the Facility on the Determination Date in lieu of the issuance of the Extension Shares;

(b) the Lenders shall in their sole and absolute discretion be satisfied with the form and terms of all security securing repayment of the Facility Obligations and the value of all collateral secured thereunder or subject thereto and the credit worthiness and capacity of the Credit Parties to repay the Facility Obligations;

(c) the representations and warranties set out in Article 6 and in each other Facility Document shall be true and correct in all material respects;

(d) the Credit Parties shall have satisfied all covenants and agreements in the Facility Documents required to be fulfilled on or before the Stated Maturity Date (except for the repayment of the outstanding Facility Obligations on the Stated Maturity Date); and

(e) no Default shall have occurred and be continuing.

2.6 The Extension Shares shall be registered in the names of the Lenders in accordance with their respective Pro Rata Share, or as they may direct, and shall be subject to a hold period under Applicable Securities Legislation of four months and one day from their date of issue, subject to the conditions prescribed under Applicable Securities Legislation. The issuance of the Extension Shares shall be subject to the approval of the Exchanges, which the Borrower covenants and agrees to use reasonable commercial efforts to obtain in a timely manner.

Use of Proceeds of the Facility

2.7 Except with the prior written consent of the Agent (in accordance with the instructions of the Majority Lenders), the Borrower shall use the proceeds of the Facility only as follows:

(a) in repayment of all indebtedness, liabilities and obligations of the Credit Parties to Liberty under the Liberty Documents in connection with the full and final payment and settlement of all Liberty Obligations thereunder (after giving effect to the application of proceeds from the Liberty Private Placement to the Liberty Obligations) and the release and discharge of all security therefor; and

(b) in payment of the Lender's fees and expenses payable pursuant to Section 7.4.

Interest

2.8 Interest shall accrue on the outstanding principal amount of the Facility (including all capitalized interest, if any) from and including the date on which the Agent pays the proceeds of the Advance to the Escrow Agent to be held pursuant to the Escrow Agreement, as well as on all overdue amounts outstanding in respect of interest, costs or other fees or expenses payable under the Facility Documents, in each case at the rate equal to 11.00% (eleven percent) per annum, calculated daily and compounded monthly and shall be payable by the Borrower to the Lenders monthly on the last Business Day of every calendar month, as well as after each of maturity, default and judgment.

2.9 Notwithstanding Section 2.8, provided that no Default has occurred and is continuing, the Borrower may elect to capitalize up to three non-consecutive monthly interest payments coming due under Section 2.8, in each case, upon written notice to the Agent not less than 15 days or more than 30 days prior to the due date of any such interest payment. All interest payments capitalized under this Section 2.9 shall from the date of capitalization be added to and form part of the outstanding principal amount of the Facility and shall bear interest at the rate set out in Section 2.8 from the date of capitalization until paid in full, without duplication.

Computations

2.10

(a) All interest payments to be made under this Agreement will be paid without allowance or deduction for deemed re-investment or otherwise, both before and after maturity and before and after default and/or judgment, if any, until payment of the amount on which such interest is accruing, and interest will accrue on overdue interest, if any.

(b) Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest or rate of fees "per annum" or a similar expression is used, such interest or fees will be calculated on the basis of a calendar year of 360 days, using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.

(c) For the purposes of the *Interest Act* (Canada) and disclosure under such act, whenever interest to be paid under this Agreement is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 365, 366 or such other period of time, as the case may be.

No Set-off

2.11 All payments required to be made by the Borrower or any other Credit Party pursuant to the provisions hereof or any other Facility Document shall be made in immediately available funds and without any set-off, deduction, withholding or counter-claim or cross-claim.

Incentive Shares

2.12 In consideration for the Advance of the Facility and concurrently therewith, the Borrower will deliver to the Lenders 800,000 Common Shares issued from treasury at a deemed price equal to $1.25 per Common Share (the "**Incentive Shares**"). The Incentive Shares shall be registered in the names of the Lenders in accordance with their respective Pro Rata Share, or as they may direct, and shall be subject to a hold period under Applicable Securities Legislation of four months and one day from their date of issue, subject to the conditions prescribed under Applicable Securities Legislation.

Administrative Matters Re: Payments

2.13 All Amounts Payable under the Facility Documents shall be made payable in lawful money of the United States of America. If the date for payment of any Amount Payable is not a Business Day, then such payment shall be made on the next day which is a Business Day in both such places.

Funding of Advances

2.14

(a) Each Lender shall make available to the Agent its Pro Rata Share of the principal amount of the Advance under the Facility prior to 11:00 a.m. (Toronto time) on the date of the Advance. The Agent shall, upon fulfilment by the Borrower of the relevant terms and conditions set forth in Article 5 and unless otherwise irrevocably authorized and directed in a Notice of Borrowing, make such funds available to the Borrower on the date of the extension of credit by crediting the account of the Borrower designated by the Borrower to the Agent from time to time in writing. Unless the Agent has been notified by a Lender at least one Business Day prior to the date of the extension of credit that such Lender will not make available to the Agent its Pro Rata Share of the Advance, the Agent may assume that such Lender has made such portion of the Advance available to the Agent on the date of the extension of credit in accordance with the provisions hereof and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Agent has made such assumption, to the extent such Lender shall not have so made its Pro Rata Share of the Advance available to the Agent, such Lender agrees to pay to the Agent, forthwith on demand, such Lender's Pro Rata Share of the Advance and all costs and expenses incurred by the Agent in connection therewith together with interest thereon at the rate applicable to the Facility, calculated in accordance with Section 2.8 for each day from the date such amount is made available to the Borrower until the date such amount is paid or repaid to the Agent; provided, however, that notwithstanding such obligation, if such Lender fails so to pay, the Borrower shall, without prejudice to any rights that the Borrower might have against such Lender, repay such amount to the Agent forthwith after demand therefor by the Agent. The amount payable by each Lender to the Agent pursuant hereto shall be set forth in a certificate delivered by the Agent to such Lender and the Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall constitute *prima facie* evidence of such amount payable. If such Lender makes the payment to the Agent required herein, the amount so paid shall constitute such Lender's Pro Rata Share of the Advance for purposes of this Agreement and shall entitle the Lender to all rights and remedies against the Borrower in respect of the Advance.

Failure of Lender to Fund Advances

2.15 If any Lender fails to make available to the Agent its Pro Rata Share of the Advance under the Facility as required (a "**Defaulting Lender**") and the Agent has not funded pursuant to Section 2.14, the Agent shall forthwith give notice of such failure by such Defaulting Lender to the Borrower and the other Lenders and such notice shall state that any other Lender may make available to the Agent all or any portion of the Defaulting Lender's Pro Rata Share of the Advance (but in no way shall any other Lender or the Agent be obliged to do so) in the place and stead of the Defaulting Lender. If more than one Lender gives notice that it is prepared to make funds available in the place and stead of a Defaulting Lender in such circumstances and the aggregate of the funds which such Lenders (herein collectively called the "**Contributing Lenders**" and individually called a "**Contributing Lender**") are prepared to make available exceeds the amount of the Advance which the Defaulting Lender failed to make, then each Contributing Lender shall be deemed to have given notice that it is prepared to make available its Pro Rata Share of the Advance based on the Contributing Lenders' relative commitments to advance in such circumstances. If any Contributing Lender makes funds available in the place and stead of a Defaulting Lender in such circumstances, then the Defaulting Lender shall pay to any Contributing Lender making the funds available in its place and stead, forthwith on demand, any amount advanced on its behalf together with interest thereon at the rate equal to the rate of interest determined under Section 2.6 plus 2.00% per annum, calculated daily and compounded monthly, for each day from the date of such Advance to the date of payment, against payment by the Contributing Lender making the funds available of all interest received in respect of such Advance from the Borrower. In addition to interest as aforesaid, the Borrower shall pay all amounts owing by the Borrower to the Defaulting Lender (with respect to the amounts advanced by the Contributing Lenders on behalf of the Defaulting Lender) to the Contributing Lenders until such time as the Defaulting Lender pays to the Agent for the Contributing Lenders all amounts advanced by the Contributing Lenders on behalf of the Defaulting Lender and non-receipt by such Defaulting Lender will not constitute a breach by the Borrower of this Agreement and all such payments shall discharge the Borrower's obligations to the Defaulting Lender in respect of the same.

Time and Place of Payments

2.16 All payments made by the Borrower pursuant to this Agreement or pursuant to any other Facility Document shall be made before 2:00 p.m. (Toronto, Ontario time) on the day specified for payment. Any payment received after 2:00 p.m. (Toronto, Ontario time) on the day specified for such payment shall be deemed to have been received before 2:00 p.m. (Toronto, Ontario time) on the immediately following Business Day. All payments shall be made to the Agent on behalf of the Finance Parties to the office of the Agent, as specified by the Agent in Schedule A, or such other office as the Agent may designate in writing.

Remittance of Payments

2.17 If from time to time the Agent accepts any payment of principal, interest, fees or other amounts due under this Agreement for the benefit of the Lenders, then forthwith after its receipt of such payment the Agent shall, subject to Sections 2.15 and 11.7, remit to each Lender, in immediately available funds, such Lender's Pro Rata Share of such payment (except to the extent such payment results from the Advance with respect to which a Lender had failed, pursuant to Section 2.15, to make available to the Agent its Pro Rata Share and, where any other Lender has made funds available in the place and stead of a Defaulting Lender); provided that if the Agent, on the assumption that it will receive, on any particular date, a payment of principal (including, a prepayment), interest, fees or other amount under the Facility, remits to each Lender its Pro Rata Share of such payment and the Borrower fails to make such payment, each Lender agrees to repay to the Agent, forthwith on demand, to the extent that such amount is not recovered from the Borrower on demand and after reasonable efforts by the Agent to collect such amount (without in any way obligating the Agent to take any legal action with respect to such collection), such Lender's Pro Rata Share of the payment made to it pursuant hereto together with interest thereon at the rate applicable to the Facility, calculated in accordance with Section 2.8 for each day from the date such amount is remitted to the Lender until the date such amount is paid or repaid to the Agent, the exact amount of the repayment required to be made by the Lender pursuant hereto to be as set forth in a certificate delivered by the Agent to each Lender, which certificate shall constitute *prima facie* evidence of such amount of repayment.

Evidence of Indebtedness

2.18 The Agent shall maintain accounts wherein the Agent shall record the amount of credit outstanding and owed to each Lender hereunder, each payment of principal and interest to such Lender on account of the Advance and all other amounts becoming due to and being paid to each Lender hereunder. The Agent's accounts constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrower to each Lender pursuant to this Agreement.

Agent's Discretion to Allocate

2.19 Notwithstanding the provisions of Section 2.14 with respect to the funding of the Advance in accordance with each Lender's Pro Rata Share, the Agent shall be entitled to reallocate the funding obligations under the Facility among the Lenders in order to ensure, to the greatest extent practicable, that after such funding the aggregate amount of credit extended hereunder by each Lender coincides with such Lender's Pro Rata Share of the aggregate amount of credit extended under the Facility by all of the Lenders thereunder, provided that no such allocation shall result in the aggregate amount of credit extended hereunder by any Lender exceeding such Lender's Individual Commitment in respect of the Facility.

Lenders' Securities Law Matters

2.20 Each Lender represents, warrants and covenants to the Borrower as of the date hereof and as of the date of issuance of the Incentive Shares, that it has completed and delivered to the Borrower (and has arranged for each of its participants, if any, to complete and deliver to the Borrower), and, if the Borrower exercises its option under Section 2.5, that it will complete and deliver to the Borrower as of the date of the issuance of the Extension Shares (and will arrange for each of its participants, if any, to complete and deliver to the Borrower) either a Non-U.S. Lender's or Participant's Certificate in the form attached as Schedule F or a U.S. Lender's or Participant's Certificate in the form attached as Schedule G, as applicable, and each Lender represents and warrants to the Borrower as of the date hereof and as of the date of each issuance of the Incentive Shares and, if the Borrower exercises its option under Section 2.5, as of the date of each issuance of the Extension Shares, that in respect of its own Non-U.S. Lender's or Participant's Certificate or U.S. Lender's or Participant's Certificate, as the case may be, the representations, warranties and covenants set forth therein are true and correct.

2.21 The Agent acknowledges that the Incentive Shares and, if applicable, the Extension Shares, are intended to be issued to all persons other than Lenders that have completed a U.S. Lender's or Participant's Certificate in the form attached as Schedule G in compliance with the exclusion from registration requirements provided by Rule 903 under the U.S. Securities Act (Category 2 where applicable), and that the Agent may be deemed a "distributor" as defined in Rule 902 under the U.S. Securities Act, with respect to the offer and sale of the Incentive Shares or the Extension Shares. It represents and warrants to the Borrower that (a) it has not offered or solicited offers to participate in the Facility or to receive any Incentive Shares or Extension Shares using any general solicitation or general advertising (within the meaning of Rule 502 under the U.S. Securities Act) or taken any action that would cause the exemptions provided by Rule 506(b) or Rule 903 thereunder to be unavailable for the issuance of the Incentive Shares or Extension Shares, including any solicitation, offer or sale in the United States or to, or for the account or benefit of, a U.S. person (as defined in Rule 902 under the U.S. Securities Act), with respect to the Incentive Shares or Extension Shares to be issued to persons other than Lenders that have completed a U.S. Lender's or Participant's Certificate in the form attached as Schedule G, nor will it do so, (b) it has not received and will not receive any commission or other remuneration, directly or indirectly, in respect of the participation of Lenders that have completed a U.S. Lender's or Participant's Certificate in the form attached as Schedule G in the transactions contemplated hereby, (c) all offers and sales of the Incentive Shares or Extension Shares prior to the expiration of the distribution compliance period specified in Category 2 of Rule 903 under the U.S. Securities Act, where applicable, have been and shall be made only in accordance with the provisions of Rules 903 or 904 under the U.S. Securities Act, pursuant to registration of the Incentive Shares or Extension Shares under the U.S. Securities Act, or pursuant to an available exemption from the registration requirements of the U.S. Securities Act (and shall include the notifications with respect thereof required by the definition of "offering restrictions" contained in Rule 902 under the U.S. Securities Act), and (d) it has not offered or sold and will not offer or sell any of the Incentive Shares or Extension Shares during the applicable distribution compliance period under Category 2 of Rule 903 under the U.S. Securities Act to a "distributor" as defined in Rule 902 under the U.S. Securities Act, a "dealer" as defined in Section 2(a)(12) of the U.S. Securities Act, or a person receiving a selling concession, fee or other remuneration in respect of the securities sold, without sending a confirmation or other notice to the purchaser stating that the purchaser is subject to the same restrictions on offers and sales that apply to a distributor.

2.22 Each Lender other than the Agent represents and warrants to the Borrower that it has not offered or solicited offers to participate in the Facility or to receive any Incentive Shares or Extension Shares.

2.23 Incentive Shares and Extension Shares may only be issued to Persons who are Lenders and Participants at the time of issuance and who have delivered to the Borrower either a Non-U.S. Lender's or Participant's Certificate in the form attached as Schedule F or a U.S. Lender's or Participant's Certificate in the form attached as Schedule G, as applicable.

ARTICLE 3
PREPAYMENT, REPAYMENT AND REDUCTIONS

Voluntary Prepayment

3.1 The Borrower may prepay principal amounts outstanding under the Facility, in whole or in part, at any time, without penalty, provided that:

(a) not less than six months of interest on the principal amount of any such prepayment has been paid to the Lenders;

(b) any such prepayment may only be made on the last Business Day of a calendar month; and

(c) the Borrower shall have provided the Agent with at least ten Business Days' prior written notice of its intention to make such prepayment.

Section 3.1 shall not apply to the mandatory prepayments required under Sections 3.3 or 3.4.

Asset Sale; Reinvestment or Voluntary Prepayment

3.2 If the Credit Parties or any of their Subsidiaries sell or otherwise dispose of any assets outside the Ordinary Course of Business for cash proceeds, in each case in excess of $1,000,000, in aggregate during the term hereof, the relevant Credit Parties shall, and if applicable shall cause their Subsidiaries to, provide the Agent with full particulars of same, including all relevant documentation as the Agent may request, and at the Credit Parties' election, either reinvest the proceeds into the Project or pay the proceeds from such sale or other disposition, net of reasonable selling costs, to the Lenders in prepayment of the Facility in accordance with Section 3.1 and subject to the terms thereof.

Financing Mandatory Prepayment

3.3 If the Credit Parties or any of their Subsidiaries close one or more equity financings (excluding the Deepkloof Private Placement, the Liberty Private Placement, the PTM Public Offering and any intercompany financings between Credit Parties or their Subsidiaries), the Borrower shall pay or cause to be paid 50% of the proceeds of all such financings, net of reasonable financing costs, to the Lenders in prepayment of the Facility.

Warrant Exercise Prepayment

3.4 If after the Closing Date, any portion of the outstanding Borrower Warrants are exercised by the holders thereof, the Borrower shall provide the Agent with full particulars thereof in writing on or before the date which is ten days following the date of such exercise of Borrower Warrants and shall pay or cause to be paid to the Lenders 75% of the gross proceeds thereof, in prepayment of the Facility.

ARTICLE 4
SECURITY

Security Documents

4.1 To secure the due payment of all Indebtedness of the Borrower to the Finance Parties in respect of the Facility and the payment and performance of all other Facility Indebtedness, the Credit Parties shall execute and deliver to the Agent (for the benefit of the Finance Parties) the Security Documents.

Registration of the Security

4.2 The Borrower shall, and shall cause the Guarantor to, at the Borrower's expense, register, file, record and give notice of (or cause to be registered, filed, recorded and given notice of) any amendments to the Security Documents in all offices where such registration, filing, recording or giving notice is necessary or desirable for the perfection of the Security Interests constituted thereby and to ensure that such Security Interests are first ranking, subject only to Permitted Encumbrances. The Agent shall have no duty or responsibility to cause registrations, filings, recordings and notices to keep in good standing the Security Interests created by the Security Documents.

ARTICLE 5
CONDITIONS PRECEDENT TO EFFECTIVENESS

Conditions Precedent to Effectiveness of this Agreement

5.1 The effectiveness of this Agreement shall be subject to the following conditions precedent being satisfied, fulfilled or otherwise met to the satisfaction of the Finance Parties:

(a) receipt by the Finance Parties of the following documents, each in full force and effect, and in form and substance satisfactory to the Finance Parties:

(i) a Notice of Borrowing in respect of the Advance;

(ii) executed copies of the Facility Documents, including, without limitation, this Agreement and the Security Documents, except for the Escrow Agreement;

(iii) certificates of status or other similar type of evidence for each of the Credit Parties from all Relevant Jurisdictions;

(iv) certified copies of the Constating Documents of each of the Credit Parties;

(v) certified copies of the directors' resolutions of each of the Credit Parties with respect to its authorization, execution and delivery of the Facility Documents to which it is a party;

(vi) opinions of the counsel to the Credit Parties relating to, among other things, the subsistence of each of the Credit Parties, and the due authorization, execution, delivery and enforceability of the Facility Documents and the due registration and perfection of the Security Documents, opinions as to title to the properties comprising the Project and such other customary opinions as the Finance Parties and their counsel require;

(vii) all required consents, approvals, Authorizations, orders, waivers or agreements of, or registrations or qualifications with, any Governmental Authority (other than SARB Approval), or any other body or authority, court, stock exchange, securities regulatory authority or other Person, including but not limited to those listed on Schedule C;

(viii) certificates of officers of each of the Credit Parties as to corporate matters and certifying that (A) all of the representations and warranties of each of the Credit Parties contained herein or in any other Facility Document are true and correct in all material respects on and as of the Closing Date, (B) all of the covenants and agreements of each of the Credit Parties contained herein or in any other Facility Document required to be fulfilled or satisfied on or before the Closing Date have been so fulfilled or satisfied, and (C) no Default has occurred and is continuing;

(ix) an irrevocable direction to pay with respect to the Advance, providing for, among other things, the payment of all net Advance proceeds to Liberty in payment of all remaining Liberty Obligations (with the net Advance proceeds being used to pay out the remaining Liberty Obligations after payment by the Borrower to Liberty from the proceeds of the Deepkloof Private Placement, the Liberty Private Placement and the PTM Public Offering);

(x) releases and discharges (or, if acceptable to the Agent, postponements), in registrable form where appropriate, covering all Security Interests or other encumbrances affecting the Platinum Group Assets which are not Permitted Encumbrances, if any, including releases and discharges evidencing the irrevocable release and discharge of all Liberty Obligations and all security documents and instruments granted in connection with the Liberty Facility and the Liberty Documents;

(xi) a Compliance Certificate;

(xii) satisfactory searches in respect of the Credit Parties and their Subsidiaries;

(xiii) evidence that all Security Interests pursuant to the Security Documents have been duly perfected and registered in all Relevant Jurisdictions and any other relevant jurisdiction as required by the Agent and the Lenders' Counsel;

(xiv) the Liberty Payout Agreement confirming, *inter alia*, all Liberty Obligations outstanding under the Liberty Documents, before and after the application of proceeds from the Liberty Private Placement to the Liberty Obligations, and providing for the full and final unconditional release and discharge of all Liberty Obligations and all security therefor, to be made effective upon the completion of Closing and the payment of the net Advance proceeds to Liberty in payment of all remaining Liberty Obligations;

(xv) a special power of attorney from the Guarantor in favour of the Agent and its subagents to apply for the consent of the Department of Mineral Resources under Section 11 of the MPRDA in the manner contemplated in the Cession and Pledge in Security (Guarantor Shares) contemplated in Schedule B;

(xvi) a special power of attorney from Waterberg in favour of the Agent and its subagents to apply for the consent of the Department of Mineral Resources under Section 11 of the MPRDA in the manner contemplated in the Cession and Pledge in Security (Waterberg Shares) contemplated in Schedule B;

(xvii) a notice by the Borrower to the Guarantor of the cession and pledge in the form attached as schedule 1 to the Cession and Pledge in Security (Guarantor Shares);

(xviii) a notice by the Guarantor to Waterberg of the cession and pledge in the form attached as schedule 3 to the Cession and Pledge in Security (Waterberg Shares);

(xix) an acknowledgement of notice in the form attached as schedule 1 to the Cession and Pledge in Security (Guarantor Shares);

(xx) an acknowledgement of notice in the form attached as schedule 3 to the Cession and Pledge in Security (Waterberg Shares);

(xxi) certified copy of the resolutions of the directors of the Guarantor approving the pledge and any transfer of 255 ordinary par value shares in the capital of the Guarantor issued to the Borrower (the "**Guarantor Pledged Shares**"), in the form attached as schedule 1 to the Cession and Pledge in Security (Guarantor Shares);

(xxii) certified copy of the resolutions of the directors of Waterberg approving the pledge and any transfer of 81,202 shares in the capital of Waterberg issued to the Guarantor (the "**Waterberg Pledged Shares**"), in the form attached as schedule 2 to the Cession and Pledge in Security (Waterberg Shares);

(xxiii) original share certificate and share transfer form in respect of the Guarantor Pledged Shares, undated and signed by the Borrower, as transferor, and blank as to the transferee;

(xxiv) original share certificate and share transfer form in respect of the Waterberg Pledged Shares, undated and signed by the Guarantor, as transferor, and blank as to the transferee; and

(xxv) such other documents, certificates, opinions and agreements which the Agent or the Lenders' Counsel may reasonably require, consistent with the terms of this Agreement (which, for greater certainty shall not include any new security not previously contemplated herein);

(b) the Lenders shall have completed and be satisfied with their financial, business, environmental, tax, legal and other due diligence review of the Credit Parties and their respective properties and assets, including without limitation, their review of all feasibility studies, plans, budgets, pro forma financial statements and all Material Contracts and that the realizable value of the properties and assets of the Credit Parties and their Subsidiaries and the adequacy of such properties and assets to support repayment of the Facility;

(c) each Lender shall have received the approval of its credit committee and other required authorizations;

(d) the Finance Parties shall be satisfied that no event or circumstance shall have occurred or exists that (in the opinion of the Majority Lenders, in their sole discretion) has resulted in or could reasonably be expected to result in a Material Adverse Effect;

(e) all of the representations and warranties of each of the Credit Parties contained in this Agreement or in any other Facility Document are true and correct, and the Agent has received a Certificate of the Borrower so certifying to the Agent;

(f) all of the covenants and agreements of each of the Credit Parties contained herein or in any other Facility Document required to be fulfilled or satisfied on or before the Closing Date have been so fulfilled or satisfied, and the Agent has received a Certificate of the Borrower so certifying to the Agent; and

(g) no Default has occurred and is continuing, and the Agent has received a Certificate of the Borrower so certifying to the Agent.

Conditions Precedent to the Advance

5.2 The obligation of the Lenders to make the Advance under this Agreement is subject to and conditional upon the following conditions precedent being satisfied, fulfilled or otherwise met to the satisfaction of the Finance Parties:

(a) evidence satisfactory to the Lender, confirming:

(i) that the Borrower has raised total gross cash proceeds from the PTM Public Offering and the Deepkloof Private Placement of not less than $20,000,000;

(ii) that the Liberty Private Placement has closed, or will close concurrently with the Advance, and that the Common Shares in the Liberty Private Placement have, or will have, been issued and received by Liberty;

(iii) the outstanding balance of the Liberty Obligations following the closing of the Liberty Private Placement, which shall not exceed $33,000,000, plus reasonable legal fees of Liberty's counsel;

(iv) that the PTM Public Offering will close concurrently with the Advance and that the Borrower (or its agent, in trust) is in receipt of the net cash proceeds thereof, free from all closing escrow or other restrictions except for the concurrent making of the Advance, and that the Borrower is not restricted from using such net cash proceeds to pay out and discharge the Liberty Obligations;

(v) that the Deepkloof Private Placement has closed, or will close concurrently with the Advance, and that the Borrower (or its agent, in trust) is in receipt of the net cash proceeds thereof, free from all closing escrow or other restrictions and that the Borrower is not restricted from using such net cash proceeds to pay out and discharge the Liberty Obligations;

(vi) the TSX shall have conditionally approved, and NYSE American shall had approved the Incentive Shares for listing;

(vii) Liberty, or its counsel, shall have confirmed to the Agent in writing that:

A. the Common Shares in the Liberty Private Placement have been issued;

B. upon receipt of an amount not to exceed $33,000,000, the Liberty Obligations will be paid and satisfied in full and all security documents and instruments securing the Liberty Obligations shall be immediately released and discharged in accordance with the Liberty Payout Agreement; and

C. the Escrowed Documents (as such term is defined in the Escrow Letter) have been, or currently with the Advance will be, released from all escrow conditions placed upon them pursuant to the letter sent by Brent Lewis of Fasken Martineau DuMoulin LLP to Doug Shields of DLA Piper (Canada) LLP on August 14, 2019 (the "**Escrow Letter**");

(b) the Incentive Shares shall have been issued and delivered to the Lenders or as they may direct;

(c) the Finance Parties shall have received from Canadian counsel to the Credit Parties opinions relating to, among other things, the issuance of the Incentive Shares, and such other customary opinions in relation thereto as the Finance Parties and their counsel require;

(d) the Finance Parties shall have received an executed copy of the Escrow Agreement, in full force and effect;

(e) the Finance Parties shall have received payment of all fees and reimbursable expenses in connection with this Agreement, including those fees described in Section 7.4, which are payable by the Credit Parties to the Finance Parties on or prior to the Closing Date;

(f) there shall be no other Security Interest or other liens or encumbrances whatsoever, which rank equal to or in priority to the Agent's Security Interests granted pursuant to the Security Documents, other than Permitted Encumbrances;

(g) all of the representations and warranties of each of the Credit Parties contained in this Agreement or in any other Facility Document are true and correct and the Agent has received a Certificate of the Borrower so certifying to the Agent;

(h) all of the covenants and agreements of each of the Credit Parties contained herein or in any other Facility Document required to be fulfilled or satisfied on or before the date of the Advance have been so fulfilled or satisfied and the Agent has received a Certificate of the Borrower so certifying to the Agent;

(i) the Finance Parties shall be satisfied that no event or circumstance shall have occurred or exists that (in the opinion of the Majority Lenders, in their sole discretion) has resulted in or could reasonably be expected to result in a Material Adverse Effect; and

(j) no Default has occurred and is continuing and the Agent has received a Certificate of the Borrower so certifying to the Agent.

Waiver

5.3 The conditions in Sections 5.1 and 5.2 are inserted for the sole benefit of the Finance Parties and may be waived by the Agent (in accordance with the instructions of the Finance Parties), in whole or in part, with or without conditions, as the Finance Parties may determine in their sole and absolute discretion. If any of the conditions in Sections 5.1 and 5.2 are not satisfied or waived by the Lenders in writing on or before the Availability Period End Date, the Lenders shall have no further obligation to the Borrower to make the Advance and the Borrower shall pay to the Lenders their legal fees and other out-of-pocket expenses forthwith.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES

Representations and Warranties of the Credit Parties

6.1 The Borrower, for and on behalf of itself and the other Credit Parties, hereby represents and warrants to the Finance Parties as of the date hereof, and as of the date of the Advance made to the Borrower that:

(a) the Borrower and each of its Subsidiaries has been duly incorporated and organized under the laws of its jurisdiction of incorporation and is validly existing and is current and up-to-date with all material filings required to be made under the laws of its jurisdiction of incorporation and has all requisite corporate power to carry on its business as now conducted and as presently proposed to be conducted and to own, lease or operate its property, and no steps or proceedings have been taken by any Person, voluntary or otherwise, requiring or authorizing its dissolution or winding up;

(b) all of the issued and outstanding shares in the capital of each Material Subsidiary have been duly authorized and validly issued, are fully paid and are, except as set forth in Schedule E, directly or indirectly beneficially owned by the Borrower, free and clear of any liens or other encumbrances other than (i) transfer restrictions under Applicable Securities Legislation, (ii) pursuant to shareholder, joint venture or similar agreements disclosed in the Public Disclosure Record; and none of the outstanding shares of the capital stock of any Material Subsidiary was issued in violation of the pre-emptive or similar rights of any security holder of such subsidiary. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Borrower to sell, transfer or otherwise dispose of any capital stock of any Material Subsidiary except as contemplated by the Share Pledge Agreement described in Schedule B;

(c) the share capital of each of the Credit Parties' Subsidiaries, as set forth in Schedule E, is true and correct;

(d) each of the Credit Parties has full power and authority to enter into each of the Facility Documents to which each is a party and to do all acts and things and execute and deliver all documents as are required hereunder or thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof;

(e) each of the Credit Parties has taken all corporate steps necessary to duly authorize all matters in connection with the Facility Documents to which each is a party, including, without limitation, (i) the execution and delivery of the Facility Documents and such other agreements and instruments as contemplated herein; and (ii) the creation, allotment and issuance of the Incentive Shares and, when entered into, the Facility Documents will create valid and legally binding obligations of the Credit Parties enforceable against the Credit Parties in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law;

(f) except as set forth in Schedule E, neither the Borrower nor any of its Subsidiaries own, beneficially or of record, or exercise control or direction over, any shares (or other ownership interests) of any Person;

(g) none of the Credit Parties or their Material Subsidiaries has committed any act of bankruptcy or is insolvent, or proposed a compromise or arrangement to its creditors generally, had a petition or receiving order in bankruptcy filed against it, made a voluntary assignment in bankruptcy, taken any proceedings with respect to a compromise or arrangement, taken any proceedings to have a receiver appointed for any of its property or had any execution or distress become enforceable or become levied upon any of its property;

(h) each of the Credit Parties and their Subsidiaries is licensed, registered or qualified in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary, and carrying on the business thereof in material compliance with all Applicable Law;

(i) none of the Credit Parties or their Subsidiaries has any material assets in any jurisdiction other than South Africa and British Columbia;

(j) except for personal property owned by contractors authorized by one or more of the Credit Parties or their Subsidiaries to carry on business at the Project, Waterberg holds all personal property located at, on or about the Project or any part thereof or used or acquired for use primarily in connection with, primarily related to, or produced from the Project or any part thereof or any business or operations thereat, and all proceeds thereof;

(k) the Borrower is authorized to issue an unlimited number of Common Shares, of which 34,933,072 Common Shares were issued and outstanding as fully paid and non-assessable shares in the authorized share structure of the Borrower on the date of this Agreement and prior to the completion of the Deepkloof Private Placement, the PTM Public Offering and the Liberty Private Placement;

(l) neither the Credit Parties nor any of their Subsidiaries have made any loans to or guaranteed the obligations of any Person excepting only (i) the Facility, (ii) the Securities (as defined in the Note Indenture) issued under the Note Indenture, (iii) unsecured intercompany loans between the Borrower and its Subsidiaries with no fixed terms of repayment, and (iv) guarantees in respect of Purchase Money Obligations and Capital Lease Obligations otherwise permitted pursuant to Section (b) of the definition of Permitted Indebtedness;

(m) the Borrower is a reporting issuer or the equivalent only in the Reporting Jurisdictions and is in compliance with its obligations under the Applicable Securities Legislation of such jurisdictions and of the Exchanges in all material respects and is not included in any list of defaulting reporting issuers maintained by the securities commission of such jurisdictions;

(n) the outstanding Common Shares are listed and posted for trading on the Exchanges;

(o) the Borrower has the corporate power and capacity to issue and deliver the Incentive Shares;

(p) upon the issuance thereof, the Incentive Shares will be validly issued as fully paid and non-assessable Common Shares and will not be issued in violation of or, other than the participation right granted by the Company to Deepkloof under the Amended and Restated Subscription Agreement dated May 10, 2018 between the Company and Deepkloof, subject to any pre-emptive rights or contractual rights to purchase securities issued by the Borrower;

(q) in connection with the issuance and listing of the Incentive Shares on the Exchanges, the Borrower has or will have complied with all Applicable Securities Legislation, including, but not limited to, applying for and receiving the conditional approval of the TSX, and the approval of the NYSE on or before the date of the Advance;

(r)

(i) the issuance of the Incentive Shares will be exempt from the prospectus requirements of Applicable Securities Legislation of Canada and no document will be required to be filed and no proceeding taken or approval, permit, consent, order or Authorization obtained under any such Applicable Securities Legislation in connection with the first trade of the Incentive Shares (assuming that: at the time of such trade, at least four months have elapsed from the "distribution date" (as such term is defined in NI 45-102)); such trade is not a "control distribution" as defined in NI 45-102; no unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade; no extraordinary commission or consideration is paid to a person or company in respect of the trade; and, if any Lender is an insider of the Borrower, it has no reasonable grounds to believe that the Borrower is in default of "securities legislation" (as defined in National Instrument 14-101 *Definitions*)); and

(ii) assuming the accuracy of the Lenders' and participants' representations and warranties herein and as set forth in the applicable Non-U.S. Lender's or Participant's Certificate or U.S. Lender's or Participant's Certificate, as applicable, and compliance by them with their covenants, the issuance of the Securities will not require registration under the Applicable Securities Legislation of the United States;

(s) none of the execution and delivery of the Facility Documents, the perfection or registration of the Security Documents, the compliance by the Credit Parties with the provisions of the Facility Documents or the consummation of the transactions contemplated herein and the issue of the Incentive Shares, for the consideration and upon the terms and conditions set forth herein, does or will: (i) require the consent, approval, Authorization, order, waiver or agreement of, or registration or qualification with, any Governmental Authority, or any other body or authority, court, stock exchange, securities regulatory authority or other Person, except such as have been obtained or will be obtained prior to the Advance or prior to the date required under Section 7.1(a), as applicable, and is more particularly described on Schedule C (or, in the case of conditional approval by the TSX and the approval of the NYSE American of the listing application for the Incentive Shares, as will be obtained prior to the issuance thereof); (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Credit Parties or any of their Subsidiaries is a party or by which they or any of their properties or assets are bound in a manner which could reasonably be expected to result in a Material Adverse Effect; or (iii) conflict with or result in any breach or violation of any provisions of, or constitute a default under the Constating Documents of any of the Credit Parties or any of their Subsidiaries or any resolution passed by the directors (or any committee thereof) or shareholders (or members) of any of the Credit Parties or any of their Subsidiaries, or any statute or any judgment, decree, order, rule, policy or regulation of any court, Governmental Authority, any arbitrator, stock exchange or securities regulatory authority applicable to the Credit Parties or any of their Subsidiaries or any of their respective properties or assets thereof which has resulted in or could reasonably be expected to result in a Material Adverse Effect;

(t) there is no material change, as defined in Applicable Securities Legislation, relating to any of the Credit Parties or any of their Subsidiaries, or any change in any material fact, as defined in Applicable Securities Legislation, relating to the Credit Parties or any of their Subsidiaries, which has not been or will not be (prior to the Closing Date) fully disclosed in accordance with the requirements of Applicable Securities Legislation and the rules and regulations of the Exchanges;

(u) no order or ruling suspending the sale or ceasing the trading in any securities (including the Common Shares) of the Credit Parties or any of their Subsidiaries or prohibiting the sale of such securities has been issued by any securities regulatory authority and no such order or ruling is outstanding against the Credit Parties or any of their Subsidiaries or, to the best of the Credit Parties' knowledge, their directors, officers or promoters and no investigations or proceedings for such purposes have been threatened or, to the best of the Credit Parties' knowledge, are pending or contemplated;

(v) the Credit Parties or any of their Subsidiaries, as the case may be, are the beneficial owner of the properties, business and assets referred to as being owned by it in the Public Disclosure Record free and clear of all liens and encumbrances except for Permitted Encumbrances;

(w) all agreements by which the Credit Parties or any of their Material Subsidiaries hold an interest in property, business or assets are in good standing according to their terms and the properties in which the Credit Parties or any of their Material Subsidiaries hold an interest are in good standing in all material respects under all Applicable Law of the jurisdictions in which such property, business or assets are situated and no material breach or default under any such agreements has occurred and is continuing;

(x) neither the Credit Parties nor any of their Material Subsidiaries has approved, has entered into any agreement in respect of, or has any knowledge of:

(i) the purchase of any material property or any interest therein or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by them, whether by asset sale, transfer of shares, or otherwise;

(ii) any Change of Control (by sale or transfer of shares (or other ownership interests) or sale of all or substantially all of the property and assets of any of the Credit Parties) of the Credit Parties or any of their Material Subsidiaries;

(iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Credit Parties or any of their Material Subsidiaries;

(y) the Borrower has in all material respects complied with all continuous disclosure obligations under Applicable Securities Legislation and the rules and regulations of the Exchanges and, without limiting the generality of the foregoing, there has not occurred an adverse material change, financial or otherwise, in the assets, liabilities (contingent or otherwise), business, financial condition, capital or prospects of the Borrower and its Subsidiaries (taken as a whole) which has not been publicly disclosed on a non-confidential basis; the information and statements in the Public Disclosure Record were true and correct at the time such documents were filed on SEDAR or EDGAR, as applicable, and contained no misrepresentation as of the respective dates of such information and statements; the Public Disclosure Record conformed in all material respects to Applicable Securities Legislation at the time such documents were filed on SEDAR or EDGAR, as applicable; and the Borrower has not filed any confidential material change reports which remain confidential as at the date hereof;

(z) the consolidated financial statements of the Borrower contained in the Public Disclosure Record have all been prepared in accordance with IFRS applied on a consistent basis throughout the periods involved and present fairly in all material respects, the financial position of the Borrower on a consolidated basis as at the dates thereof and the results of the operations and the changes in the financial position of the Borrower on a consolidated basis for the periods then ended, and reflect accurately all material liabilities of the Borrower and its Subsidiaries as at the dates thereof;

(aa) none of the Credit Parties or any of their Subsidiaries have any material liabilities, fixed or contingent, that are not reflected and accurately accounted for in the consolidated financial statements of the Borrower contained in the Public Disclosure Record, except those liabilities not required by IFRS to be set forth in the consolidated financial statements and those liabilities incurred since the end of the financial period covered by the most recently published consolidated financial statements and those potential liabilities currently being contested in good faith and by appropriate proceedings with the South African Revenue Service;

(bb) the books and records of the Credit Parties and their Subsidiaries disclose all of their material financial transactions and such transactions have been fairly and accurately recorded in all material respects; and:

(i) neither the Credit Parties nor any of their Subsidiaries are indebted to any of their respective directors or officers (collectively, the "**Principals**"), other than on account of director's fees or expenses accrued but not paid, or to any of their respective shareholders, past directors, past officers, employees (past or present) or any person not dealing at arm's length;

(ii) none of the Principals or shareholders of the Credit Parties or any of their Subsidiaries is indebted to the Borrower, on any account whatsoever; and

(iii) neither the Credit Parties nor any of their Subsidiaries have guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation of any kind whatsoever, other than guarantees in favour of the Credit Parties or their Subsidiaries;

(cc) except for the adoption of IFRS 9, there has been no material change in accounting policies or practices of the Credit Parties or any of their Subsidiaries since August 31, 2018;

(dd) the accountants who reported on and certified the Borrower's consolidated financial statements for the fiscal year ended August 31, 2018 are independent with respect to the Borrower within the meaning of Applicable Securities Laws and the applicable rules and regulations adopted by Public Company Oversight Board (United States);

(ee) there has not been a "reportable event" (within the meaning of NI 51-102) with the present auditors of the Borrower and the auditors of the Borrower have not provided any material comments or recommendations to the Borrower regarding its accounting policies, internal control systems or other accounting or financial practices that have not been implemented by the Borrower;

(ff) the Borrower maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the U.S. Exchange Act) that complies in all material respects with the requirements of the U.S. Exchange Act and has been designed by the Borrower's principal executive officer and principal financial officer, or under their supervision, 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, including IFRS, as applicable, in Canada, including but not limited to internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with IFRS and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Management of the Borrower assessed internal control over financial reporting of the Borrower as of August 31, 2018 and concluded internal control over financial reporting was effective as of such date. Since the date of the financial statements, there has been no change in the Borrower's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Borrower's internal control over financial reporting. The Borrower is not aware of any material weaknesses in its internal control over financial reporting;

(gg) the Borrower maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the U.S. Exchange Act) that comply with the requirements of the U.S. Exchange Act; such disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Borrower in the reports that it files or submits under the U.S. Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; such disclosure controls and procedures were effective as of August 31, 2018;

(hh) the minute books and records of the Credit Parties and their Subsidiaries for the period from the respective dates of incorporation to the date hereof are all of the minute books and records of the Credit Parties and their Subsidiaries and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Credit Parties and their Subsidiaries, as the case may be, to the date hereof and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Credit Parties and their Subsidiaries to the date hereof not reflected in such minute books and other records, other than those which have been disclosed to the Agent and the Lenders or which are not material in the context of the Credit Parties and their Subsidiaries;

(ii) all material federal, provincial, state, local and other Taxes and all material liabilities with respect thereto including any penalty and interest payable with respect thereto due and payable by the Credit Parties and their Subsidiaries have been paid. All federal, provincial, state and other material tax returns, declarations, remittances and filings required to be filed by the Credit Parties and their Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Borrower, other than those potential Taxes which are currently being contested in good faith and by appropriate proceedings with the South African Revenue Service, no examination of any tax return of the Credit Parties or any of their Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Credit Parties or any of their Subsidiaries, in any case;

(jj) (i) adequate provision has been made by the Borrower in the financial statements for all Taxes for any period for which Tax returns are not yet required to be filed, or for which Taxes are not yet due or payable, up to the date of the most recent financial statements contained in the Public Disclosure Record; (ii) other than those potential Taxes which are currently being contested in good faith and by appropriate proceedings with the South African Revenue Service, since the date of the most recent financial statements contained in the Public Disclosure Record, neither the Credit Parties nor any of their Subsidiaries has incurred any material liability, whether actual or contingent, for Taxes or engaged in any transaction or event that would result in any material liability, whether actual or contingent, for Taxes, other than in the Ordinary Course of Business; (iii) no Governmental Authority of a jurisdiction in which the Credit Parties or any of their Subsidiaries do not file Tax returns has made any written claim that any Credit Party is (or any of its Subsidiaries are) or may be subject to taxation by such jurisdiction. To the knowledge of the Borrower, there is no basis for a claim that any Credit Party is (or any of its Subsidiaries are) subject to Tax in a jurisdiction in which it or any of its Subsidiaries do not file Tax returns; (iv) there are no outstanding agreements, waivers, objections or arrangements extending the statutory period of limitations applicable to any claim for Taxes due from or with respect to the Credit Parties or any of their Subsidiaries for any taxable period, nor has any such agreement, waiver, objection or arrangement been requested. Neither the Credit Parties nor any of their Subsidiaries are bound by any tax sharing, allocation or indemnification or similar agreement; and (v) the Credit Parties and each of their Subsidiaries have withheld or collected any Taxes that are required by Applicable Law to be withheld or collected and have paid or remitted, on a timely basis, the full amount of any Taxes that have been withheld or collected, and are due, to the applicable Governmental Authorities;

(kk) all of the material contracts and agreements of the Credit Parties and their Subsidiaries are listed in Schedule D, copies of all which have been provided to the Agent (and are true and complete copies) and copies of all Authorizations required under Applicable Law (including Environmental Laws) held by the Borrower or its Subsidiaries that relate to the construction, operation or development of the Project or any part thereof (other than those that are not currently required at this stage) have been provided to the Agent and are true and complete copies. Neither the Credit Parties nor any of their Subsidiaries is in breach or default under any Material Contract and to the Credit Parties' knowledge, no counterparty to any Material Contract is in breach or default thereunder. Neither the entering into nor the performance by the Credit Parties of their obligations under the Facility Documents will constitute or result in a breach or default under any Material Contract;

(ll) (i) neither the Credit Parties nor any of their Subsidiaries are in material violation of any Environmental Law; (ii) the Credit Parties and their Subsidiaries have obtained all Authorizations required under Environmental Laws other than those that are not required at the current stage of the Project but that are reasonably expected to be obtained in the Ordinary Course of Business and the Credit Parties and their Subsidiaries are in compliance with such Authorizations; (iii) the Credit Parties and their Subsidiaries have timely filed accurate and complete applications for issuance or, as appropriate, renewals for all Authorizations required under any applicable Environmental Laws at the current stage of the Project; (iv) other than as set out in the Public Disclosure Record, there are no pending or, to the knowledge of the Borrower, threatened appeals, challenges, disputes or claims asserted under any Applicable Law with respect to any Authorization required under Environmental Laws that has been issued for the Project; and (v) neither the Credit Parties nor their Subsidiaries has any liability under, and there are no events or circumstances that would reasonably be expected to form the basis of, an order for investigation, natural resource damages or other mandatory or prohibitory obligation, or an action, suit, proceeding, inquiry or investigation by any private party or governmental body or agency, against or affecting the Credit Parties or any of their Subsidiaries relating to or arising under any Environmental Laws;

(mm) (i) the Credit Parties and their Subsidiaries have not used or permitted to be used, except in material compliance with all Environmental Laws, any of the Platinum Group Assets to release, dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Materials; (ii) there is no presence of any Hazardous Material on, in or under any of the Platinum Group Asset and no Hazardous Materials will be generated from the Credit Parties' or their Subsidiaries' use of such Platinum Group Asset (including without limitation as a result of the conduct of operations at the Project) except in compliance with all Environmental Laws; (iii) the Borrower has made available to the Agent a true and complete copy of each material environmental audit, assessment, study or test of which it is aware relating to the Project; and (iv) there are no pending or, to the knowledge of the Borrower, proposed (in writing) changes to Environmental Laws or environmental Authorizations that would render illegal or materially restrict the conduct of operations at the Project or that could otherwise reasonably be expected to result in a Material Adverse Effect;

(nn) all of the material contracts and agreements of the Credit Parties and their Subsidiaries are listed in Schedule D, copies of all which have been provided to the Agent (and are true and complete copies). Neither the Credit Parties nor any of their Subsidiaries is in breach or default under any Material Contract and to the Credit Parties' knowledge, no counterparty to any Material Contract is in breach or default thereunder. Neither the entering into nor the performance by the Credit Parties of their obligations under the Facility Documents will constitute or result in a breach or default under any Material Contract;

(oo) (i) neither the Credit Parties nor their Subsidiaries has any liability under, and there are no events or circumstances that would reasonably be expected to form the basis of, an order for investigation, natural resource damages or other mandatory or prohibitory obligation, or an action, suit, proceeding, inquiry or investigation by any private party or governmental body or agency, against or affecting the Credit Parties or any of their Subsidiaries relating to or arising under any Environmental Laws;

(pp) none of the directors, officers or employees of the Credit Parties or their Subsidiaries or any associate or affiliate of any of the foregoing, had or has any interest, direct or indirect, in any transaction or proposed transaction with the Credit Parties or their Subsidiaries which, as the case may be, materially affects, is material to or will materially affect the Credit Parties or their Subsidiaries, except that Mlibo Mgudlwa and his spouse, as the majority owners of Mnombo, have an interest in all transactions involving Mnombo and the properties and projects in which it has an interest;

(qq) to the knowledge of the Borrower, none of the directors or officers of the Credit Parties or their Subsidiaries are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

(rr) neither the BCSC, the SEC, any other securities regulatory authority, the Exchanges, any stock exchange nor any similar regulatory authority has issued any order which is currently outstanding preventing or suspending trading in any securities of the Borrower and no proceedings for such purposes have been instituted or are pending or, to the knowledge of the Borrower, are contemplated;

(ss) the assets of the Credit Parties and their Subsidiaries and their business and operations are insured against loss or damage with insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses in comparable jurisdictions, such coverage is in full force and effect, and the Credit Parties and their Subsidiaries have not failed to promptly give any notice of any material claim thereunder. There are no claims by the Credit Parties or their Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause;

(tt) neither the Credit Parties nor any of their Subsidiaries is in violation of any material term of its Constating Documents. Neither the Credit Parties nor any of their Subsidiaries is in violation of any term or provision of any agreement, indenture or other instrument applicable to it which has resulted in or could reasonably be expected to result in any Material Adverse Effect and neither the Credit Parties nor any of their Subsidiaries is in default in the payment of any obligation owed by it which is now due and there is no action, suit, proceeding, inquiry or investigation before or brought by any court or Governmental Authority, governmental instrumentality or court, domestic or foreign, now pending or, to the knowledge of the Borrower, threatened against or affecting the Credit Parties or any of their Subsidiaries, either in any single case or in the aggregate, which has resulted in or could reasonably be expected to result in any Material Adverse Effect or which places, or could reasonably be expected to place in question, the validity or enforceability of this Agreement, any other Facility Document, any document or instrument delivered, or to be delivered, by any of the Credit Parties or any of their Subsidiaries pursuant hereto or any Material Contract (subject, however, to the limitations on enforceability described in Section 6.1(e) above);

(uu) the description of the Project set out in the Project definition above is a true and complete description of the Project, all of the agreements and other documents and instruments pursuant to which Waterberg holds any interest in the Project or any part thereof are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with their terms and Waterberg, nor any other party thereto, is in default nor has default been alleged of any of the material provisions of any such agreements, documents or instruments;

(vv) neither the Credit Parties nor any of their Subsidiaries is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of its property or assets are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Credit Parties or any of their Subsidiaries is a party or by which they are otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which has resulted in or could reasonably be expected to result in a Material Adverse Effect;

(ww) there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the best of the Borrower's knowledge, threatened against or adversely affecting the Credit Parties or any of their Subsidiaries or to which any of their property or assets is subject, at law or equity, or before or by any court, federal, provincial, state, municipal or other Governmental Authority, commission, board, bureau, agency or instrumentality, domestic or foreign, which has resulted in or could reasonably be expected to result in a Material Adverse Effect and no Credit Party or any of their Subsidiaries is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, has resulted in or could reasonably be expected to result in a Material Adverse Effect;

(xx) no member of the PTM Group nor any director, officer, employee of any member of the PTM Group, nor to the actual knowledge of the Borrower, any other person acting on behalf of any member of the PTM Group has taken any action, directly or indirectly in connection with their position with or relationship with any member of the PTM Group, that would result in a violation by such persons of the Corruption of Foreign Public Officials Act (Canada), as amended, the Foreign Corrupt Practices Act of 1977 (United States), as amended, the UK Bribery Act of 2010, or any other anti-corruption law to which any member of the PTM Group is subject (collectively, the "Acts"), including, without limitation, making or giving any bribe, rebate, payoff, influence payment, kickback or other unlawful payment or making use of the mails or any means or instrumentality of interstate commerce in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, loan, promise to give, or authorization of the giving of anything of value or benefit to any "foreign official" or "public official" (as such terms are defined in the applicable Acts) or any foreign political party or official thereof or any candidate for foreign political office, or any official or agent of a public international organization, or any third party or any other person to the benefit of the foregoing, in contravention of the Acts, and each member of the PTM Group has conducted its businesses in compliance with the Acts and the PTM Group has implemented policies, procedures and internal controls designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith;

(yy) the Credit Parties and their Subsidiaries (as applicable) hold or own all mineral rights, surface rights and personal property, as applicable, required to conduct the business and operations of the Project, and each part thereof, as presently conducted, free and clear of all encumbrances other than Permitted Encumbrances, and no other property rights are necessary for the operation of the Project or any part thereof as currently operated. There is no claim asserted or any known basis for any claim that might or could adversely and materially affect the rights of the Credit Parties or any of their Subsidiaries to use, transfer or otherwise exploit such property rights; and no Credit Party or any of its Subsidiaries has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the property rights thereof;

(zz) the Credit Parties and their Subsidiaries have obtained or been issued all such Authorizations as are necessary for the conduct of their respective businesses and operations as currently conducted except for those Authorizations which, if not held, do not have and could not reasonably be expected to have a material impact on the Credit Parties' and their Subsidiaries' ability to conduct their operations and operate their business as currently conducted or otherwise have a Material Adverse Effect;

(aaa) the Credit Parties and their Subsidiaries, including the conduct of operations at the Project, are and have been in compliance in all material respects with all Applicable Laws, and, without limiting the generality of the foregoing, all exploration and development in respect of all Platinum Group Assets have been conducted in all material respects in accordance with good mining and engineering practices and all material workers' compensation and health and safety regulations have been complied with. There are no pending or, to the knowledge of the Credit Parties, proposed changes to Applicable Laws that would render illegal or materially restrict the development of any of the Project or conduct of operations at the Project, or that could otherwise reasonably be expected to result in a Material Adverse Effect;

(bbb) the Material Contracts are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof (as applicable), except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Law. No Credit Party or any of its Subsidiaries is in default of any of the material provisions of any such Material Contract nor has any such default been alleged, and no circumstance exists under any such Material Contract which with the giving of notice or the passage of time or both would give rise to such a default, and all such properties and assets held pursuant thereto are in good standing under the laws of the Republic of South Africa. There has been no material default under the Material Contracts and all Taxes required to be paid with respect to such properties and assets to the date hereof have been paid, except where such Taxes are being disputed in good faith and with respect to which adequate reserves have been provided on the books of the relevant Credit Party or any of its Subsidiaries, as the case may be. Neither the Project nor any part thereof is subject to any right of first refusal, or purchase or acquisition right;

(ccc) the scientific and technical information (including the resource information) with respect to the Project has been prepared in accordance with NI 43-101 and the method of estimating the resources and reserves has been verified by the authors thereof to current industry standards and the information upon which the estimates of resources and reserves were based was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof or any other fact or circumstance that creates a requirement for an updated technical report to be filed;

(ddd) the Credit Parties and each of their Subsidiaries are in material compliance with the MPRDA. The Borrower is not aware of any circumstances which could reasonably be expected to lead to the suspension or cancellation of any mining claims or other prospecting rights, including, without limitation, as a result of any communication (oral or written) with Department of Mineral Resources in South Africa;

(eee) no material labour dispute with the employees of the Credit Parties or any of their Subsidiaries currently exists or, to the knowledge of the Corporation, is imminent or pending. Neither the Credit Parties nor any of their Subsidiaries is a party to any collective bargaining agreement and, to the knowledge of the Borrower, no action has been taken or is contemplated to organize any employees of the Credit Parties or any of their Subsidiaries;

(fff) the Public Disclosure Record discloses, to the extent required by applicable Canadian securities laws, each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Borrower for the benefit of any current or former director, officer, employee or consultant of the Borrower (the "**Employee Plans**"), each of which has been maintained in all material respects with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans;

(ggg) each Credit Party and their Subsidiaries owns or has the right to use under license, sub-license or otherwise all material intellectual property used by it in its business, including copyrights, industrial designs, trade marks, trade secrets, know-how and proprietary rights, free and clear of any and all encumbrances;

(hhh) the operations of each member of the PTM Group are and have been conducted at all times in compliance with the financial recordkeeping and reporting requirements of the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government authority to which a member of the PTM Group is subject (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court, arbitrator or governmental authority involving any member of the PTM Group with respect to the Money Laundering Laws is pending or, to the knowledge of the Borrower, threatened;

(iii) no member of the PTM Group is currently engaging in, and in the last five years has not engaged in, conduct that violates any laws and regulations pertaining to economic and trade sanctions, export controls, importations or export and import reporting or any other international trade laws (such laws and regulations, collectively, "**International Trade Laws**");

(jjj) no member of the PTM Group and no director, officer or employee of any member of the PTM Group, nor, to the actual knowledge of the Borrower, any Affiliate of any member of the PTM Group, has been or is currently subject to any economic or trade sanctions authorized, administered or enforced by the Department of Foreign Affairs and International Trade Canada, the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"), the United Nations Security Council, the European External Action Service of the European Union, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority (collectively, **"Sanctions"),** and has not acted, whether directly or indirectly in connection with their position with or relationship with any member of the PTM Group, in violation of the Sanctions;

(kkk) no member of the PTM Group, nor any director, officer or employee of any member of the PTM Group nor, to the actual knowledge of the Borrower, any Affiliate of any member of the PTM Group, has taken any action, directly or indirectly in connection with their position with or relationship with any member of the PTM Group, including, but not limited to sales, transactions, contracts, loans or investments in, or with, in any currency, any individuals or entities sanctioned including as a terrorist or terrorist entity or Specially Designated Nationals (collectively, "**SDNs**") under any Sanctions. No member of the PTM Group is owned or affiliated by or with any SDN or a government of a country or territory sanctioned by OFAC, the Department of Foreign Affairs and International Trade Canada, the United Nations Security Council, the European External Action Service of the European Union, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority, and to the actual knowledge of the Borrower, no director, officer, agent, employee, trustee, shareholder, member, consultant, representative or affiliate of any member of the PTM Group is a SDN, employed by or affiliated with the government, or are resident in, a country sanctioned by OFAC, the Department of Foreign Affairs and International Trade Canada, the United Nations Security Council, the European External Action Service of the European Union, Her Majesty's Treasury of the United Kingdom, or any other relevant sanctions authority;

(lll) no member of the PTM Group will directly or indirectly use the proceeds of any Advance, or lend, contribute, or otherwise make available such proceeds to any of its Subsidiaries, any joint venture partner or other person or entity, so as to cause the Sanctions to be contravened, including by funding or facilitating any activities or business of, or finance investments in, or make payments to, any person, entity or government that is the subject of any Sanctions;

(mmm) other than as set out under the heading "RISK FACTORS" in the Borrower's Public Disclosure Record, there are no indigenous persons or groups or collective territories duly granted to said persons or groups, or Persons acting on behalf of any such person or group, from which the Credit Parties or any of their Subsidiaries have received any notice of, or to the knowledge of the Credit Parties has any claim or assertion, written or oral, whether proven or unproven, in respect of indigenous or afro-descendant rights, indigenous title (including collective titles), treaty rights or any other indigenous interest in or in relation to all or any portion of their business or the Platinum Group Assets;

(nnn) the Credit Parties and their Subsidiaries have implemented security practices and procedures at the Project consistent with Canadian mining industry best practices;

(ooo) neither the Credit Parties nor any of their Subsidiaries have any Indebtedness other than the Permitted Indebtedness;

(ppp) there is no Material Contract to which either Credit Party or any of its Subsidiaries is a party or by which it or any of its properties or assets may be bound that requires the subordination in right of payment of any of the Indebtedness under this Agreement to any other obligation of it;

(qqq) no Default or Event of Default has occurred and is continuing;

(rrr) all required consents, authorizations and approvals have been obtained in order for the Advance to be advanced to Liberty in full repayment of all obligations of the Credit Parties to Liberty in connection with the Liberty Facility; and

(sss) all debts, liabilities and obligations of the Credit Parties and their Subsidiaries under the Liberty Production Payment Agreement have been satisfied and discharged in full and the Liberty Production Payment Agreement has been terminated.

Representations and Warranties Relating to Mnombo

6.2 Notwithstanding Section 6.1 above, all representations and warranties set out in Section 6.1 above as they relate to Mnombo shall be deemed for all purposes to be given by the Credit Parties to the best of their knowledge.

Reliance

6.3 The Borrower acknowledges that the Finance Parties are relying upon the representations and warranties in this Article 6 in making the Facility available to the Borrower.

Survival and Inclusion

6.4 The representations and warranties in this Article 6 will survive until this Agreement has been terminated, except for the environmental representations and warranties in Section 6.1(oo), which shall survive until one year after the expiration of the applicable statutes of limitation.

ARTICLE 7
COVENANTS OF THE CREDIT PARTIES

Positive Covenants

7.1 While any Facility Indebtedness is outstanding, the Borrower will:

(a) on or before September 4, 2019, the Borrower will make all necessary applications to the Standard Bank of South Africa as an authorized dealer for the South African Reserve Bank ("**Standard Bank**") for SARB Approval and will provide the Lender with copies of all such application materials and correspondence or other communications with Standard Bank in relation thereto;

(b) on or before November 30, 2019 (or such later date as the Agent may notify the Borrower in writing), obtain and provide the Agent with all consents, authorizations or approvals as may be required from the South African Reserve Bank in connection with the transactions contemplated by this Agreement, including but not limited to the approval of the Financial Surveillance Department of the South African Reserve Bank in respect of the provision of the Guarantee, the granting of Security Interests and the performance (in each case as applicable) by the Credit Parties of their respective obligations under the Credit Agreement, the Cession and Pledge in Security (Guarantor Shares), the Cession and Pledge in Security (Waterberg Shares) and the Guarantee ("**SARB Approval**");

(c) duly and punctually pay or cause to be paid to the Finance Parties each Amount Payable, on the dates, at the places, in the currency and in the manner mentioned in any Facility Document, including, without limitation, the payment of each Amount Payable, and, upon the occurrence of any Event of Default, the outstanding balance of the Facility (the Borrower acknowledges that it is personally obligated and fully liable for the amounts due hereunder and that the Finance Parties have the right to sue on this Agreement or promissory notes therefor and obtain personal judgement against the Borrower for the satisfaction of the amounts due hereunder or thereunder, either before or after enforcement of security granted in favour of the Agent securing the obligations of the Borrower to the Finance Parties hereunder or thereunder);

(d) on or before the 25th day of each calendar month provide to the Agent unconsolidated financial statements for the prior calendar month for each of the Credit Parties and Waterberg, which financial statements will in each case include the balance sheet, income statement and statement of costs incurred with respect to the development of the Project;

(e) no later than 45 days following the end of each fiscal quarter, the Borrower shall deliver to the Agent a Compliance Certificate executed by a senior financial officer of the Borrower dated as at the end of the last completed fiscal quarter;

(f) promptly notify the Agent of (i) the acquisition by it of any material real property (including mineral rights), whether owned or leased, (ii) any new locations of tangible assets of the Credit Parties or any of their Subsidiaries (other than inventory in transit), and (iii) new Material Contracts or any amendment or revision to any existing Material Contract (provided that any amendment or revision shall be in compliance with this Agreement), and forthwith provide a true and complete copy of same to the Agent;

(g) if there is any material change in a period to the accounting policies, practices and calculation methods used by the Borrower in preparing its financial statements or components thereof as compared to any previous period, provide the Agent with all information which the Agent reasonably requires relating to the impact of any such material change on the comparability of the reports provided to the Finance Parties after any such material change to previous reports;

(h) timely file all documents that must be publicly filed or sent to its shareholders pursuant to Applicable Securities Legislation within the time prescribed by such Applicable Securities Legislation and will make such documents available on the SEDAR or the EDGAR database, as applicable, within such prescribed time period, and in the event that the Borrower is not at any time subject to Applicable Securities Legislation, the Borrower will continue to provide to the Agent: (i) within 90 days after the end of each fiscal year, copies of its annual report and audited annual financial statements, (ii) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information required to be provided in quarterly reports by a "reporting issuer" (as such term is defined in such Applicable Securities Legislation) under the Applicable Securities Legislation, together with all such operational and other reports as the Agent (in accordance with the instructions of the Majority Lenders) may require from time to time. Each of the reports referred to in the foregoing sentence will be prepared in accordance with disclosure requirements of Applicable Securities Legislation and IFRS, as applicable;

(i) on a consolidated basis and as determined by reference to the previously filed (or, if applicable pursuant to Section 7.1(f), delivered) reports and the unconsolidated monthly reports referred to in Section 7.1(d), maintain at all times:

(i) Working Capital in excess of $500,000; and

(ii) a minimum of $1,000,000 in unrestricted cash and cash equivalents at all times, computed on a monthly basis;

(j) take all steps and actions as may be required: (i) to maintain the listing and posting for trading of the Common Shares on the Exchanges, provided that the Borrower may move its listings to any other stock exchange or market as is acceptable to the Agent (in accordance with the instructions of the Majority Lenders); and (ii) to maintain its status as a "reporting issuer", or the equivalent thereof in compliance with the requirements of the Applicable Securities Legislation;

(k) comply with all Applicable Securities Legislation in connection with the issuance of the Incentive Shares, including, but not limited to, obtaining the final approvals of the Exchanges, as required, in respect of the listing thereof; and forthwith after the issuance of any of the Incentive Shares, the Borrower will file such forms and documents as may be required under Applicable Securities Legislation;

(l) comply in all material respects with all continuous disclosure obligations under Applicable Securities Legislation;

(m) notify the Agent in writing within five Business Days of the occurrence of any change in the directors or officers of any of the Credit Parties;

(n) the Borrower and its Subsidiaries shall at all times comply with the Borrower's Anti-Corruption Policy, and shall immediately notify the Agent upon becoming aware of any breach or suspected breach of such policy; and

(o) promptly notify the Agent in writing upon becoming aware of: (i) any Default, (ii) any material suit, proceeding or governmental investigation pending or, to the Borrower's knowledge, threatened or any notification of any challenge to the validity of any Authorization, relating to either Credit Party, the Project, or any part thereof or any of the Platinum Group Assets, (iii) any *force majeure* event under any document relating to the Project or any part thereof or any of the Platinum Group Assets, (iv) any suit, proceeding, demand, claim or governmental investigation or communication pending or, to the Borrower's knowledge, threatened, relating to the Project or any part thereof or any of the Platinum Group Assets, and (v) any notice of default received in respect of any Material Contract.

7.2 While any Facility Indebtedness is outstanding, each Credit Party covenants and agrees with the Finance Parties that it will, and ensure that each of its Subsidiaries will from time to time (except in the case of Mnombo, in respect of which each Credit Party covenants and agrees with the Finance Parties that it will in good faith make all reasonable commercial efforts and take all such steps and proceedings within its power, authority and capacity to ensure that Mnombo will from time to time):

(a) at all times maintain its corporate existence, obtain and maintain all material Authorizations required or necessary at such time in connection with its business, the Project, and each part thereof and the Platinum Group Assets, and carry on and conduct its business in a reasonably proper and efficient manner;

(b) keep or cause to be kept proper books of account and make or cause to be made therein true and complete entries of all of its dealings and transactions in relation to its business in accordance with IFRS, and at all reasonable times will furnish or cause to be furnished to the Finance Parties or their duly authorized agent or attorney such information relating to its operations as the Agent (in accordance with the instructions of the Majority Lenders) may request and such books of account shall be open for inspection by the Finance Parties or such agent or attorney upon reasonable request and in connection therewith the Credit Parties shall at all reasonable times and upon reasonable notice allow the Finance Parties or their duly authorized agents or attorneys to inspect the assets of the Credit Parties and their Material Subsidiaries;

(c) use the proceeds of the Facility only for the purposes set out in Section 2.7;

(d) ensure that each of the Security Documents to which it is a party will at all times constitute valid and perfected first ranking security over the collateral subject thereto, subject only to Permitted Encumbrances, and at all times take all actions necessary or reasonably requested to create, perfect and maintain the Security Interests granted pursuant to the Security Documents as perfected first ranking security over the collateral subject thereto, subject only to Permitted Encumbrances;

(e) duly and punctually perform and carry out all of the covenants and acts or things to be done by it as provided in this Agreement and each of the other Facility Documents;

(f) obtain, maintain and, as required, timely renew all required governmental Authorizations and third party approvals and consents for development and operation of the Project and each part thereof (as may be required for the then current state of development or operation of the Project or any part thereof), including but not limited to all Authorizations required under applicable Environmental Laws;

(g) comply in all material respects with all Applicable Law, including Environmental Laws and Applicable Securities Legislation;

(h) ensure that, at all times, Waterberg holds all present and after-acquired property now or hereafter located at, on or about the Project or any part thereof or now or hereafter used or acquired for use primarily in connection with, primarily related to, or produced from the Project or any part thereof or any business or operations thereat, and all proceeds thereof (other than property owned by contractors authorized by one or more of the Credit Parties or their Subsidiaries to carry on business at the Project);

(i) (A) maintain policies of insurance with responsible carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which it operates; (B) deliver to the Agent evidence of such insurance coverage; and (C) on an annual basis and/or at any other time, promptly at the request of the Agent, deliver to the Agent all certificates and reports prepared in connection with such insurance;

(j) maintain or cause to be maintained the Platinum Group Assets in good condition in accordance with prudent industry standards;

(k) pay and discharge or cause to be paid and discharged, promptly when due, all Taxes imposed upon it or in respect of any of its assets or upon the income or profits therefrom as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become a lien thereupon; provided however, that it shall not be required to pay or cause to be paid any such Tax or claim if the amount, applicability or validity thereof shall concurrently be contested in good faith by appropriate proceedings diligently conducted;

(l) promptly pay or make provisions satisfactory to the Agent (in accordance with the instructions of the Finance Parties) for the payment of any additional amounts, including Taxes and charges which may be imposed on the Borrower or the Guarantor by the laws of South Africa or Canada or any state, province, territory or other jurisdiction thereof (except income tax or security transfer tax, if any), which shall be payable with respect to the Facility;

(m) cause all necessary and proper steps to be taken diligently to protect and defend the Platinum Group Assets and the proceeds thereof against any material adverse claim or demand, including without limitation, the employment or use of counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand;

(n) as may be required by the Agent (in accordance with the instructions of the Majority Lenders) from time to time, execute and deliver such further and other documents and do all matters and things which are necessary to carry out the intention and provisions of this Agreement; and

(o) the Borrower and its Subsidiaries will at all times comply with all International Trade Laws in all material respects.

Negative Covenants

7.3 At all times that any Facility Indebtedness remains outstanding, each Credit Party hereby covenants and agrees with the Finance Parties that, except with the prior written consent of the Agent (in accordance with the instructions of the Majority Lenders), it will not, and it will ensure that after the date hereof its Subsidiaries will not from time to time (except in the case of Mnombo, in respect of which each Credit Party covenants with the Finance Parties that, except with the prior written consent of the Agent (in accordance with the instructions of the Majority Lenders), it will in good faith make all reasonable commercial efforts and take all such steps and proceedings within its power, authority and capacity to ensure that Mnombo will not from time to time):

(a) directly or indirectly issue, incur, assume or otherwise become liable for or in respect of any Indebtedness other than Permitted Indebtedness;

(b) directly or indirectly create, incur, assume, permit or suffer to exist any Security Interest, royalty or other encumbrances whatsoever against any of the Platinum Group Assets, other than Permitted Encumbrances;

(c) convey, sell, lease, assign, transfer or otherwise dispose of any shares or securities of any Material Subsidiary or any Platinum Group Assets, excluding:

(i) any transaction necessary to comply with the Mining Charter 2018 or any reduction as a result of the issuance by Waterberg of additional shares as a consequence of the application of the terms of the Call Option Agreement or for the purpose of BEE Ownership Compliance or Implats BBBEE Compliance, as both such terms are defined in the Waterberg Shareholders Agreement; or

(ii) any sale or other disposition of worn out or obsolete equipment, vehicles or other assets,

provided always that the proceeds thereof shall be subject to the provisions of Section 3.2; or

(iii) any disposition of inventory or other assets in the Ordinary Course of Business;

(d) allow any of the Platinum Group Assets to be located outside of South Africa or Canada;

(e) amend, modify or vary any Material Contract (except for amendments entered into in respect of Authorizations, copies of which are promptly provided to the Agent, and except for immaterial amendments entered into in the Ordinary Course of Business in respect of other Material Contracts, copies of which are promptly provided to the Agent), or terminate or surrender any agreement, contract, right of way, lease or easement which is a Material Contract, without the prior written consent of the Agent (in accordance with the instructions of the Majority Lenders, none of whom shall unreasonably withhold its consent);

(f) enter into any scheme for the reconstruction or reorganization of it or for the consolidation, amalgamation, merger or similar transaction of it with or into any other Person;

(g) make any prepayment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value (except for any scheduled final maturity payment, scheduled repayment or scheduled sinking fund payment, in each case when due) any Indebtedness other than (unless otherwise restricted by this Agreement or any subordination, postponement or intercreditor agreement) Permitted Indebtedness;

(h) purchase, redeem, retire or otherwise acquire for cash any securities (equity or other), or purchase or otherwise acquire all or substantially all of the assets of any other Person (other than a Credit Party) or of a division or unit of any such Person;

(i) subject to Section 7.3(j), make any payment to, or sell, lease, transfer or otherwise dispose of any Platinum Group Assets to, or purchase assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Borrower (an "**Affiliate Transaction**"), other than:

(i) an Affiliate Transaction on terms that are no less favourable than those that would have been obtained in a comparable arm's length transaction with a Person who is not a "related person", as such term is defined in the *Bankruptcy and Insolvency Act* (Canada);

(ii) any payments to the Borrower by a Subsidiary of the Borrower; and

(iii) any Affiliate Transaction between any Credit Parties;

(j) notwithstanding Section 7.3(i), make any Investments in Mnombo in excess of $15,000,000 in the aggregate during the term of this Agreement;

(k) make any amendment to any of its Constating Documents without the prior written consent of the Agent (in accordance with the instructions of the Majority Lenders, none of whom shall unreasonably withhold their consent);

(l) change its name or fiscal year without the prior written consent of the Agent (in accordance with the instructions of the Majority Lenders, none of whom shall unreasonably withhold their consent), and further provided that the Borrower shall notify the Agent in writing within three Business Days of any such change of name;

(m) declare or provide for any dividends, distributions or other payments based on share capital;

(n) pay out any shareholders (or members or partners) loans or other Indebtedness to non-arm's length parties other than the Borrower;

(o) make any material payments to shareholders (or members or partners), affiliates or executives (other than commercially reasonable salaries, employment bonuses and stock options that are consistent with past company and industry practices as approved by the compensation committee of the Board of Directors of the Borrower) without the prior written consent of the Agent (in accordance with the instructions of the Majority Lenders, none of whom shall unreasonably withhold their consent);

(p) guarantee the obligations of any other Person, directly or indirectly, other than obligations of the Credit Parties permitted by this Agreement and obligations of Waterberg in favour of the Department of Mineral Resources or any other Person in respect of a financial guarantee for rehabilitation of the Project;

(q) enter into any Financial Instrument Obligations except for the purposes of prudent management of its interest rate, foreign currency and commodity price exposure and not for speculative purposes, and provided always that the aggregate Indebtedness in respect of all such Financial Instrument Obligations does not exceed $1,000,000;

(r) enter into or become party or subject to any dissolution, winding-up, reorganization or similar transaction or proceeding; or

(s) engage in the conduct of any business other than the business of the Credit Parties as existing on the date of this Agreement or in businesses reasonably related thereto on a basis consistent with the conduct of such business as conducted on the date of this Agreement.

(t) (i) use any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) make any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violate or be in violation of any provision of Money Laundering Laws, International Trade Laws, the U.S. Foreign Corrupt Practices Act of 1977, as amended, the Corruption of Foreign Public Officials Act (Canada) or the Bribery Act (United Kingdom); or (iv) make any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee;

(u) enter into or permit to exist any agreement or arrangement or take any action which restricts or purports to restrict the ability of any of its Subsidiaries (i) to pay dividends or make any other distributions to the Borrower or another of its Subsidiaries, or (ii) deliver minerals or perform its other obligations under the Material Contracts;

(v) transfer or assign any Indebtedness owed to a Credit Party or its Subsidiary to any Person other than a Credit Party or its Subsidiary; or

(w) amend the Anti-Corruption Policy adopted by the board of directors of the Borrower except with the Agent's consent.

Reimbursement of Expenses

7.4 The Borrower will pay for the Agent's reasonable legal fees (on a solicitor and own client basis) and all other reasonable costs, charges and expenses (including all due diligence expenses) of and incidental to the preparation, execution and completion of this Agreement and all other Facility Documents, all closing arrangements, including the escrow of Advance proceeds, as requested by the Borrower, all as may be required by the Agent in its sole and absolute discretion, to complete this transaction (and regardless of whether the Advance is made), and will also pay for the expenses of the Agent in connection with due diligence visits and inspections for any number of visits and inspections after the occurrence of any Default. The Borrower further covenants and agrees to pay all of the Agent's legal fees (on a solicitor and own client basis) and all other costs, charges and expenses of and incidental to the recovery of all amounts owing hereunder and under the other Facility Documents, including but not limited to the enforcement of the Security Documents granted hereunder or which otherwise secures repayment of the Facility. All amounts will be payable upon presentment of an invoice. If not paid within 30 days of presentment of an invoice, such amounts will be added to and form part of the principal amount of the Facility and shall accrue interest from the date of presentment of the invoice as if it had been advanced by the Lenders (in their respective Pro Rata Share) to the Borrower hereunder on such date. On or subsequent to the date of execution of the Term Sheet, the Borrower deposited with the Agent a refundable retainer of $75,000 (the "**Retainer**"), which amount shall be credited against the Borrower's obligation to pay the Agent's legal fees pursuant this Section 7.4. If at any time the amounts payable by the Borrower to the Agent in this Section 7.4 exceed the Retainer amount, the Agent shall provide notice to the Borrower of the excess, and the Borrower shall pay to the Agent within 10 Business Days of receipt of the Agent's notice, an amount equal to the amount in which the fees and expenses contemplated under this Section 7.4 exceed the Retainer.

Agent May Perform Covenants

7.5 If the Borrower or any other Credit Party shall fail to perform any of its respective covenants contained in this Agreement or any of the other Facility Documents, the Agent, upon becoming aware of such failure, may (in accordance with the instructions of the Majority Lenders, in their discretion), but need not, itself perform any of such covenants capable of being performed by it, but is under no obligation to do so. All sums so required to be paid by the Agent in connection with the Agent's performance of any covenant will be added to and form part of the principal amount of the Facility and shall accrue interest from the date so paid by the Agent as if the same had been advanced by the Lenders (in their respective Pro Rata Share) to the Borrower hereunder on such date. No such performance by the Agent of any such covenant or payment or expenditure by the Borrower of any sums advanced or borrowed by the Agent pursuant to the foregoing provisions shall be deemed to relieve the Borrower from any default hereunder or its continuing obligations hereunder.

ARTICLE 8
DEFAULT AND ENFORCEMENT

Events of Default

8.1 The occurrence of any one or more of the following events shall constitute an "**Event of Default**" hereunder:

(a) if for any reason the Liberty Obligations are not paid in full, the Liberty Documents are not terminated and all security for the Liberty Obligations released and discharged on or before August 31, 2019, it being acknowledged and agreed that if pursuant to the Escrow Agreement the proceeds of the Advance paid by the Agent to the Escrow Agent are returned to the Agent, the Lenders shall apply such returned amount on account of the Facility Indebtedness and the Borrower shall concurrently therewith pay to the Agent all remaining outstanding amounts in respect of the Facility Indebtedness;

(b) if for any reason the Borrower has not obtained and provided the Lender with all evidence and other documentation confirming the receipt of SARB Approval, as contemplated pursuant to Section 7.1(a), on or before November 30, 2019 (or such later date as the Agent may notify the Borrower in writing);

(c) if the Borrower defaults in payment of any Amount Payable and such default continues for a period of two Business Days after the due date thereof;

(d) if either Credit Party defaults in observing or performing any other covenant or condition of this Agreement or any other Facility Document on its part to be observed or performed and, with respect to such covenants or conditions which are capable of rectification, if such default continues for a period of seven Business Days after the earlier of (i) the date on which any Credit Party becomes aware of such default and (ii) notice in writing has been given to the Borrower by the Agent specifying such default and requiring the Borrower to rectify the same;

(e) if any one or more of the Facility Documents or the Waterberg Shareholders Agreement ceases to be in full force and effect or if any Security Document ceases to constitute a valid and perfected first priority Security Interest (subject only to Permitted Encumbrances which by their nature would constitute prior ranking security) upon all the Platinum Group Assets it purports to charge or encumber, in favour of the Agent;

(f) any change in laws, policies, Taxes, rights of or obligations to any national or local governments in any Relevant Jurisdictions having the force of law that (in the opinion of the Majority Lenders, in their sole discretion) results in or could reasonably be expected to result in a Material Adverse Effect;

(g) any act of expropriation, nationalization or other similar event or circumstance affecting the properties and assets of either Credit Party or any of its Subsidiaries that (in the opinion of the Majority Lenders, in their sole discretion) results in or could reasonably be expected to result in a Material Adverse Effect;

(h) the institution by either Credit Party or Waterberg of proceedings to be adjudicated a bankrupt or insolvent or any similar proceedings or the consent by it to the institution of bankruptcy or insolvency proceedings or any similar proceedings against it or the filing by it of a petition or answer or consent seeking liquidation, reorganization or relief under any applicable federal, provincial or state law relating to bankruptcy, insolvency, reorganization or relief of debtors, or the consent by it to the filing of any such petition or to the appointment under any such law of a receiver, receiver-manager, liquidator, assignee, trustee, sequestrator or other similar official of either Credit Party or of all or substantially all of its property, or the making by it of a general assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due or anything analogous in a Relevant Jurisdiction;

(i) the entry of a decree or order by a court having jurisdiction adjudging either Credit Party or Waterberg a bankrupt or insolvent or approving as properly filed an application or a petition seeking liquidation, reorganization, arrangement or adjustment of or in respect of the Borrower or the Guarantor under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors, or appointing under any such law a receiver, receiver-manager, liquidator, assignee, trustee, sequestrator or other similar official of either Credit Party or Waterberg or of all or substantially all of its property, or ordering pursuant to any such law the winding-up or liquidation of its affairs, and the continuance of any such decree or order unvacated and unstayed and in effect for a period of 30 days or anything analogous in a Relevant Jurisdiction;

(j) any proceedings are commenced for the bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution or any similar proceedings of either Credit Party or Waterberg or any decree, order or approval for such bankruptcy, insolvency, reorganization, winding-up, liquidation or dissolution is issued or entered, unless either Credit Party or Waterberg, as applicable, in good faith actively and diligently contests such proceedings, decree, order or approval, resulting in a dismissal or stay thereof within 30 days of commencement or anything analogous in a Relevant Jurisdiction;

(k) a resolution is passed for the winding-up, dissolution or liquidation of either Credit Party or Waterberg;

(l) this Agreement, any other Facility Document or any Material Contract shall for any reason, or is claimed by either Credit Party (or in the case of a Material Contract, any other party thereto) to, cease in whole or in any part to be a legal, valid, binding and enforceable obligation of either Credit Party (or such other party in the case of a Material Contract);

(m) this Agreement or any other Facility Document shall for any reason, or is claimed by either Credit Party to, cease in whole or in any part to be a legal, valid, binding and enforceable obligation of either Credit Party;

(n) if either Credit Party or Waterberg fails to pay the principal of, premium, if any, interest on, or any other amount owing in respect of any of its Indebtedness which is outstanding in an aggregate principal amount exceeding $250,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness); or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such Indebtedness, if its effect is to accelerate or permit the acceleration of, such Indebtedness; or any such Indebtedness shall be, or may be, declared to be due and payable prior to its stated maturity;

(o) any representation or warranty given by either Credit Party in this Agreement or any other Facility Document or any Material Contract shall prove to be incorrect or misleading in any material respect as at the date on which it was made and, if the circumstances giving rise to the incorrect or misleading misrepresentation or warranty are capable of modification or rectification (such that, thereafter the representation or warranty would be correct and not misleading), the representation or warranty remains incorrect or misleading at the end of a period of 30 days from the date the Borrower or such Guarantor becomes aware of such incorrect or misleading misrepresentation;

(p) the occurrence or existence of any event or circumstance which has or could reasonably be expected to have a Material Adverse Effect (in the opinion of the Majority Lenders, in their sole discretion);

(q) if the Finance Parties in good faith and on commercially reasonable grounds believe that the ability of the Credit Parties to pay any of the outstanding balance of the Facility to the Finance Parties or to perform any of the covenants contained in the Facility Documents is impaired or any security granted by the Credit Parties to the Finance Parties is or is about to be impaired or in jeopardy;

(r) the occurrence of a Change of Control;

(s) any abandonment of the Project or any part thereof, which destruction or abandonment causes any material reduction in the valuation thereof or material delay of its development;

(t) if the Credit Parties or any of their Material Subsidiaries cease or threaten to cease to carry on the business of the Project;

(u) if Waterberg ceases to own all of the Project;

(v) one or more final judgments or decrees for the payment of money in excess of $500,000 individually or $1,000,000 on a cumulative basis, are rendered against the Credit Parties or Waterberg or any of them by a court of competent jurisdiction, and the same is not paid in full within 30 days;

(w) (i) any Authorization required under Environmental Laws which is a Material Contract or otherwise required for the continued development of the Project has been terminated or surrendered by any Credit Party, or (ii) any Authorization required under Environmental Laws which is a Material Contract or otherwise required for the continued development of the Project is either (1) terminated, voided, vacated, rejected or otherwise invalidated by any Governmental Authority or (2) to the extent that such action would have a Material Adverse Effect, is modified, limited, or partially terminated, voided, vacated, rejected or otherwise invalidated by any Governmental Authority, and any such terminating, voiding, vacating, rejecting, invalidating, modifying, or limiting in the case of either (1) or (2) is either (i) not subject to any further appeal on terms that would allow the Credit Parties to continue to develop the Project or any relevant part thereof pending appeal, according to the terms of the Authorization as issued or (ii) the Credit Parties fail to preserve and pursue any such appeal;

(x) if any Person takes possession of any of the Platinum Group Assets by appointment of a receiver, receiver and manager, or otherwise;

(y) if a material default occurs and is continuing under any Material Contract after giving effect to any cure period or waiver thereunder or any Material Contract is terminated other than at scheduled maturity, by way of prepayment or with the prior written consent of the Agent, acting reasonably; or

(z) if a Credit Party, any of its Subsidiaries, or any director, officer or employee of any of them has breached, or is charged with breaching, any provision of Money Laundering Laws, International Trade Laws, the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act* (Canada) or the *Bribery Act* (United Kingdom);

(aa) any failure by the Borrower to remain listed on at least one of the TSX or the NYSE American;

(bb) any breach or default under any Material Contract or Project Document;

(cc) if a Credit Party (i) becomes a Defaulting Shareholder (as such term is defined in the Waterberg Shareholders Agreement) under the Waterberg Shareholders Agreement, (ii) is subject to relinquishment under the Waterberg Shareholders Agreement or provides a notice under Section 24.3 of the Waterberg Shareholders Agreement, or (iii) becomes a non-contributing shareholder under the Waterberg Shareholders Agreement; or

(dd) the Guarantor directly or indirectly owns less than 148,604 ordinary shares of Waterberg or the shares of Waterberg directly or indirectly held by the Guarantor represent less than a 50.02% interest in all outstanding Waterberg shares (other than a reduction to not less than 31.96% of all issued and outstanding shares of Waterberg on a fully diluted basis as a result of the issuance by Waterberg of additional shares as a consequence of the application of the terms of the Call Option Agreement or for the purposes of BEE Ownership Compliance or Implats BBBEE Compliance, as both such terms are defined in the Waterberg Shareholders Agreement).

Acceleration on Default

8.2 If any Event of Default shall occur and be continuing, the Agent (in accordance with the instructions of the Majority Lenders) may (i) by notice to the Borrower, (A) declare the Lender's commitments to advance any unadvanced portion of the Facility to be terminated, whereupon the same shall forthwith terminate, and (B) declare the entire unpaid principal amount of the Facility, all interest accrued and unpaid thereon and all other fees, charges and costs hereunder to be forthwith due and payable, whereupon the Facility, all such accrued interest and all other fees, charges and costs hereunder shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower, provided that upon the occurrence of an actual or deemed entry of an order for relief with respect to a Credit Party under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada) or the *Winding-up and Restructuring Act* (Canada), or any substantially similar legislation under the laws of South Africa providing for any form of creditor protection, the result which would otherwise occur only upon giving of notice by the Agent to the Borrower under this Section 8.2, shall occur automatically without the giving of any such notice and all Facility Indebtedness in such case shall become immediately due and payable; and (ii) whether or not the actions referred to in clause (i) have been taken, (X) exercise any or all of the Agent's rights and remedies under the Security Documents, and (Y) proceed to enforce all other rights and remedies available to the Agent under this Agreement, the other Facility Documents and Applicable Law.

Waiver of Default

8.3 If an Event of Default shall have occurred, the Agent (in accordance with the instructions of the Majority Lenders), so long as it has not become bound to institute any proceedings hereunder, shall have the power to waive any Event of Default hereunder if, in the Majority Lenders' sole and absolute opinion, the same shall have been cured or adequate provision made therefor, upon such terms and conditions as the Majority Lenders may consider advisable, provided that no delay or omission of the Agent to exercise any right or power (or of the other Finance Parties to provide instructions with respect to the same) accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and provided further that no act or omission of the Agent (or of the other Finance Parties) shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default hereunder or the rights resulting therefrom.

Enforcement by the Agent

8.4 If an Event of Default shall have occurred, but subject to Section 8.3 hereof:

(a) the Agent may (in accordance with the instructions of the Majority Lenders) proceed to enforce, and to instruct any other Person to enforce, the rights of the Finance Parties by any action, suit, remedy or proceeding authorized or permitted by this Agreement or any of the other Facility Documents or by law or equity; and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Finance Parties proven in any bankruptcy, insolvency, winding-up or other judicial proceedings relating to the Borrower and the other Credit Parties; and

(b) no such remedy for the enforcement of the rights of the Finance Parties shall be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

Set-Off

8.5 In addition to any rights now or hereafter granted under Applicable Law, and not by way of limitation of any such rights, the Agent and each Lender is authorized, at any time that an Event of Default has occurred and is continuing without notice to the Credit Parties or to any other Person, any such notice being expressly waived by the Credit Parties, to set-off, appropriate and apply any and all deposits, matured or unmatured, general or special, and any other indebtedness at any time held by or owing by the Agent or such Lender, as the case may be, to or for the credit of or the account of any of the Credit Parties against and on account of the obligations and liabilities of the Borrower which are due and payable to the Agent or such Lender, as the case may be, under the Facility Documents.

Agent Appointed Attorney

8.6 To the extent permitted by Applicable Law, each Credit Party irrevocably appoints the Agent to be the attorney of such Credit Party in the name and on behalf of such Credit Party to execute any instruments and do any things which such Credit Party ought to execute and do, and has not executed or done, under the covenants and provisions contained in this Agreement and generally to use the name of such Credit Party in the exercise of all or any of the powers hereby conferred on the Agent with full powers of substitution and revocation. Such power of attorney, being coupled with an interest, is irrevocable.

Remedies Cumulative

8.7 No remedy herein conferred upon or reserved to the Agent is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under any other Facility Document or now or hereafter existing by law or by statute.

ARTICLE 9
AGENT

Appointment and Authorization of Agent

9.1 Each Lender hereby appoints and authorizes, and hereby agrees that it will require any assignee of any of its interests in the Facility Documents (other than the holder of a participation in its interests herein or therein) to appoint and authorize, the Agent to take such actions as agent on its behalf and to exercise such powers under the Facility Documents as are delegated to the Agent by such Lender by the terms hereof, together with such powers as are reasonably incidental thereto. Neither the Agent nor any of its directors, officers, employees or agents shall be liable to any of the Lenders for any action taken or omitted to be taken by it or them hereunder or thereunder or in connection herewith or therewith, except for its own gross negligence or wilful misconduct and each Lender hereby acknowledges that the Agent is entering into the provisions of this Section 9.1 on its own behalf and as agent and trustee for its directors, officers, employees and agents.

Interest Holders

9.2 The Agent may treat each Lender set forth in Schedule A or the Person designated in the last notice delivered to it under Section 12.4 as the holder of all of the interests of such Lender under the Facility Documents.

Consultation with Counsel

9.3 The Agent may consult with legal counsel selected by it as counsel for the Agent and the other Finance Parties and shall not be liable for any action taken or not taken or suffered by it in good faith and in accordance with the advice and opinion of such counsel.

Documents

9.4 The Agent shall not be under any duty to the Lenders to examine, enquire into or pass upon the validity, effectiveness or genuineness of the Facility Documents or any instrument, document or communication furnished pursuant to or in connection with the Facility Documents and the Agent shall, as regards the Lenders, be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

Agent as Lender

9.5 With respect to those portions of the Facility made available by it as a Lender, the Agent shall have the same rights and powers under the Facility Documents as any other Lender and may exercise the same as though it were not the Agent. The Agent and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with each Credit Party and its Affiliates and Persons doing business with such Credit Party and/or any of its Affiliates as if it were not the Agent and without any obligation to account to the Lenders therefor.

Responsibility of Agent

9.6 The duties and obligations of the Agent to the Lenders under the Facility Documents are only those expressly set forth herein. The Agent shall not have any duty to the Lenders to investigate whether a Default has occurred. The Agent shall, as regards the Lenders, be entitled to assume that no Default has occurred and is continuing unless the Agent has actual knowledge or has been notified by a Credit Party of such fact or has been notified by a Lender that such Lender considers that a Default has occurred and is continuing, such notification to specify in detail the nature thereof.

Action by Agent

9.7 The Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it on behalf of the Lenders by and under the Facility Documents; provided, however, that the Agent shall not exercise any rights under Section 8.2 or under any guarantee or other Security Documents or expressed to be on behalf of or with the consent or approval of or in accordance with the instructions of the Majority Lenders without the request, consent or instructions of the Majority Lenders. Furthermore, any rights of the Agent expressed to be on behalf of or with the consent or approval of or in accordance with the instructions of the Majority Lenders shall be exercised by the Agent upon the request or instructions of the Majority Lenders. The Agent shall incur no liability to the Lenders under or in respect of any of the Facility Documents with respect to anything which it may do or refrain from doing in the exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances, except for its gross negligence or wilful misconduct. The Agent shall in all cases be fully protected in acting or refraining from acting under any of the Facility Documents in accordance with the instructions of the Majority Lenders and any action taken or failure to act pursuant to such instructions shall be binding on all Lenders. In respect of any notice by or action taken by the Agent hereunder, no Credit Party shall at any time be obliged to enquire as to the right or authority of the Agent to so notify or act.

Notice of Events of Default

9.8 In the event that the Agent shall acquire actual knowledge or shall have been notified of any Default, the Agent shall promptly notify the Lenders and shall take such action and assert such rights under Section 8.2 of this Agreement and under the other Facility Documents as the Majority Lenders shall request in writing and the Agent shall not be subject to any liability by reason of its acting pursuant to any such request. If the Majority Lenders shall fail for five Business Days after receipt of the notice of any Default to request the Agent to take such action or to assert such rights under any of the Facility Documents in respect of such Default, the Agent may, but shall not be required to, and subject to subsequent specific instructions from the Majority Lenders, take such action or assert such rights (other than rights under Section 8.2 of this Agreement or under the other Facility Documents and other than giving an express waiver of any Default) as it deems in its discretion to be advisable for the protection of the Lenders except that, if the Majority Lenders have instructed the Agent not to take such action or assert such rights, in no event shall the Agent act contrary to such instructions unless required by law to do so.

Responsibility Disclaimed

9.9 The Agent shall be under no liability or responsibility whatsoever as agent hereunder:

(a) to any Credit Party or any other Person as a consequence of any failure or delay in the performance by, or any breach by, any Lender or Lenders of any of its or their obligations under any of the Facility Documents;

(b) to any Lender or Lenders as a consequence of any failure or delay in performance by, or any breach by, any Credit Party of any of its obligations under any of the Facility Documents; or

(c) to any Lender or Lenders for any statements, representations or warranties in any of the Facility Documents or in any other documents contemplated hereby or thereby or in any other information provided pursuant to any of the Facility Documents or any other documents contemplated hereby or thereby or for the validity, effectiveness, enforceability or sufficiency of any of the Facility Documents or any other document contemplated hereby or thereby.

Indemnification

9.10 The Lenders agree to indemnify the Agent (to the extent not reimbursed by the Credit Parties), pro rata based on their respective Exposures, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of any of the Facility Documents or any other document contemplated hereby or thereby or any action taken or omitted by the Agent under any of the Facility Documents or any document contemplated hereby or thereby, except that no Lender shall be liable to the Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or wilful misconduct of the Agent.

Credit Decision

9.11 Each Lender represents and warrants to the Agent that:

(a) in making its decision to enter into this Agreement and to make its Pro Rata Share of the Facility available to the Borrower, it is independently taking whatever steps it considers necessary to evaluate the financial condition and affairs of the Credit Parties and that it has made an independent credit judgment without reliance upon any information furnished by the Agent; and

(b) so long as any portion of the Facility is being utilized by the Borrower, it will continue to make its own independent evaluation of the financial condition and affairs of the Credit Parties.

Successor Agent

9.12 Subject to the appointment and acceptance of a successor Agent as provided below, the Agent may resign at any time by giving 30 days written notice thereof to the Borrower and the Lenders. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Agent who shall be one of the Lenders unless none of the Lenders wishes to accept such appointment. If no successor Agent shall have been so appointed and shall have accepted such appointment by the time of such resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, duties and obligations of the retiring Agent (in its capacity as Agent but not in its capacity as a Lender) and the retiring Agent shall be discharged from its duties and obligations hereunder (in its capacity as Agent but not in its capacity as a Lender). After any retiring Agent's resignation hereunder as the Agent, provisions of this Article 9 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

Delegation by Agent

9.13 The Agent shall have the right to delegate any of its duties or obligations hereunder as Agent to any Affiliate of the Agent so long as the Agent shall not thereby be relieved of such duties or obligations.

Waivers and Amendments

9.14

(a) Subject to Sections 9.14(b), 9.14(c), 9.14(d) and 9.14(e), any term, covenant or condition of any of the Facility Documents may only be amended with the prior consent of the Credit Parties party thereto and the Majority Lenders or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by the Agent with the consent of the Majority Lenders and in any such event the failure to observe, perform or discharge any such covenant, condition or obligation, so amended or waived (whether such amendment is executed or such consent or waiver is given before or after such failure), shall not be construed as a breach of such covenant, condition or obligation or as a Default.

(b) With the prior written consent of all the Lenders (and not otherwise), any amendment of or waiver with respect to any provision of any Facility Document, as applicable, may act to:

(i) increase the amount of the Facility;

(ii) extend the Stated Maturity Date;

(iii) extend the time for the payment of interest on the Advance, forgive any portion of principal thereof, reduce the stated rate of interest thereon or amend the requirement of pro rata application of all amounts received by the Agent in respect of the Facility;

(iv) waive any conditions precedent;

(v) reduce the stated amount or postpone the date for payment of fees or other amounts to be paid in respect of the Facility,

(vi) amend the definition of Majority Lenders;

(vii) permit any subordination of any of the Facility Indebtedness;

(viii) release or discharge any guarantee or, except as otherwise permitted pursuant to Section 9.20, other Security Documents, in whole or in part; or

(ix) alter the terms of this Section 9.14.

(c) No amendment to or waiver of any provision hereof to the extent it affects the rights or obligations of the Agent shall be effective without the prior written consent of the Agent.

(d) No amendment of this Agreement which would change the Individual Commitment of a Lender shall be effective without the prior written consent of such Lender.

(e) This Article 9 may be amended by the Agent and the Finance Parties without the prior written consent of the Credit Parties to the extent any such amendments do not materially or adversely affect the rights or obligations of any of the Credit Parties.

Delegation by Agent Conclusive and Binding

9.15 Any determination to be made by the Agent on behalf of or with the approval of the Majority Lenders in accordance with this Agreement shall be made by the Agent in good faith and, if so made, shall be binding on all parties, absent manifest error. The Credit Parties are entitled to assume that any action taken by the Agent under or in connection with any Facility Document has been appropriately authorized by the Lenders or the Majority Lenders, as the case may be, pursuant to the terms hereof.

Adjustments among Lenders after Acceleration

9.16

(a) The Lenders agree that, at any time after all indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 8.2 or after the cancellation or termination of the Facility, they will at any time or from time to time upon the request of any Lender through the Agent purchase portions of the availments made available by the other Lenders which remain outstanding, and make any other adjustments which may be necessary or appropriate, in order that the amounts of the availments made available by the respective Lenders which remain outstanding, as adjusted pursuant to this Section 9.16, will be in the same proportions as their respective Pro Rata Share thereof with respect to the Facility immediately prior to such acceleration, cancellation or termination.

(b) The Lenders agree that, at any time after all Indebtedness of the Borrower to the Lenders pursuant hereto has become immediately due and payable pursuant to Section 8.2 or after the cancellation or termination of the Facility, the amount of any payment made by the Credit Parties under this Agreement, and the amount of any proceeds of the exercise of any rights or remedies of the Lenders under the Facility Documents, which are to be applied against amounts owing hereunder as principal, will be so applied in a manner such that to the extent possible, the availments made available by the Lenders which remain outstanding, after giving effect to such application, will be in the same proportions as their respective Pro Rata Share thereof with respect to the Facility immediately prior to the cancellation or termination thereof immediately prior to such acceleration, cancellation or termination.

(c) For greater certainty, the Lenders acknowledge and agree that without limiting the generality of the provisions of paragraphs (a) and (b) above, such provisions will have application if and whenever any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, compensation, or otherwise), other than on account of any monies owing or payable by the Borrower to it under the Facility Documents in excess of its Pro Rata Share of payments on account of monies owing by the Borrower to all the Lenders thereunder.

(d) The Credit Parties agree to be bound by and to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Lenders pursuant to this Section 9.16.

Redistribution of Payment

9.17 If a Lender shall receive payment of a portion of the aggregate amount of principal and interest due to it hereunder including by way of set-off pursuant to Section 8.5 which is greater than the proportion received by any other Lender in respect of the aggregate amount of principal and interest due in respect of the Facility (having regard to the respective Individual Commitments of the Lenders), the Lender receiving such proportionately greater payment shall purchase a participation (which shall be deemed to have been done simultaneously with receipt of such payment) in that portion of the aggregate outstanding credit of the other Lender or Lenders so that the respective receipts shall be pro rata to their respective Exposures; provided, however, that if all or part of such proportionately greater payment received by such purchasing Lender shall be recovered from the Borrower, such purchase shall be rescinded and the purchase price paid for such participation shall be returned by such selling Lender or Lenders to the extent of such recovery, but without interest.

Distribution of Notices

9.18 Except as otherwise expressly provided herein, promptly after receipt by the Agent of any notice or other document which is delivered to the Agent hereunder on behalf of the Lenders, the Agent shall provide a copy of such notice or other document to each of the Lenders; provided, however, that a copy of any such notice delivered at any time during the continuance of an Event of Default shall be delivered by the Agent to each of the Lenders.

Other Security Not Permitted

9.19 None of the Lenders shall be entitled to enjoy any lien with respect to any of the Platinum Group Assets other than the Security.

Discharge of Security

9.20 To the extent a sale or other disposition of the Platinum Group Assets is permitted pursuant to the provisions hereof, the Lenders hereby authorize the Agent, at the cost and expense of the Borrower, to execute such discharges and other instruments which are necessary for the purposes of releasing and discharging the Security therein or for the purposes of recording the provisions or effect thereof in any office where the Security Documents may be registered or recorded or for the purpose of more fully and effectively carrying out the provisions of this Section 9.20.

Decision to Enforce Security

9.21 Upon the Security becoming enforceable in accordance with its terms, the Agent shall promptly so notify each of the Lenders. Any Lender may thereafter provide the Agent with a written request to enforce the Security. Forthwith after the receipt of such a request, the Agent shall seek the instructions of the Majority Lenders as to whether the Security should be enforced and the manner in which the Security should be enforced. In seeking such instructions, the Agent shall submit a specific proposal to the Lenders. From time to time, any Lender may submit a proposal to the Agent as to the manner in which the Security should be enforced and the Agent shall submit any such proposal to the Lenders for approval of the Majority Lenders. The Agent shall promptly notify the Lenders of all instructions and approvals of the Majority Lenders. If the Majority Lenders instruct the Agent to enforce the Security, each of the Lenders agree to accelerate the Facility Indebtedness owed to it to the extent permitted under the relevant Facility Document and in accordance with the relevant Facility Document.

Enforcement

9.22 Subject to Applicable Laws, the Agent reserves the sole right to enforce, or otherwise deal with, the Security, and to deal with the Credit Parties and Liberty in connection therewith; provided, however, that the Agent shall so enforce, or otherwise deal with, the Security as the Majority Lenders shall instruct.

Application of Cash Proceeds of Realization

9.23

(a) All Proceeds of Realization not in the form of cash shall be forthwith delivered to the Agent and disposed of, or realized upon, by the Agent in such manner as the Majority Lenders may approve so as to produce Cash Proceeds of Realization. To the extent any cash Proceeds of Realization are received by the Agent in a currency other than United States dollars, such cash Proceeds of Realization shall be converted by the Agent into United States dollars using the then current Bank of Canada noon spot rate for the purchase of United States dollars.

(b) Subject to the claims, if any, of secured creditors of the Credit Parties whose security ranks in priority to the Security, all Cash Proceeds of Realization shall be applied and distributed, and the claims of the Finance Parties shall be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, as follows:

(i) firstly, to the payment of all outstanding fees due to the Agent hereunder and all costs and expenses incurred by the Agent (including all legal fees and disbursements) in the exercise of all or any of the powers granted to it hereunder or under the guarantees and other Security Documents and in payment of all of the remuneration of any receiver and all costs and expenses properly incurred by such receiver (including all legal fees and disbursements) in the exercise of all or any powers granted to it under the Security Documents;

(ii) secondly, in payment of all amounts of money borrowed or advanced by the Agent or such receiver pursuant to the Security Documents and any interest thereon;

(iii) thirdly, to the payment of the Facility Indebtedness (including, where applicable, to the provision of cash collateral in respect of any Facility Indebtedness which has not then matured, for application against the same once it has matured) to the respective Lenders pro rata based on their respective Exposures; and

(iv) the balance, if any, in accordance with Applicable Law.

Collective Action of Lenders

9.24 Each of the Lenders hereby acknowledges that to the extent permitted by Applicable Law, any collateral security and the remedies provided under the Facility Documents to the Lenders are for the rateable benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder and under any collateral security are to be exercised not severally, but by the Agent upon the decision of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Facility Documents). Accordingly, notwithstanding any of the provisions contained herein or in any collateral security, each of the Lenders hereby covenants and agrees that it shall not be entitled to take any action hereunder or thereunder including any declaration of default hereunder or thereunder but that any such action shall be taken only by the Agent with the prior written agreement of the Majority Lenders (or such other number or percentage of the Lenders as shall be expressly provided for in the Facility Documents) except that, where any Applicable Laws prohibit, restrict or limit the ability of the Agent to act on behalf of or enforce or exercise any of the rights of the Finance Parties under the Security Documents, the Finance Parties shall be entitled to exercise or enforce their rights under the Security Documents jointly. Each of the Lenders hereby further covenants and agrees that upon any such written agreement being given, it shall co-operate fully with the Agent to the extent requested by the Agent. Notwithstanding the foregoing, in the absence of instructions from the Majority Lenders and where in the sole opinion of the Agent the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders take such action on behalf of the Lenders as it deems appropriate or desirable in the interest of the Lenders.

Survival

9.25 The provisions of this Article 9 and all other provisions of this Agreement which are necessary to give effect to each of the provisions of this Article 9 shall survive the permanent repayment in full of the Facility and the termination of all of the Individual Commitments of the Lenders in connection therewith until such time as all of the Facility Indebtedness has been paid in full and all of the Individual Commitments of the Lenders in connection therewith have been terminated.

ARTICLE 10
NOTICES

Notice to the Borrower

10.1 Any notice to the Borrower or any other Credit Party under the provisions of this Agreement or any other Facility Document shall be valid and effective if delivered personally, by courier, by facsimile transmission, by email or other electronic means, to or, if given by registered mail, postage prepaid, addressed to, the Borrower at Suite 838 - 1100 Melville Street, Vancouver, BC V6E 4A6, Tel: 604.899.5450, Fax: 604.484.4710, Attention: R. Michael Jones, President and Chief Executive Officer, Email: rmjones@platinumgroupmetals.net, with a copy to (which shall not constitute notice) Blake, Cassels & Graydon LLP, Suite 2600, 595 Burrard Street, Three Bentall Centre, Vancouver, BC V7X 1L3, Tel: 604.631.3300, Attention: Samantha Rossman, Email: samantha.rossman@blakes.com, and shall be deemed to have been given on the date of delivery personally, by courier, by facsimile transmission, by email or other electronic means, if so delivered prior to 5:00 pm (Toronto time) on a Business Day and otherwise on the next Business Day or on the third Business Day after such letter has been mailed, as the case may be. The Borrower may from time to time notify the Agent of a change in address which thereafter, until changed by further notice, shall be the address of the Borrower and each other Credit Party for all purposes of this Agreement and the other Facility Documents.

Notice to the Finance Parties

10.2 Any notice from any of the Credit Parties to any of the Finance Parties under the provisions of this Agreement or any other Facility Document shall be valid and effective if delivered personally, by courier or by facsimile transmission to or, if given by registered mail, postage prepaid, addressed to the relevant Finance Party(ies), c/o the Agent, at its principal office at Suite 2600, 200 Bay Street, Toronto, Ontario, Canada M5J 2J2, Tel: (416) 977-7222, Fax: (416) 977-9555, Attention: Jim Grosdanis, Chief Financial Officer, Email: jgrosdanis@sprott.com, with a copy to (which shall not constitute notice) DLA Piper (Canada) LLP, Suite 2800, 666 Burrard Street, Vancouver, BC V6C 2Z7, Email: doug.shields@dlapiper.com, and shall be deemed to have been given on the date of delivery personally, by courier, by facsimile transmission, by email or other electronic means, if so delivered prior to 5:00 p.m. (Toronto time) on a Business Day and otherwise on the next Business Day or on the third Business Day after such letter has been mailed, as the case may be. The Agent may from time to time notify the Borrower of a change in address which thereafter, until changed by further notice, shall be the address of the Agent and (vis-a-vis the Credit Parties) of the Lenders for all purposes of this Agreement and the other Facility Documents.

Valid Notice

10.3 Any notice from any of the Finance Parties to any other Finance Parties under the provisions of this Agreement or any other Facility Document shall be valid and effective if delivered personally, by courier, by email or other electronic means (which electronic transmission notice shall be sent with a "read receipt" request to qualify as a valid notice hereunder) to or, if given by registered mail, postage prepaid, addressed to the relevant Finance Party(ies), at its address set out in Section 10.2 or in Schedule A, as applicable, and shall be deemed to have been given on the date of delivery personally, by email or other electronic means if so delivered prior to 5:00 p.m. (Toronto time) on a Business Day and otherwise on the next Business Day or on the third Business Day after such letter has been mailed, as the case may be. Each Finance Party may from time to time notify the other Finance Parties of a change in address which thereafter, until changed by further notice, shall be the address of such Finance Party (vis-a-vis the other Finance Parties) for all purposes of this Agreement and the other Facility Documents. Any party sending a notice hereunder by email or other electronic means shall, in order to constitute valid notice hereunder, have received a confirmation of receipt from the intended recipient's email server.

Waiver of Notice

10.4 Any notice provided for in this Agreement may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

ARTICLE 11
INDEMNITIES, TAXES, CHANGES IN CIRCUMSTANCES

General Indemnity

11.1 The Borrower expressly declares and agrees as follows:

(a) each Finance Party, its partners and its and their directors, officers, employees, agents and all of their respective representatives, heirs, successors and assigns (collectively, the "**Indemnified Parties**") will at all times be indemnified and saved harmless by the Borrower from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever arising in connection with this Agreement and the other Facility Documents (except any loss, expense, claim, proceeding, judgment or liability described in Section 11.2 or resulting from Taxes, other than Taxes imposed on non-Tax claims and Taxes for which specific indemnification is provided in other sections of this Agreement), including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Finance Parties contemplated hereby, legal fees and disbursements on a solicitor and client basis and costs and expenses incurred in connection with the enforcement of this indemnity, which the Finance Party may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Finance Party and including any act, deed, matter or thing in relation to the registration, perfection, release or discharge of security. The foregoing provisions of this subsection do not apply to the extent that the Finance Party or its employees or agents were grossly negligent or acted with wilful misconduct in relation to their obligations hereunder. This indemnity shall survive the termination of this Agreement or the resignation, replacement or termination of the Finance Party; and

(b) each Finance Party may act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cable, email or other electronic or other paper or electronic document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

Environmental Indemnity

11.2 The Borrower hereby indemnifies and holds harmless and will defend the Indemnified Parties against any loss, expenses, claim, proceedings, judgment, liability or asserted liability (including strict liability and including costs and expenses of investigation, abatement and remediation and monitoring of spills or releases of Hazardous Materials and including liabilities of the Indemnified Parties to, and obligations or claims asserted against the Indemnified Parties by, third parties (including governmental agencies), in any case in respect of liabilities, violations or obligations under Environmental Laws, bodily injuries, property damage, damage to or impairment of the environment or any other injury or damage and including liabilities to third parties for the third parties' foreseeable and unforeseeable consequential damages) incurred or sustained by or threatened upon the Indemnified Party as a result of or in connection with the administration or enforcement of this Agreement or any other Facility Document, including without limitation the exercise by any Finance Party of any rights hereunder or under the Security Documents, which result from or relate, directly or indirectly, to:

(a) the presence or release of any Hazardous Materials, by any means or for any reason, on, to, from, beneath or in the vicinity of the Platinum Group Assets or any Credit Party's other property;

(b) any Environmental Matter associated with the Borrower; or

(c) any violation, liability under or any breach or alleged breach of any Environmental Laws by the Borrower or any other Credit Party.

For purposes of this Section 11.2, "**liability**" shall include (A) any liability for costs and expenses of any investigation, abatement and remediation of spills and releases of Hazardous Materials where such investigation, abatement and remediation is (1) prudent for the continued operation of the Project or any part thereof, (2) required by Environmental Laws, or (3) required to maintain the value and use of the Platinum Group Assets or other property, (B) liability under any Environmental Laws including to any third party to reimburse the third party for bodily injuries, property damages and other injuries or damages which the third party suffers, including (to the extent, if any, that the Indemnified Party is liable therefor) foreseeable and unforeseeable consequential damages suffered by the third party, (C) any liability for damage suffered by the third party referred to in clause (B) above, (D) any liability of an Indemnified Party for damage to or impairment of the environment and (E) any liability for court costs, expenses of alternative dispute resolution proceedings, and fees and disbursements of expert consultants and legal counsel on a solicitor and own client basis.

Action by Agent to Protect Interests

11.3 The Agent shall have the power to institute and maintain all and any such actions, suits or proceedings and to take any other action as it may consider necessary or expedient, to preserve, protect or enforce any Finance Party's interests. The Agent may conduct all such due diligence from time to time as it deems prudent or necessary, including environmental due diligence, and may remedy all breaches or other conditions or circumstances which the Agent may in its discretion determine to either expose any Finance Party to potential liability or jeopardize in any way the collateral secured by the Security Documents, all at the expense of the Borrower.

Currency Indemnity

11.4 If under any Applicable Law and whether pursuant to a judgment being made or registered against any Credit Party or for any other reason, any payment of all or part of the Indebtedness owing by any Credit Party under or in connection with any Facility Document is made or is satisfied in a currency other than U.S. currency (the "**Other Currency**"), then to the extent that the payment (when converted into U.S. currency at the prevailing rate of exchange on the date of payment, or, if it is not practicable for the relevant Finance Party to purchase U.S. currency with the Other Currency on the date of payment, at the rate of exchange as soon thereafter as it is practicable for it to do so) actually received by the Finance Party falls short of the amount of the Indebtedness required to be paid, the Borrower shall, as a separate and independent obligation, indemnify and hold harmless the Finance Party against the amount of such shortfall. For the purpose of this Agreement, "rate of exchange" means the rate at which the relevant Finance Party is able on a foreign exchange market selected by such Finance Party on the relevant date to purchase U.S. currency with the Other Currency and shall take into account any premium and other costs of exchange.

Payments Free and Clear of Taxes

11.5

(a) Any and all payments made and other consideration provided (including without limitation the Incentive Shares) by a Credit Party hereunder or under any other Facility Document (any such payment or other consideration being hereinafter referred to as a "**Payment**") to or for the benefit of the Agent, any Lender or any Tax-Related Person shall be made without set-off or counterclaim, and free and clear of, and without deduction or withholding for, or on account of, any and all present or future Taxes, except to the extent such deduction or withholding is required by law or the administrative practice of any Governmental Authority.

(b) If the Credit Party shall be so required to deduct or withhold any Taxes from or in respect of any Payment made to or for the benefit of the Agent, any Lender or any Tax-Related Person, the Borrower shall:

(i) promptly notify the Agent of such requirement;

(ii) make such deduction or withholding;

(iii) pay to the relevant Governmental Authority in accordance with Applicable Law the full amount of Taxes required to be deducted or withheld (including the full amount of Taxes required to be deducted or withheld from any additional amount paid by the Credit Party to the Agent or such Lender under this Section 11.5), within the time period required by Applicable Law;

(iv) as promptly as reasonably practicable thereafter, forward to the Agent, such Lender or Tax-Related Person, as the case may be, an original official receipt (or a certified copy), or other documentation reasonably acceptable to the Agent and such Lender, evidencing such payment to such Governmental Authority; and

(v) If such Taxes are Indemnified Taxes, the Borrower shall pay or provide to the Agent in addition to the Payment to which the Agent, such Lender or Tax-Related Person is otherwise entitled, such additional amount (or consideration) as is necessary to ensure that the net amount (or consideration) actually received by the Agent, such Lender or Tax-Related Person, as the case may be, and each of their Tax Related Persons (free and clear of, and net of, any such Indemnified Taxes, including the full amount of any Taxes required to be deducted or withheld from any additional amount (or consideration) paid or provided by the Credit Party under this Section 11.5(a), whether assessable against the Credit Party, the Agent or such Lender) equals the full amount (or consideration) the Agent or such Lender, as the case may be, and each of their Tax Related Persons would have received had no such deduction or withholding been required.

(c) In addition, the Borrower agrees to pay any and all present or future stamp or documentary taxes or excise or property taxes, charges or levies of a similar nature, which arise from any Payment under, or from the execution, delivery or registration of, or otherwise with respect to, the Facility Documents and the transactions contemplated hereby or thereby other than Excluded Taxes (any such amounts being hereinafter referred to as "**Other Taxes**").

(d) The Borrower hereby indemnifies and holds harmless the Agent, each Lender and each of their Tax Related Persons, on an after-Taxes basis, for the full amount of Indemnified Taxes and Other Taxes, interest, penalties and other liabilities, levied, imposed or assessed against (and whether or not paid directly by) the Agent, such Lender and each of their Tax Related Persons as applicable, and for all expenses, resulting from or relating to any Credit Party's failure to:

(i) remit to the Agent, such Lender or their respective Tax Related Persons the documentation referred to in Section 11.5(b)(iv); or

(ii) pay any Taxes or Other Taxes when due to the relevant Governmental Authority (including any Taxes imposed by any Governmental Authority on amounts payable under this Section 11.5);

whether or not such Indemnified Taxes or Other Taxes were correctly or legally assessed, provided that if the Borrower reasonably believes that such Taxes were not correctly or legally asserted, the Agent, the Lender or the Tax Related Person, as applicable, will use reasonable commercial efforts to cooperate with the Borrower to obtain a refund of such Taxes (which refund, when received, shall be repaid to the Borrower in accordance with Section 11.5(g)) so long as such efforts would not, in the sole determination of the Agent, the Lender or the Tax Related Person, result in any additional out-of-pocket costs or expenses not reimbursed by the Borrower or be otherwise materially disadvantageous to the Agent, the Lender or the Tax Related Person, as applicable. The Agent or any Lender (each on behalf of itself or their Tax Related Persons) who pays any Indemnified Taxes or Other Taxes, shall promptly notify the Borrower of such payment, provided, however, that failure to provide such notice shall not detract from, or compromise, the obligations of the Borrower under this Section 11.5. Payment pursuant to this indemnification under this Section 11.5(d) shall be made within 30 days from the date the Agent or the relevant Lender, as the case may be, makes written demand therefor accompanied by a certificate as to the amount of such Indemnified Taxes or Other Taxes, which shall be conclusive absent manifest error. Notwithstanding the foregoing, the Borrower shall not be obligated to indemnify the Agent or any Lender for any expenses related to Taxes or Other Taxes arising from the gross negligence or wilful misconduct of the Agent or any Lender or any Tax Related Person any breach of this Agreement by the Agent or any Lender or as determined by court of competent jurisdiction.

(e) The Borrower also hereby indemnifies and holds harmless the Agent, each Lender and each of their Tax Related Persons, on an after-Taxes basis, for any additional taxes on net income that the Agent, such Lender may be obliged to pay as a result of the receipt of amounts from the Borrower (or the Agent) under this Section 11.5.

(f) No Finance Party shall be under any obligation to arrange its tax affairs in any particular manner or be obliged to disclose any information regarding its tax affairs or computations to the Credit Parties or any other Person in connection with this Section 11.5.

(g) If the Agent or any Lender or any Tax Related Person determines in its sole discretion (exercised in good faith) that it has received a refund of Indemnified Taxes or Other Taxes for which a payment has been made by the Borrower under this Section 11.5, then the Agent or such Lender, as the case may be, shall pay such amount (if any) to the Borrower (but not exceeding any payment made under this Section 11.5 giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender or Tax Related Person, as the case may be, and other adjustments which the Agent or such Lender or Tax Related Person, as the case may be, reasonably determines will leave it (after that payment) in the same after-tax position it would have been in had such Indemnified Taxes or Other Taxes not been deducted, withheld or otherwise imposed and the indemnification payments had never been paid. The Borrower, upon the request of the Agent or any Lender, as the case may be, agrees to repay to the Agent or such Lender any portion of such refund paid over to the Borrower that the Agent, such Lender or any of its Tax Related Persons is required to repay or pay, respectively, to the applicable taxing authority or jurisdiction and agrees to pay any interest, penalties or other charges paid by the Agent or such Lender as a result of or related to such repayment or payment. Neither the Agent nor any Lender shall be under any obligation to arrange its tax affairs in any particular manner so as to claim any refund or seek any other tax relief to which it may be entitled. Neither the Agent nor any Lender shall be obligated to disclose any information regarding its tax affairs or computations (including its tax returns) to the Borrower or any other Person in connection with this Section 11.5(g) or any other provisions of this Section 11.5.

(h) The Borrower's and Lenders' obligations under this Section 11.5 shall survive without limitation the termination of the Facility and this Agreement and all other Facility Documents and the permanent repayment of the outstanding credit and all other amounts payable hereunder. The Lenders shall cause all Tax Related Persons to comply with this Section 11.5.

(i) If the Borrower is now or hereafter required pursuant to Section 11.5 to make any additional payment to any Lender (in this Section 11.5(i), an "**Affected Lender**"), then the Borrower may elect, if such amounts continue to be charged, to replace such Affected Lender as a Lender party to this Agreement, provided that no Default shall have occurred and be continuing at the time of such replacement, and provided further that, concurrently with such replacement, (i) another Lender designated by the non-Affected Lenders shall agree (or in the event that no Lender is so designated, a bank or other entity which is reasonably satisfactory to the Borrower and the Agent shall agree), as of such date, to purchase for cash the Facility Indebtedness due to the Affected Lender pursuant to an assignment and assumption in a form reasonably acceptable to the Borrower and Agent and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date and to comply with the requirements of Section 12.4 applicable to assignments, and (ii) the Borrower shall pay to such Affected Lender in same day funds on the day of such replacement all interest, fees and other amounts then accrued but unpaid to such Affected Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Affected Lender under Section 2.8.

(j) The Agent, a Lender or a Tax Related Person (each, in this Section 11.5 a "**Recipient**") that is entitled to an exemption from or reduction of any withholding Tax with respect to any payments made under any of the Facility Documents shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation as the Borrower or the Agent may reasonably request to permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Agent or a Lender, on behalf of itself or a Tax Related Person of the Agent or the Lender that is a Recipient, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Recipient is subject to withholding or information reporting requirements. The Agent and each Lender on behalf of itself and each Tax Related Person of such Lender agree that if any documentation it previously delivered expires or becomes obsolete or inaccurate in any material respect, it shall, at the Borrower's request and expense, update such documentation or promptly notify the Borrower and the Agent in writing of its legal ineligibility to do so.

Change of Circumstances

11.6

(a) If the introduction or adoption of any law, regulation, guideline, request or directive (whether or not having the force of law) of any Governmental Authority, central bank or comparable agency ("**Restraint**") or any change therein or in the application thereof to the Borrower or to any Lender or in the interpretation or administration thereof or any compliance by any Lender therewith:

(i) prohibits or restricts extending or maintaining such type of credit or the charging of interest or fees in connection therewith, the Borrower agrees that such Lender shall have the right to comply with such Restraint, shall have the right to refuse to permit the Borrower to obtain such type of credit and shall (if applicable) have the right to require, at the option of the Borrower, the conversion of such outstanding credit to another type of credit to permit compliance with the Restraint or repayment in full of such credit together with accrued interest thereon on the last day on which it is lawful for such Lender to continue to maintain and fund such credit or to charge interest or fees in connection therewith, as the case may be; or

(ii) shall impose or require any reserve, special deposit requirements or Tax, shall establish an appropriate amount of capital to be maintained by such Lender or shall impose any other requirement or condition which results in an increased cost to such Lender of extending or maintaining a credit or obligation hereunder or reduces the amount received or receivable by such Lender with respect to any credit under this Agreement or reduces such Lender's effective return hereunder or on its capital or causes such Lender to make any payment or to forego any return based on any amount received or receivable hereunder, then, on notification to the Borrower by such Lender, the Borrower shall pay immediately to such Lender such amounts as shall fully compensate such Lender for all such increased costs, reductions, payments or foregone returns which accrue up to and including the date of receipt by the Borrower of such notice and thereafter, upon demand from time to time, the Borrower shall pay such additional amount as shall fully compensate such Lender for any such increased or imposed costs, reductions, payments or foregone returns. Such Lender shall notify the Borrower of any actual increased or imposed costs, reductions, payments or foregone returns forthwith on becoming aware of same and shall concurrently provide to the Borrower a certificate of an officer of such Lender setting forth the amount of compensation to be paid to such Lender and the basis for the calculation of such amount.

(b) Each Lender agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to seek additional amounts from the Borrower pursuant to Section 11.6(a), it will use commercially reasonable efforts to make, fund or maintain the affected credit of such Lender through another lending office or take such other actions as it deems appropriate, in its sole discretion, if as a result thereof the additional moneys which would otherwise be required to be paid in respect of such credit pursuant to Section 5.1(a), would be reduced and if, as determined by such Lender in its sole discretion, the making, funding or maintaining of such affected credit through such other lending office or the taking of such other actions would not otherwise adversely affect such credit or such Lender and would not, in such Lender's sole discretion, be commercially unreasonable.

Failure to Fund as a Result of Change of Circumstances

11.7

If any Lender but not all of the Lenders who have Individual Commitments seeks additional compensation pursuant to Section 11.6(a) (in this Section 11.7, an "**Affected Lender**"), then the Borrower may indicate to the Agent in writing that it desires to replace the Affected Lender with another Lender designated by the non-Affected Lenders (or in the event that no Lender is so designated, a bank or other entity which is reasonably satisfactory to the Borrower and the Agent), and the Agent shall then forthwith give notice to the other Lenders (or bank or other entity, as the case may be) that any such Lender or Lenders so designated (or bank or other entity, as the case may be) may, in the aggregate, advance all (but not part) of the Affected Lender's Pro Rata Share of the affected credit and, in the aggregate, assume all (but not part) of the Affected Lender's Individual Commitment and obligations under the Facility and acquire all (but not part) of the rights of the Affected Lender and assume all (but not part) of the obligations of the Affected Lender under each of the other Facility Documents to the extent they relate to the Facility (but in no event shall any other Lender or the Agent be obliged to do so). If one or more Lenders shall so agree in writing (herein collectively called the "**Assenting Lenders**" and individually called an "**Assenting Lender**") with respect to such advance, acquisition and assumption, the Pro Rata Share of such credit of each Assenting Lender and the Individual Commitment and the obligations of such Assenting Lender under the Facility and the rights and obligations of such Assenting Lender under each of the other Facility Documents to the extent they relate to the Facility shall be increased by its respective Pro Rata Share (based on the relative Individual Commitments of the Assenting Lenders) of the Affected Lender's Pro Rata Share of such credit and Individual Commitment and obligations under the Facility and rights and obligations under each of the other Facility Documents to the extent they relate to the Facility on a date mutually acceptable to the Assenting Lenders and the Borrower. On such date, the Assenting Lenders shall extend to the Borrower the Affected Lender's Pro Rata Share of such credit and shall prepay to the Affected Lender the advances of the Affected Lender then outstanding, together with all interest accrued thereon and all other amounts owing to the Affected Lender hereunder, and, upon such advance and prepayment by the Assenting Lenders, the Affected Lender shall cease to be a "Lender" for purposes of this Agreement and shall no longer have any obligations hereunder. Upon the assumption of the Affected Lender's Individual Commitment as aforesaid by an Assenting Lender, Schedule A shall be deemed to be amended to increase the Individual Commitment of such Assenting Lender by the respective amounts of such assumption.

ARTICLE 12
MISCELLANEOUS

No Waiver; Remedies Cumulative

12.1 No failure on the part of any Finance Party to exercise, and no delay in exercising, any right, remedy, power or privilege under any Facility Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies of the Finance Parties under the Facility Documents are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to any relevant Finance Party.

Survival

12.2 All covenants, agreements, representations and warranties made in any of the Facility Documents shall, except to the extent otherwise provided therein, survive the execution and delivery of this Agreement and the Advances of the Facility, and shall continue in full force and effect so long as any principal amount remains outstanding hereunder or any other Obligations under any Facility Document remain unpaid or any obligation to perform any other act hereunder or under any other Facility Document remains unsatisfied.

Benefits of Agreement

12.3 The Facility Documents are entered into for the sole protection and benefit of the parties thereto and their successors and assigns, and no other Person (other than the Indemnified Persons) shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with, any Facility Document.

Binding Effect; Assignment

12.4 This Agreement shall become effective when it shall have been executed by each of the parties hereto and thereafter shall be binding upon, inure to the benefit of and be enforceable by such parties and their respective permitted successors and assigns. No Credit Party shall have the right to assign its rights and obligations hereunder or under the other Facility Documents or any interest herein or therein without the prior written consent of the Agent (acting on the instructions of the Majority Lenders). Each Lender reserves the right to sell, assign, transfer or grant participations in, all or any portion of such Lender's rights and obligations hereunder and under the other Facility Documents to which it is a party to any other Person, provided that (except in the case of a grant of a participation) (i) any such act shall require the prior written consent of the Agent (acting in accordance with the instructions of the Majority Lenders, in their sole discretion); (ii) any such sale, assignment or transfer to a Person to whom Payments hereunder would result in the Borrower having to pay additional amounts under Section 11.5(b)(v) (in amounts greater than those, if any, which would have been payable had the sale, assignment or transfer not been made) shall require the prior written consent of the Borrower (unless a Default has occurred in which case no prior consent from the Borrower shall be required); (iii) the right to receive any Incentive Shares or Extension Shares may not be assigned unless the proposed assignment complies with all Applicable Securities Legislation and provided further that the Borrower shall have no obligation to issue the Incentive Shares or Extension Shares to any assignee if such issuance would require the preparation or filing of any prospectus, registration statement or similar document under any Applicable Securities Legislation or otherwise violate any Applicable Securities Legislation, provided always that in such circumstances, the Borrower shall deliver the cash equivalent of any such Incentive Shares or Extension Shares to be issued) and (iv) no assignment, transfer or grant of participations in all or any portion of such Lender's rights and obligations hereunder and under the other Facility Documents may be made to any Person prohibited from holding any such rights and obligations under Applicable Law. In the event of any such grant of a participation, the granting Lender's obligations under this Agreement to the Borrower shall (except as set forth in the preceding sentence) remain unchanged, such Lender shall remain solely responsible for the performance thereof and the Credit Parties shall continue to be obligated to such Lender in connection with such Lender's rights under this Agreement and the other Facility Documents (including in respect of the interest in respect of which the Lender has granted a participation). In the event of any such assignment, upon written notice thereof to the Borrower, the assignee shall be deemed to be a "Lender" for all purposes of the Facility Documents with respect to the rights and obligations assigned to it, and the rights and obligations of the assigning Lender so assigned shall thereupon terminate. The Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the loan owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Credit Parties and the Finance Parties shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice. The Borrower and each other Credit Party shall, from time to time upon request of the Agent, enter into such amendments to the Facility Documents and execute and deliver such other documents as shall be necessary to effect any such grant or assignment. The Borrower agrees that in connection with any such grant or assignment, the Agent may deliver to the prospective participant or assignee financial statements and other relevant information relating to the Borrower and its Subsidiaries. In the event of any such participation, each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each Participant's interest in the loans or other obligations under this Agreement (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose the identity of the Participant or the amount such Participant holds.

Maximum Return

12.5 Notwithstanding any other provision of this Agreement or any other Facility Document:

(a) In this Section 12.5, "**interest**" and "**credit advanced**" have the meanings ascribed to them in Section 347 of the *Criminal Code* (Canada), and "**Canadian Maximum Rate**" means the highest effective annual rate of interest calculated in accordance with generally accepted actuarial practices and principles, on the credit advanced under an agreement or arrangement, which is lawfully permitted under Section 347 of the *Criminal Code* (Canada);

(b) If, by entering into this Agreement and the other Facility Documents, the Lenders (or any of them) have entered into an agreement or arrangement to receive interest, on the credit advanced under the Facility Documents, in an amount which exceeds the Canadian Maximum Rate, then the interest will be reduced to the extent required to eliminate such excess (in the manner specified below);

(c) If interest in the aggregate, on the credit advanced under this Agreement, is or is about to be received in an amount which exceeds the Canadian Maximum Rate, then the interest will be reduced, with retroactive effect, to the extent required to eliminate such excess (in the manner specified below), and if and to the extent so reduced the Lenders will return the same;

(d) Any reduction of interest pursuant to clause (b) or clause (c) above will be made in the following order (in each case, only to the extent required): firstly, a reduction of the Incentive Shares; secondly, a reduction of the interest rate under Section 2.8; thirdly, a reduction of the amounts to be paid on account of the Finance Parties' legal fees and other out-of-pocket expenses; and lastly, a reduction of any other amount(s) which constitute interest.

In the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries qualified for a period of ten (10) years and appointed by the Agent will be conclusive for the purposes of such determination. A certificate of an authorized signing officer of the Agent as to each amount, rate and/or other component of interest payable hereunder or in connection herewith from time to time shall be conclusive evidence of such amount, rate and/or other component, absent manifest error.

Entire Agreement

12.6 The Facility Documents reflect the entire agreement between the Borrower or any other Credit Party and the Finance Parties with respect to the matters set forth herein and therein and supersede any prior agreements, commitments, drafts, communication, discussions and understandings, oral or written, with respect thereto, including but not limited to the Term Sheet.

Severability

12.7 If any provision of any of the Facility Documents shall be prohibited by or invalid under Applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason cannot be so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of such Facility Document, or the validity or effectiveness of such provision in any other jurisdiction.

Counterparts and Electronic Transmission

12.8 This Agreement may be executed in counterparts and by electronic transmission of an authorized signature and each such counterpart shall be deemed to form part of one and the same document.

[signature pages follow]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their proper officers duly authorized in that behalf.

BORROWER:

PLATINUM GROUP METALS LTD.

Per: /s/ Frank Hallam
Authorized Signatory

Per:_____
Authorized Signatory

GUARANTOR:

PLATINUM GROUP METALS (RSA) PROPRIETARY LIMITED

Per: /s/ Frank Hallam
Authorized Signatory

Per:_____
Authorized Signatory

AGENT:

SPROTT PRIVATE RESOURCE LENDING II (COLLECTOR), LP,
by its general partner, SPROTT RESOURCE LENDING CORP.

Per: /s/ Narinder Nagra
Authorized Signatory

Per: /s/ Jim Grosdanis
Authorized Signatory

LENDERS:

SPROTT PRIVATE RESOURCE LENDING II (COLLECTOR), LP,
by its general partner, SPROTT RESOURCE LENDING CORP.

Per: /s/ Narinder Nagra
Authorized Signatory

Per: /s/ Jim Grosdanis
Authorized Signatory

RESOURCE INCOME PARTNERS LIMITED PARTNERSHIP
by its general partner
Resource Capital Investment Corp.

Per: /s/ Thomas W. Ulrich
Authorized Signatory

SCHEDULE A
LENDERS AND INDIVIDUAL COMMITMENTS

LENDERS	INDIVIDUAL COMMITMENTS
Sprott Private Resource Lending II (Collector), LP Suite 2600, 200 Bay Street, Toronto, Ontario, Canada M5J 2J2, Tel: (416) 977-7222 Fax: (416) 977-9555 Attention: Chief Financial Officer	$15,000,000
Resource Income Partners Limited Partnership 1910 Palomar Point Way, Suite 200 Carlsbad, California, U.S.A. 92008 Tel: (760) 444-5254 Fax: (760) 683-6752 Attention: Chief Financial Officer	$5,000,000
TOTAL:	$20,000,000

SCHEDULE B
SECURITY DOCUMENTS

General Security Agreement: General Security Agreement of the Borrower in favour of the Agent, pursuant to which (*inter alia*) such grantor grants Security Interests in all of its present and after-acquired personal property.

Guarantee: Unconditional Guarantee of the Guarantor in favour of the Agent, pursuant to which the Guarantor guarantees payment and performance by the Borrower of all of its present and future obligations under the Facility Documents (the "**Guarantee**").

Cession and Pledge in Security (Guarantor Shares): Cession and Pledge in Security Agreement under which the Borrower will pledge and grant a first priority Security Interest in favour of the Agent over all of the issued shares in the capital of the Guarantor (the "**Cession and Pledge in Security (Guarantor Shares)**").

Cession and Pledge in Security (Waterberg Shares): Cession and Pledge in Security Agreement pursuant to which the Guarantor will pledge all of its interest in Waterberg (including without limitation the Shares and Shareholder Loans (as such terms are defined in the Waterberg Shareholders Agreement)) in favour of the Agent (the "**Cession and Pledge in Security (Waterberg Shares)**").

SCHEDULE C
CONSENTS, APPROVALS, ETC.

The following is a listing of all required consents, approvals, Authorizations, orders, waivers or agreements of, or registrations or qualifications with, any Governmental Authority, or any other body or authority, court, stock exchange, securities regulatory authority or other Person in connection with the transactions contemplated by this Agreement:

(a) SARB Approval;

(b) the consent and waiver of rights of the shareholders of Mnombo pursuant to the Mnombo Shareholder Agreement;

(c) direct agreement providing for, among other things, the consent and waiver of rights of the Waterberg shareholders pursuant to the Waterberg Shareholders Agreement and other related agreements affecting the transfer and ownership of shares in the capital of Waterberg; and

(d) the approval by the NYSE American of the listing of the Incentive Shares and the conditional approval of the TSX of the listing of the Incentive Shares).

SCHEDULE D
MATERIAL CONTRACTS

1. Shareholders agreement dated on or about 30 March 2012 entered into between Mnombo, the Guarantor, Mlibo Gladly Mgudlwa and Luyanda Mgudlwa.

2. Shareholders agreement dated October 16, 2017 between the Borrower, the Guarantor, JOGMEC, Tiger Gate, Mnombo, Implats and Waterberg (the "**Waterberg Shareholders Agreement**"), along with deed of adherence signed by Hanwa Co. Ltd. dated December 19, 2018.

3. Agreement entered into on or about October 16, 2017 by the Borrower, the Guarantor, Tiger Gate, JOGMEC, Mnombo, Implats and Waterberg, which provides, among other things, Implats with a right to increase its ownership stake to 50.01% of Waterberg by committing funding of $130,244,500 (the "**Call Option Agreement**").

4. Indenture dated June 30, 2017 between the Borrower and The Bank of New York Mellon (the "**Trustee**"), as trustee, supplemented by supplement no. 1 to indenture dated January 21, 2018 between the Borrower and Trustee (collectively, the "**Note Indenture**").

SCHEDULE E
EQUITY INTERESTS OF CREDIT PARTIES AND THEIR SUBSIDIARIES

Credit Party	Issuer	Description	Number and Type of Shares/Interests Issued	Percentage of Issued Share Capital Held
Platinum Group Metals Ltd.	Platinum Group Metals RSA (Pty) Ltd.	Company	255 ordinary par value shares	100%
Platinum Group Metals RSA (Pty) Ltd.	Mnombo Wethu Consultants (Pty) Ltd.	Company	499 ordinary no-par value shares	49.9%
Platinum Group Metals RSA (Pty) Ltd.	Waterberg JV Resources (Pty) Ltd.	Company	87,325 ordinary no-par value shares	37.05%
Mnombo Wethu Consultants (Pty) Ltd.	Waterberg JV Resources (Pty) Ltd.	Company	61,279 ordinary no-par value shares	26%
Platinum Group Metals Ltd.	Lion Battery Technologies Inc.	Company	400,000 common shares	100%
Platinum Group Metals Ltd.	Lion Battery Technologies Inc.	Company	1,100,000 Class A preferred shares	50%

SCHEDULE F
NON-U.S. LENDER'S OR PARTICIPANT'S CERTIFICATE

To: Platinum Group Metals Ltd.
Suite 838 - 1100 Melville Street
Vancouver, British Columbia V6E 4A6

Re: Credit Agreement dated as of August ♦, 2019

In connection with the Credit Agreement (the "**Credit Agreement**") dated as of August ♦, 2019 between Platinum Group Metals Ltd. (the "**Company**") as borrower, Platinum Group Metals (RSA) Proprietary Limited. as guarantor, Sprott Private Resource Lending II (Collector), LP, as agent, and certain lenders party thereto, as lenders, the undersigned will receive certain common shares of the Company (the "**Securities**"). In connection therewith, the undersigned hereby represents, warrants, covenants and agrees as of the date hereof and as of the date of each issuance of Securities that:

a) the undersigned is not, and is not acquiring the Securities for the account or benefit of, a person in the United States or a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"));

b) the undersigned has not been offered the Securities in the United States and has not executed or delivered the Credit Agreement or any participation agreement or other buy order for Securities in the United States;

c) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act;

d) the undersigned is acquiring the Securities as principal for its own account, and the Securities are being acquired for investment purposes only, and not for the account or benefit of any other person or with the intention to distribute either directly or indirectly any of the Securities in the United States, except in compliance with the U.S. Securities Act;

e) the undersigned is not a distributor (as defined in Regulation S under the U.S. Securities Act), a dealer (as defined in Section 2(a)(12) of the U.S. Securities Act), or a person receiving a selling concession in respect of the Securities. **[NTD: this subsection (e) is to be deleted for Sprott Private Resource Lending II (Collector), LP]**

f) the Securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States unless registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and the Company has no obligation or present intention to file a registration statement under the U.S. Securities Act with respect to the Securities; and

g) the undersigned is an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions of the Canadian Securities Administrators ("**NI 45-106**") (specifically, under subsection (____) of the definition of "accredited investor" set out in Section 1.1 of NI 45-106) and the undersigned was not created or used solely to purchase or hold the Securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" and, if in the case where the undersigned is an individual, and the undersigned is relying on category (j), (k) or (l) of the definition of "accredited investor" and does not meet the higher financial asset threshold set out in category (j.1), complete, sign and return a "Form 45-106F9 - Form for Individual Accredited Investors".

Sincerely,

_____
Signature

_____
Lender or Participant name

_____
Name and title of signatory

_____
Date

_____

_____
Address

SCHEDULE G
U.S. LENDER'S OR PARTICIPANT'S CERTIFICATE

To: Platinum Group Metals Ltd.
Suite 838 - 1100 Melville Street
Vancouver, British Columbia V6E 4A6

Re: Credit Agreement dated as of August ♦, 2019

In connection with the Credit Agreement (the "**Credit Agreement**") dated as of August ♦, 2019 between Platinum Group Metals Ltd. (the "**Company**") as borrower, Platinum Group Metals (RSA) Proprietary Limited. as guarantor, Sprott Private Resource Lending II (Collector), LP, as agent, and certain lenders party thereto, as lenders, the undersigned will receive certain common shares of the Company (the "**Securities**"). In connection therewith, the undersigned hereby represents, warrants, covenants and agrees as of the date hereof and as of the date of each issuance of Securities that:

(a) the undersigned has such knowledge, skill and experience in financial, investment and business matters as to be capable of evaluating the merits and risks of an investment in the Securities, and the undersigned is able to bear the economic risk of loss of its entire investment. To the extent necessary, the undersigned has retained, at its own expense, and relied upon, appropriate professional advice regarding the investment, tax and legal merits and consequences of the Credit Agreement and owning the Securities;

(b) the Company has provided the undersigned with the opportunity to ask questions and receive answers concerning the terms and conditions of the Credit Agreement, and the undersigned has had access to such information concerning the Company as it has considered necessary or appropriate in connection with its investment decision to acquire the Securities, including access to the Company's public filings available on the Internet at www.sedar.com and www.sec.gov, and that any answers to questions and any request for information have been complied with to its satisfaction;

(c) the undersigned is acquiring the Securities as principal for its own account, and the Securities are being acquired for investment purposes only and not with a view to any resale, distribution or other disposition of the Securities in violation of the United States securities laws;

(d) the undersigned received and accepted the offer to acquire the Securities in the jurisdiction indicated on the signature page hereto;

(e) the undersigned understands (i) the Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state of the United States and will be "restricted securities", as defined in Rule 144 under the U.S. Securities Act; (ii) the issuance of the Securities pursuant to the Credit Agreement is being made in reliance on an exemption from such registration requirements; and (iii) subject to certain exceptions provided under the U.S. Securities Act, the Securities may not be transferred unless such Securities are registered under the U.S. Securities Act and applicable state securities laws, or unless an exemption from such registration requirements is available;

(f) the undersigned is an "accredited investor" as defined in Rule 501 of Regulation D of the U.S. Securities Act by virtue of meeting the criteria indicated below (check all that apply):

1. Initials _____ A bank, as defined in Section 3(a)(2) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

2. Initials _____ A savings and loan association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act, whether acting in its individual or fiduciary capacity; or

3. Initials _____ A broker or dealer registered pursuant to Section 15 of the United States *Securities Exchange Act of 1934*; or

4. Initials _____ An insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; or

5. Initials _____ An investment company registered under the United States *Investment Company Act of 1940*; or

6. Initials _____ A business development company as defined in Section 2(a)(48) of the United States *Investment Company Act of 1940*; or

7. Initials _____ A small business investment company licensed by the U.S. Small Business Administration under Section 301 (c) or (d) of the United States *Small Business Investment Act of 1958*; or

8. Initials _____ A plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US$5,000,000; or

9. Initials _____ An employee benefit plan within the meaning of the United States *Employee Retirement Income Security Act of 1974* in which the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company or registered investment adviser, or an employee benefit plan with total assets in excess of US$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are accredited investors; or

10. Initials _____ A private business development company as defined in Section 202(a)(22) of the United States *Investment Advisers Act of 1940*; or

11. Initials _____ An organization described in Section 501(c)(3) of the United States *Internal Revenue Code*, a corporation, a Massachusetts or similar business trust, or a partnership, not formed for the specific purpose of acquiring the Securities offered, with total assets in excess of US$5,000,000; or

12. Initials _____ Any director or executive officer of the Company; or

13. Initials _____ A natural person whose individual net worth, or joint net worth, with that person's spouse exceeds US$1,000,000, excluding the value of his or her primary residence, and excluding as a liability any indebtedness secured by the primary residence, up to the fair market value of the primary residence at the time of the sale of securities (except that if the amount of such indebtedness outstanding at the time of purchase exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and, including the indebtedness secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of purchase; or

14. Initials _____ A natural person who had an individual income in excess of US$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or

15. Initials _____ A trust, with total assets in excess of US$5,000,000, not formed for the specific purpose of acquiring the Securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the U.S. Securities Act; or

16. Initials _____ Any entity in which all of the equity owners meet the requirements of at least one of the above categories;

(g) the undersigned has not acquired the Securities as a result of any form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or other form of telecommunications, including electronic display, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(h) if the undersigned decides to offer, sell or otherwise transfer any of the Securities, it will not offer, sell or otherwise transfer any of such Securities directly or indirectly, unless:

(i) the sale is to the Company;

(ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act ("**Regulation S**") and in compliance with applicable local laws and regulations;

(iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "blue sky" laws; or

(iv) the Securities are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and prior to such sale the undersigned has furnished to the Company an opinion of counsel, of recognized standing reasonably satisfactory to the Company stating that such transaction is exempt from registration under applicable securities laws;

(i) the certificates representing the Securities, as well as all certificates issued in exchange for or in substitution of the Securities, until such time as is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws, will bear, on the face of such certificate, the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE COMPANY AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

provided, that if any Securities are being sold outside the United States in compliance with the requirements of Regulation S, the legend above may be removed by providing a declaration, or such other evidence as the Company and its transfer agent may from time to time prescribe, to the effect that such sale is being made in compliance with Rule 903 or Rule 904 of Regulation S; and provided further, that if any Securities are being sold otherwise than in accordance with Regulation S and other than to the Company, the legend may be removed by delivery to the registrar and transfer agent and the Company of an opinion of counsel, of recognized standing reasonably satisfactory to the Company, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;

(j) the undersigned understands that the Company is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Securities;

(k) the undersigned consents to the Company making a notation on its records or giving instructions to any transfer agent of the Company in order to implement the restrictions on transfer set forth and described in this letter and the Credit Agreement;

(l) the undersigned understands and agrees that there may be material tax consequences to it of an acquisition or disposition of any of the Securities. The Company gives no opinion and makes no representation with respect to the tax consequences to it under United States, state, local or foreign tax law of its acquisition or disposition of such Securities; in particular, no determination has been made whether the Company will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code;

(m) the undersigned understands and acknowledges that the Company is incorporated outside the United States and its properties are located outside the United States;

(n) the undersigned understands and agrees that the financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and therefore may be materially different from financial statements prepared under U.S. generally accepted accounting principles and therefore may not be comparable to financial statements of United States companies; and

(o) the undersigned is an "accredited investor" as such term is defined in National Instrument 45 106 Prospectus Exemptions of the Canadian Securities Administrators ("**NI 45-106**") (specifically, under subsection (____) of the definition of "accredited investor" set out in Section 1.1 of NI 45-106) and it was not created or used solely to purchase or hold the Securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" and, in the case where the undersigned is an individual, and the undersigned is relying on category (j), (k) or (l) of the definition of "accredited investor" and does not meet the higher financial asset threshold set out in category (j.1), complete, sign and return a "Form 45-106F9 - Form for Individual Accredited Investors".

Sincerely,

_____
Signature

_____
Lender or Participant name

_____
Name and title of signatory

_____
Date

_____

_____
Address

SCHEDULE H
LIBERTY DOCUMENTS

All capitalized terms not otherwise defined in this Schedule I are as defined in the Liberty Credit Agreement (as defined below). The agreements and other documents referred to below shall in each case include each such agreement or document and all documents and instruments delivered thereunder, and as each may be amended, modified, supplemented, restated or replaced.

Liberty Credit Agreement: a second amended and restated second lien credit agreement dated as of February 12, 2018 (the "**Liberty Credit Agreement**") among, *inter alios*, the Borrower, the Guarantor and the Agent.

General Security Agreement: a general security agreement dated as of November 19, 2015 (the "**General Security Agreement**") granted by the Borrower in favour of the Agent, pursuant to which (*inter alia*) such grantor grants security interests in all of its present and after-acquired personal property.

Confirmation of General Security Agreement: a confirmation of the General Security Agreement dated as of February 12, 2018 executed by the Borrower.

Guarantee: a guarantee dated as of November 19, 2015 (the "**Guarantee**") granted by the Guarantor in favour of the Agent, pursuant to which the Guarantor guarantees payment and performance by the Borrower of all of its present and future obligations under the Facility Documents.

Confirmation of Guarantee: a confirmation of the Guarantee dated as of February 12, 2018 executed by the Guarantor.

Cession and Pledge in Security: a cession and pledge in security agreement dated as of November 19, 2015 under which the Borrower pledges and grants a first priority Security Interest in favour of the Lenders and the Production Payment Termination Fee Holder (subject only to Permitted Encumbrances which by their nature or by reason of the Intercreditor Agreement would constitute prior ranking security) over all of the issued shares in the capital of the Guarantor.

Impala Guarantor Pledge Agreement: a pledge agreement dated on or about February 12, 2018 executed by the Guarantor, pursuant to which the Guarantor pledges all of its interest in Waterberg JV (including without limitation the Shares and Shareholder Loans (as such terms are defined in the Waterberg Shareholder Agreement)) in favour of the Agent.

Consideration Share Pledge Agreement: a first lien pledge agreement and account control agreement dated on or about February 12, 2018 executed and delivered by the Guarantor pursuant to which the Guarantor pledges all of its interest in the Consideration Shares in favour of the Agent.

Deposit Security Agreement: a security agreement dated on or about February 12, 2018 in favour of the Lenders with respect to the Deposit Amount being held pursuant to the Redpath Security Escrow Agreement.

Blocked Account Agreement: a blocked account agreement dated on or about February 12, 2018 entered into among the Borrower, the Agent and Royal Bank of Canada as host financial institution for the Blocked Account.

SCHEDULE I
COMPLIANCE CERTIFICATE

TO: THE LENDER (as defined in the Credit Agreement referred to below)

Suite 2600, 200 Bay Street
Toronto, Ontario, M5J 2J2

Attention: Chief Financial Officer
Fax No. : (416) 977-9555

I, _____, the [senior financial officer] of Platinum Group Metals Ltd. (the "**Borrower**"), hereby certify that:

1. I am the duly appointed [senior financial officer] of the Borrower and refer to Section ♦ of the Credit Agreement dated as of August ♦, 2019 between the Borrower, as borrower, Platinum Group Metals (RSA) Proprietary Limited, as guarantor, Sprott Private Resource Lending II (Collector), LP, as agent, and the several lenders from time to time party thereto, as lenders (as amended, modified, supplemented, restated or replaced from time to time, the "**Credit Agreement**").

2. I am familiar with and have examined the provisions of the Credit Agreement.

3. To the best of my knowledge, information and belief and after due and diligent inquiry, I certify that:

(a) the representations and warranties made in Article 6 of the Credit Agreement, except those expressly stated to be made as of a specific date but including those made with respect to the financial statements for the Borrower's fiscal period ended _____, 20____ (the "**Period End**"), are, in all respects, true on and as of the date of this Compliance Certificate with the same effect as if those representations and warranties had been made on and as of that date;

(b) the Borrower has complied with and fulfilled each covenant and agreement set forth in the Credit Agreement which is by its terms required to be complied with or fulfilled on or before the date hereof;

(c) no Default or Event of Default has occurred and is continuing on the date of this Compliance Certificate; **[NTD: Amend and provide details if there is a Default.]**

(d) as of the Period End: [**NTD: Insert as applicable.**]

(i) the Working Capital was USD $_____ ; and

(ii) the Borrower's minimum unrestricted cash and cash equivalents, required under Section 7.1(i)(ii) of the Credit Agreement, was USD $_____.

All capitalized terms used in this certificate and defined in the Credit Agreement have the meanings defined in the Credit Agreement.

DATED this _____ day of _____, 20____.

_____
(Signature)

_____
(Name - please print)

_____
(Title of Senior Financial Officer)

Rule 13a-14(a) Certification

I, R. Michael Jones, certify that:

1. I have reviewed this annual report on Form 20-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 25, 2019

/s/ R. Michael Jones

R. Michael Jones

President, Chief Executive Officer and Director

Rule 13a-14(a) Certification

I, Frank R. Hallam, certify that:

1. I have reviewed this annual report on Form 20-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: November 25, 2019

/s/ Frank Hallam
Frank R. Hallam
Chief Financial Officer and Director

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the "Company") on Form 20-F for the period ended August 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, R. Michael Jones, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ R. Michael Jones
R. Michael Jones
President, Chief Executive Officer and Director
November 25, 2019

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Platinum Group Metals Ltd. (the "Company") on Form 20-F for the period ended August 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank R. Hallam, Chief Financial Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank R. Hallam
Frank R. Hallam
Chief Financial Officer and Director
November 25, 2019

Consent Of Independent Registered Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form F-3 (No. 333- 231964) of Platinum Group Metals Ltd. (the "Company") of our report dated November 25, 2019 relating to the consolidated statements of financial position as at August 31, 2019 and August 31, 2018 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended August 31, 2019, 2018 and 2017. Our report appears in the Annual Report on Form 20-F.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
November 25, 2019

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806

CONSENT OF EXPERT

The undersigned hereby consents to the inclusion in the Annual Report on Form 20-F ("Annual Report") of Platinum Group Metals Ltd. (the "Company") for the year ended August 31, 2019 of references to, and the information derived from, the report titled "Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa" dated effective September 4, 2019, and to the references, as applicable, to the undersigned's name included in or incorporated by reference with respect to the disclosure of technical and scientific information contained in the Annual Report (the "Technical Information"). The undersigned further consents to the incorporation by reference in the Company's Registration Statement on Form F-3 (No. 333-231964), as amended and supplemented, filed with the United States Securities and Exchange Commission, of the references to the undersigned's name and the Technical Information in the Annual Report.

Dated: November 25, 2019

/s/ Charles Muller

Charles J. Muller

CONSENT OF EXPERT

The undersigned hereby consents to the inclusion in the Annual Report on Form 20-F ("Annual Report") of Platinum Group Metals Ltd. (the "Company") for the year ended August 31, 2019 of references to, and the information derived from, the report titled "Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa" dated effective September 4, 2019, and to the references, as applicable, to the undersigned's name included in or incorporated by reference with respect to the disclosure of technical and scientific information contained in the Annual Report (the "Technical Information"). The undersigned further consents to the incorporation by reference in the Company's Registration Statement on Form F-3 (No. 333-231964), as amended and supplemented, filed with the United States Securities and Exchange Commission, of the references to the undersigned's name and the Technical Information in the Annual Report.

Dated: November 25, 2019

/s/ Gordon Cunningham
Gordon Cunningham

CONSENT OF EXPERT

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Dated: November 25, 2019

/s/ Michael Murphy
Michael Murphy