SEDIBELO PLATINUM MINES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND NINE-MONTHS ENDED SEPTEMBER 30, 2019

November 29, 2019

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the three and nine months ended September 30, 2019 contains ''forward-looking information'' which may include, but is not limited to, statements with respect to the future financial and operating performance of Sedibelo Platinum Mines Limited (the "Company" or "SPM"), its subsidiaries and affiliated companies (which together with Sedibelo Platinum Mines Limited is referred to as "the Group"), and its mineral projects, the future price of 4E metals (commonly used to refer to platinum, palladium, rhodium and gold), 4E production levels, mining rates, the future price of copper and nickel, future exchange rates, the estimation of mineral resources and reserves, the realization of mineral resource estimates or their conversion into reserves, costs and future costs of production, capital and exploration expenditures, including ongoing capital expenditure at the Pilanesberg Platinum Mine ("PPM"), costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations and exploration operations, timing and receipt of approvals, licenses, and conversions under South African mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as ''plans'', ''expects'', ''is expected'', ''budget'', ''scheduled'', ''estimates'', ''forecasts'', ''intends'', ''anticipates'', "targeted" or ''believes'' or variations (including negative variations) of such words and phrases, or state that certain actions, events or results ''may'', ''could'', ''would'', ''might'' or ''will'' be taken, occur or be achieved.

Forward-looking statements in this market release, amongst others, forecast production; recovery rates and grade; targets, estimates and assumptions in respect of 4E metal prices and production; allocation of funds for current commitments; and the timing and completion of definitive feasibility engineering studies at the Sedibelo, Magazynskraal, Mphahlele and Grootboom.

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

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

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

1. Introduction

1.1 Incorporation of Sedibelo Platinum Mine Limited's shares

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

1.2 Principal activity

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

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

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

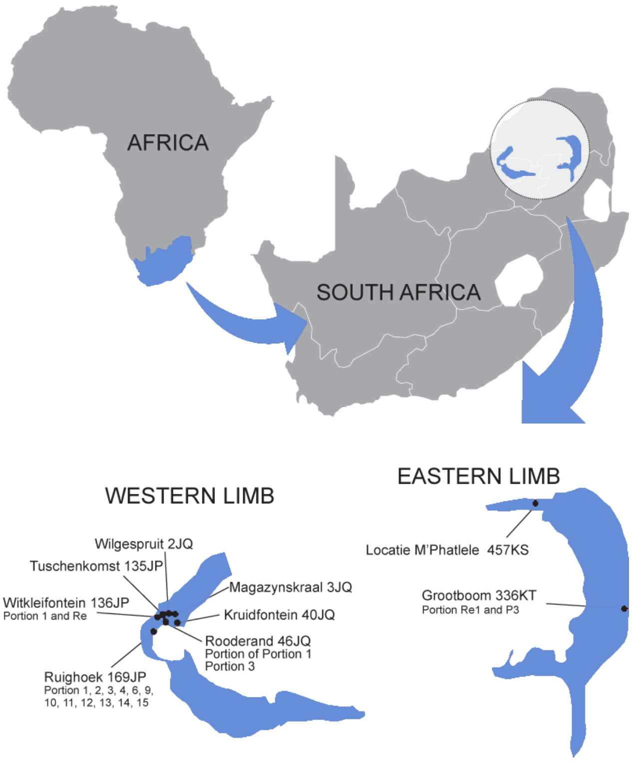
PPM management supervises the haul contractor and contractors specialising in drilling, blasting and run of mine ore preparation, and manages the PGM concentrator and chromite plant.

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

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

As at December 31, 2018 the block of mineral rights on the Western Limb comprised 24.9 million 4E PGM Measured & Indicated Resource ounces and 54.4 million 4E PGM Inferred Resource ounces. These ounces will be developed with new mining infrastructure, utilizing the current processing infrastructure at PPM to extract both PGM's and chromite. Approximately 6 million ounces of these resources have been and will continue to be accessed via open cast mining and the balance involves shallow underground mining compared to the majority of existing PGM producers in the Bushveld Complex. Surface and shallow underground mining enjoy embedded cost advantages.

The Group also holds valuable interests in PGM deposits on the Eastern Limb of the Bushveld Complex through its two exploration and development projects namely Mphahlele and Grootboom. The Loskop rights expired in July 2019 and have been relinquished.



1.3 Market trends and outlook

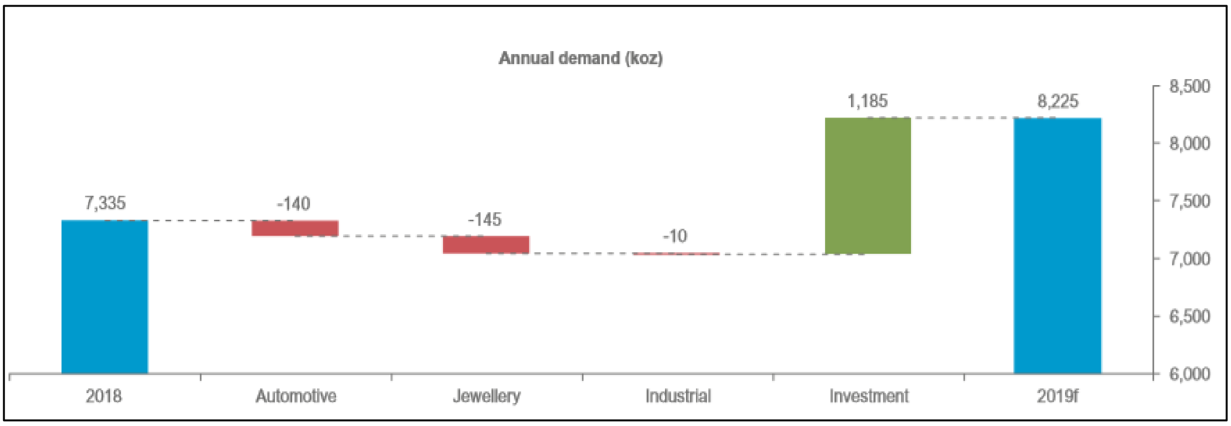
The World Platinum Investment Council (WPIC) forecasts the platinum market to be in balance this year. A significant increase in investment demand more than offsets lower automotive, jewellery and industrial demand compared to 2018. Total demand in 2019 is forecast to be 12% higher than in 2018. Robust investment demand of 1million in the first nine months of this year informs a forecast of 1.2 million oz for 2019. This more than offsets expected demand decreases in the automotive and jewellery segments of 5% and 6% respectively.

Total 2019 supply is forecast to increase by 2% over 2018 with increases in both mining supply and recycling. Refined production is forecast to grow by 1% as some mining projects ramp up, but mostly due to the refining of metal built up in the processing pipeline in 2018. Recycling supply is forecast to grow by 3% in 2019 as an increase in platinum recovered from autocatalysts more than offsets a decrease in jewellery recycling due to the current low platinum price.

Eskom, South African's state-owned electricity supplier, initiated regular load shedding during the first quarter of 2019, to allow the domestic grid to cope with a shortage of generating capacity. During load shedding, miners and refiners are required to reduce their electricity consumption, which is typically achieved by reducing power to processing plants rather than by halting mining operations. This means that the impact on mine production has so far been limited, but fluctuations in electricity supply may have affected producers' ability to draw down their processing backlogs during the first quarter. There has been no load shedding since April 2019 at PPM.

Johnson Matthey does not expect any significant changes in the Russian platinum production for this year. The PGM grade of ores mined at Norilsk continues to decrease gradually, reflecting an increased reliance on lower-grade disseminated ores. Secondary supplies are expected to rise by 5%, reflecting underlying growth in the auto catalyst recovery sector. Refinery constraints continue to dampen growth in the secondary supply industry.

Figure 1. Annual demand (koz)



Source: World Platinum Investment Council (WPIC)

Average US dollar PGM prices increased by approximately 34% and 18% during the three and nine-month periods ended September 30, 2019 compared to the same prior year periods. The ZAR depreciating against the dollar, resulted in a 40% and 32% average increase in the ZAR 4E basket price. The long-term price outlook for PGM's is positive, given expectations that the market is expected to move into supply deficits in the near future.

The South African mining environment continues to be challenging due to the cost of meeting increased stakeholder demands. The Group has embedded cost advantages in this regard because of the shallow nature of its deposits. However, negotiating these challenges could increase operating costs. The Group utilises numerous contractors to perform key mining activities. These contractors are subject to similar stakeholder pressures, inflationary factors and employee demands. Whilst management of these input costs is a key performance area, material changes could affect metal production costs.

Information about the Group's financial risk management framework, objectives, policies and processes for measuring and managing risks, the Group's exposure to these financial risks, and the Group's management of capital are contained in Note 18 to the consolidated financial statements.

1.4 Purpose of this MD&A

This Management Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is provided to enable the reader to assess and understand the financial position and results of operations for the three and nine-month period ended September 30, 2019, in comparison to previous corresponding periods. Certain information in this MD&A must be read in conjunction with the audited consolidated financial statements of Sedibelo Platinum Mines Limited for the year ended December 31, 2018 and the notes thereto (collectively, the annual financial statements) prepared in accordance with International Financial Reporting Standards (“IFRS”).

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

2. Review of Operations

2.1 Pilanesberg Platinum Mine

History

- Stripping of soil and waste overburden began during March 2008. Reef mining commenced during December 2008. Stockpiling of PGM-bearing ore ahead of the concentrator began during December 2008. Milling operations commenced during March 2009. Delivery of the first concentrate to the Northam smelter took place during April 2009. Commercial production was declared on January 1, 2011.

- Site establishment commenced during October 2007 and construction was completed during February 2009. In March 2009, reef processing through the UG2 circuit commenced and metals in concentrate were produced for smelting, refining and sale to Northam in terms of the Concentrate Agreement. During June 2009, following the installation by Eskom of an additional 23MVA of power (for a total of 37MVA), the Merensky circuit commenced processing reef.

- As part of the construction of PPM, power supply of 37MVA from Eskom was commissioned on June 7, 2009. In addition, a complete 10MVA standby diesel generator was constructed at a cost of USD17.380 million (ZAR144.350 million). The construction of this generator was completed on December 2, 2009.

- A tailings scavenging plant was hot commissioned on March 17, 2016 to treat the hot tailings from the concentrator in order to increase the overall plant recovery, by recovering some of the PGMs not recovered in the concentrator.

- As part of optimisation, the chrome mining rights for Tuschenkomst were secured during September 2015. A chromite recovery plant was constructed during 2017 and the plant was commissioned in September 2017.

Extraction and processing of ore

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

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

Operations

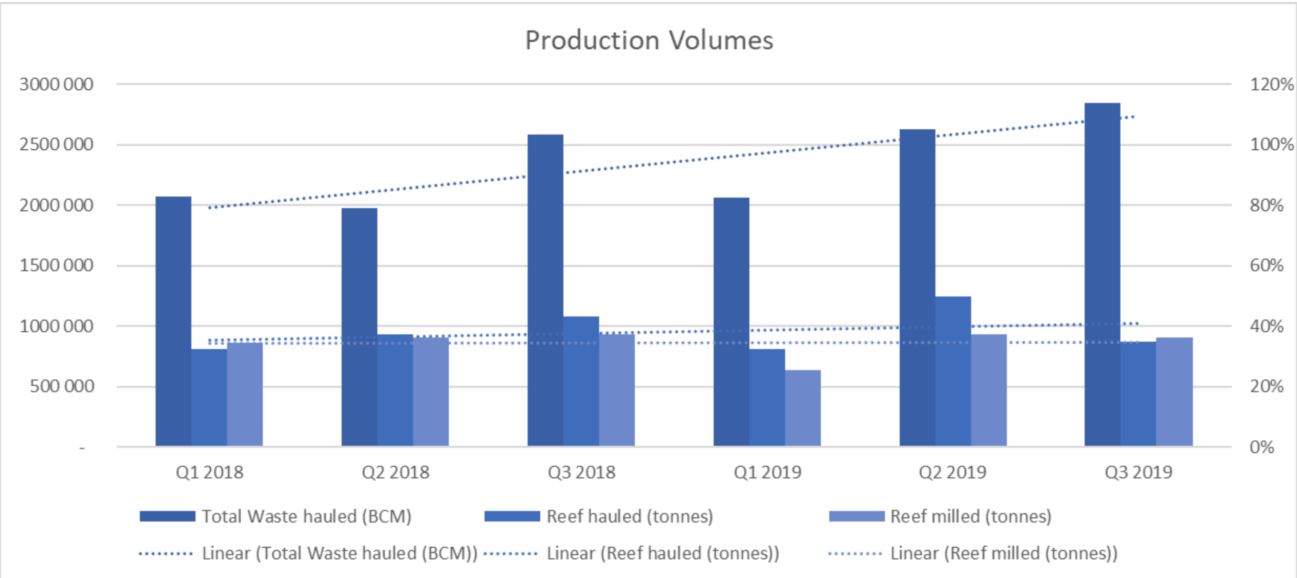
Table 1. Operational performance during the three and nine-month period ended September 30, 2019

		For the three months ended		For the nine months ended	
	Unit	Sep 30, 2019	Sep 30, 2018	Sep 30, 2019	Sep 30, 2018
Reef delivered to the ROM pad	Tonnes	868,950	1,077,115	2,924,124	2,819,862
Reef processed	Tonnes	1,018,590	1,055,962	2,899,897	3,048,757
Reef milled	Tonnes	910,933	930,584	2,644,708	2,704,380
Average milled head grade	g/t	1.60	1.68	1.57	1.72
Average recovery rate	%	74	77	69	77
Average recovered grade	g/t	1.18	1.29	1.09	1.31
4E ounces dispatched and sold*	Oz	34,864	38,006	95,078	112,738
4E basket price **					
- USD	USD	1,330	989	1,219	1,030
- ZAR	ZAR	19,530	13,942	17,520	13,249
Total revenue per 4E ounce	ZAR	22,999	16,255	19,789	14,667
Gross revenue from metal sales**					
- USD	USD'000	54,614	45,362	130,238	127,739
- ZAR	ZAR'000	801,822	617,771	1,881,502	1,653,530

*Metal produced and declared is based on provisional assay results and therefore subject to change until such time that final assay results are received. These changes are not material. **Basket price for 4E i.e. platinum, palladium, rhodium and gold.
**Prior year MDA excluded revenue from chrome sales (3 months – USD0.384 million, ZAR5.144 million and 9 months – USD1.790 million, ZAR22.492 million) which was at that point set off against cost of sales. It is now included in revenue and the comparative figures have been adjusted to reflect the same.

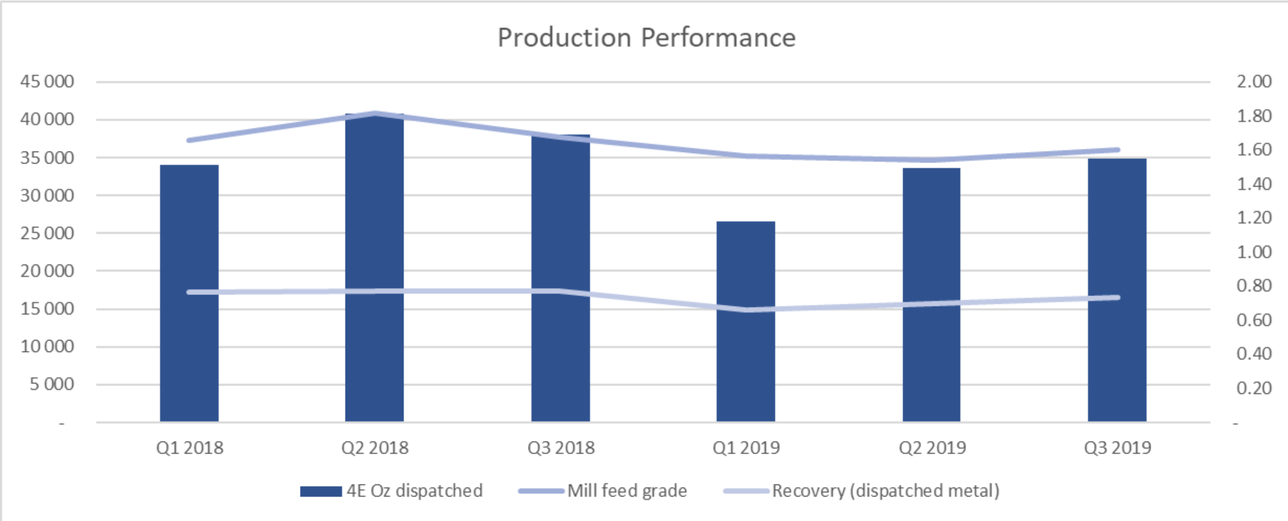
An increase in the PGM basket price combined with the ZAR depreciating against the dollar over the three and nine-month period ended September 30, 2019 resulted in an increase in revenue from the previous three and nine-months period despite the lower 4E ounces dispatched.

Figure 2. Production Volume



Production volumes continued to increase from Q1 2019. Waste has to be removed to ensure that sufficient reef faces are available to keep the plant full and working at optimal efficiency. However, there have been various challenges during the quarter, including space constraints in the pit, minor labour issues with mining contractors and low-grade reef mined in certain parts of the pit. The concentrator throughput was maintained by supplementing low grade DMS material to the mills (15% of total tonnes milled for Q3 2019).

Figure 3. Production Performance



Both the mill feed grade and recovery of PGM's improved each quarter in 2019, however the impact of low-grade areas that were mined in 2019 is visible. This low-grade weathered material also had an impact on the performance of the concentrator.

2.2 Exploration and development of other PGM properties

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

The total exploration expenditure on various Pilanesberg exploration projects was USD0.749 million (ZAR10.757 million) for the quarter ended September 30, 2019. Total exploration expenditure since the inception of the Pilanesberg exploration projects of USD3.351 million (ZAR50.834 million) has been capitalised in accordance with the Group's accounting policies as part of "Exploration and evaluation assets".

Work continues on a new feasibility study for the Magazynskraal project.

Work program

The Pilanesberg exploration projects consist of properties adjacent to PPM. The study focusses on providing alternative access to the open pit, as a result of the restricted access caused by a dispute with a faction of the local community, the resolution of which is currently the subject of settlement negotiations.

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

During the quarter ended September 30, 2019, a total of USD0.129 million (ZAR1.847 million) was spent on the Mphahlele Project bringing the cumulative expenditure to date on the project by the Group to USD8.092 million (ZAR122.777 million), excluding acquisition costs. In accordance with the Group's accounting policies, these costs have been capitalised as part of "Exploration and evaluation assets".

Work program

In light of the fact that the board has decided to focus resources and management on bringing PPM into profitable production, the Mphahlele Project was placed on a reduced work program for the short term. The work on a new feasibility study continues. The aim of the new study is to change the mining method, reduce the upfront capital investment and reduce peak funding, in order to enhance the return on investment.

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

During the quarter ended September 30, 2019, the Company spent USD 0.003 million (ZAR 0.049) on Grootboom, bringing the cumulative expenditure to date on the project to USD2.919 million (ZAR44.284 million). In accordance with the Group's accounting policies, these costs have been capitalised as part of "Exploration and evaluation assets".

Work program

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

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

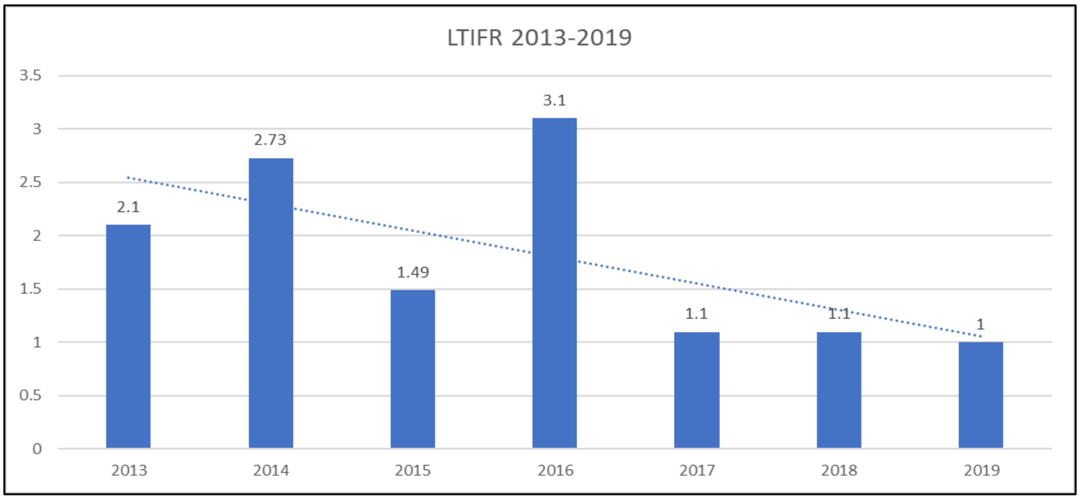
Lonmin Plc is the operator of the Loskop Project and acquired its 50% interest in the joint venture in August 2006 and expenditure since then has been shared on a 50/50 basis. The Group's interest in the Loskop project was 23.5%, with Lonmin holding a 50% interest (remainder held by Anglo American Platinum's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

The Loskop prospecting rights located on the Eastern Limb expired in July 2019. The Group has taken a decision to relinquish these rights. The total cumulative exploration expenditure on this project since inception (USD0.270 million or ZAR3.944 million) was written off during the quarter ended March 31, 2019. In accordance with the Group's accounting policies, these costs were previously capitalised as part of "Exploration and evaluation assets".

2.3 Safety

The Group strives for zero harm to employees. PPM has recorded 5.44 million Fatality Free Shifts ("FFS") at the end of September 30, 2019. The FFS span over a ten-year period. PPM endeavours to intensify the drive towards a zero-harm culture across all its operations. Notably, the Concentrator Operation achieved eight hundred and eighty (880) days without any Lost Time Injury ("LTI") by the end of September 2019. In addition, since 2016, PPM has managed to significantly reduce the Lost Time Injury Frequency Rate ("LTIFR").

Figure 4. 2016 – 2019 Lost Time Injury Frequency Rate



2.4 Environmental Matters

Overview

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

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

PPM rehabilitation

As at September 30, 2019, the Company had USD23.079 million (ZAR350.154 million) in guarantees with the DMRE. The guarantees have been provided on an insurance basis with a portion of the total guarantees being paid over into a separate bank account controlled by the Group and ceded in favour of the insurance company.

Rehabilitation of other development projects

Guarantees required by the DMRE for prospecting and mining rights held by the Group were provided by way of both cash and insurance backed guarantees. The insurance backed guarantees were issued by the Lombard Insurance Group. Ongoing contributions are made by the Group to fund the balance of the liability over the remaining life of the prospecting permit. As at September 30, 2019 the Group had USD1.722 million (ZAR26.132 million) in guarantees with the DMRE for other projects.

3. Overall Performance

3.1 Reporting currency and periods

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

Table 2. Relevant exchange rates to the USD

	At Sep 30, 2019	Average nine months ended Sep 30, 2019	Average three months ended Sep 30, 2019	At Dec 31, 2018	Average nine months ended Sep 30, 2018	Average three months ended Sep 30, 2018
South African Rand (USD:ZAR)	15.17	14.36	14.68	14.43	12.89	14.10

3.2 Financial condition

Table 3. Financial condition for the three and nine-months ended September 30, 2019

	As at Sep 30, 2019 USD'000	As at Dec 31, 2018 USD'000
Cash and cash equivalents	35,884	38,093
Other current assets	72,958	62,155
Total current assets	108,842	100,248
Restricted cash investments and guarantees	14,788	18,607
Other non-current assets	901,460	971,389
Total non-current assets	916,248	989,996
Total Assets	**1,025,090**	**1,090,244**
Current liabilities	39,749	35,263
Non-current liabilities	65,367	63,062
Total liabilities	**105,116**	**98,325**
Total shareholders' equity	926,480	997,858
Non-controlling interests	(6,506)	(5,939)
Total equity	**919,974**	**991,919**
Other information:		
Key Financial Ratios:		
Current ratio [1]	2.738	2.843
Working capital [2]	69,093	64,985
Debt/Equity ratio [3]	11.35%	9.85%

1 Current ratio = Current Assets/Current liabilities

2 Working capital = Current Assets – Current Liabilities

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

The balances at September 30, 2019 compared to the balances at December 31, 2018 are influenced by the conversion from the Group's functional (ZAR) to the Group's presentation (USD) currency. The ZAR spot price at September 30, 2019 weakened by 5% from the spot price at December 31, 2018.

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

Total assets decreased by USD65.154 million during the nine-months ended September 30, 2019. This movement is primarily due to:

- A decrease in total assets of USD53.422 million in presentation currency as a result of the weaker ZAR; and
- Depreciation of USD27.752 million; set off by
- A USD9.924 million increase in trade and other receivables as a result of a higher PGM sales pipeline due to the increased sales value.

Total liabilities increased by USD6.791 million during the nine-months ended September 30, 2019. The increase is due to:

- A USD4.360 million increase in trade payables. The trade payable balance at 31 December 2018 included a USD3.421 million credit from Eskom; and
- A USD2.152 million increase in long term borrowings due to interest capitalised against the loan from the Industrial Development Corporation of South Africa Limited ("IDC").

SPM working capital increased from USD64.985 million at December 31, 2018 to USD69.093 million at September 30, 2019 due to an increase in trade and other receivables partially set off by an increase in trade payables. The Group's current ratio weakened from a current ratio of 2.843 as at December 31, 2018 compared to a current ratio of 2.738 as at September 30, 2019.

SPM's capital structure comprises of shareholders' equity with low levels of debt. As at September 30, 2019 the debt-to-equity ratio was 11.35% compared to a debt-to-equity ratio of 9.85% as at December 31, 2018. The increase in debt is a result of the increase in trade and other payables and the interest accrued on loans outstanding.

3.3 Financial performance for the three and nine-month period ended September 30, 2019

The Group recorded a profit of USD8.008 million and a loss of USD24.567 million for the three and nine-month period ended September 30, 2019 compared to a net loss of USD2.082 million and USD24.438 million for the three and nine-month period ended September 30, 2018.

Revenue and cost compared to prior year period are influenced by the conversion from the Group's functional (ZAR) to the Group's presentation (USD) currency. The ZAR weakened by 4% and 11% from the comparative three and nine-month period.

Table 4. Financial performance for the three and nine-month period ended September 30, 2019

	For the three months ended		For the nine months ended	
	Sep 30, 2019 USD'000	Sep 30, 2018 USD'000	Sep 30, 2019 USD'000	Sep 30, 2018 USD'000
Revenue	**54,614**	**45,362**	**130,238**	**127,739**
Cost of operations	**(48,914)**	**(48,933)**	**(138,810)**	**(142,899)**
On mine operations	(18,549)	(17,750)	(51,335)	(48,310)
Concentrator plant operations	(11,893)	(12,693)	(35,415)	(38,584)
Beneficiation and transport	(4,159)	(4,240)	(11,227)	(13,179)
Salaries	(5,220)	(4,250)	(13,715)	(13,591)
Subtotal	*(39,821)*	*(38,933)*	*(111,692)*	*(113,664)*
Depreciation of operating assets	(8,777)	(10,417)	(27,484)	(29,947)
Change in inventories	(316)	417	366	712
Gross profit/(loss)	**5,700**	**(3,571)**	**(8,572)**	**(15,160)**
Administrative and general expenses	**(5,073)**	**(5,742)**	**(15,703)**	**(17,741)**
Employee expenses	(2,064)	(2,634)	(5,861)	(7,716)
General operating expenses	(2,318)	(2,216)	(7,680)	(6,765)
Amortisation and depreciation	(303)	(285)	(886)	(911)
Consulting and professional fees	(189)	(391)	(449)	(1,481)
Royalty tax	(199)	(216)	(597)	(628)
Audit fees	-	-	(230)	(240)
Other income	**8,571**	**5,919**	**1,664**	**8,857**
Other income	31	7,017	866	10,672
Foreign exchange gain/(loss)	8,540	(1,098)	798	(1,815)
Net finance (cost)/income	**(919)**	**1,305**	**(1,442)**	**300**
Finance income	1,463	3,479	5,378	5,685
Finance costs	(2,382)	(2,174)	(6,820)	(5,385)
Share of (loss)/gain from investments accounted for using the equity method	**(271)**	**7**	**(514)**	**(694)**
Gain/(Loss) before taxation	**8,008**	**(2,082)**	**(24,567)**	**(24,438)**
Income tax	-	-	-	-
Gain/(Loss) for the period	**8,008**	**(2,082)**	**(24,567)**	**(24,438)**
Other comprehensive loss	**(73,227)**	**(27,784)**	**(47,378)**	**(138,475)**
Exchange difference on loans designated as net investments	-	(16,237)	-	(74,422)
Exchange difference on translation from functional to presentation currency	(72,994)	(11,638)	(47,129)	(64,466)
Movements in Other reserves	67	91	49	413
Other comprehensive share of investment accounted for using the equity method	(300)	-	(298)	-
Total comprehensive loss	**(65,219)**	**(29,866)**	**(71,945)**	**(162,913)**
Adjusted EBITDA*	**9,468**	**8,400**	**4,447**	**7,935**

**Adjusted EBITDA – Earnings Before interest, tax, depreciation, amortisation and foreign exchange gain/loss*

Revenue

The Group generated revenues of USD54.614 million and USD130.238 million based on metal sales during the three and nine-month periods ended September 30, 2019. Of this USD49.049 million and USD116.599 million relates to 4E revenue and USD5.565 million and USD13.639 million relates to iridium, ruthenium, copper, nickel and chrome. Revenues represent the amounts recorded when PGM concentrates are physically delivered to the smelter and chrome when sold. Metal prices and assayed quantities at the point of sale are provisional. Adjustments in respect of final assayed quantities and/or prices arising between the date of recognition and the date of settlement are recognised in the period in which the adjustment arises and reflected through revenue and receivables.

Sales of 4E metal contributed approximately 90% and 90% (2018: 88% and 90%) to the gross revenue earned by PPM during the three and nine-month period ended September 30, 2019. Chrome contributed USD0.457 million and USD2.040 million to revenue during the three and nine-month period ended September 30, 2019 compared to September 30, 2018 where chrome contributed USD0.384 million and USD1.790 million respectively.

Revenue for the three-month period ended September 30, 2019 was 20% higher than the comparative period in 2018. The net movement was a result of:

- A 40% increase in the average ZAR 4E basket price year-on-year; offset by:
- A 4% weaker Rand for translating into presentation currency and
- An 8% decrease in 4E ounces dispatched.

Revenue for the nine-month period ended September 30, 2019, increased by 2% from the comparative period in 2018. This increase was the net result of:

- A 32% increase in the average ZAR 4E basket price year-on-year; offset by:
- A 11% weaker Rand for translating into presentation currency and
- A 16% decrease in 4E ounces dispatched.

The decrease in 4E ounces dispatched compared to the previous period, was the result of a 5% and 9% decrease in the average milled head grade, for the three and nine-month period ended September 30, 2019 respectively.

Cost of operations

Cost of operations totalled USD48.914 million and USD138.810 million for the three and nine-month periods ended September 30, 2019, compared to USD48.933 million and USD142.899 million for the three and nine-month periods ended September 30, 2018.

The decrease for the three and nine-month periods ended September 30, 2019, measured in presentation currency, was as a result of the weaker ZAR. Measured in ZAR the cost of operations increased for the three and nine-month periods ended September 30, 2019. The increase was mainly due to general higher mining volumes and the cost of inflation.

Administrative and general expenses

Administrative and general expenses totalled USD5.073 million and USD15.703 million for the three and nine-month periods ended September 30, 2019, compared to USD5.742 million and USD17.741 million for the three and nine-month periods ended September 30, 2018. Measured in ZAR administrative and general expenses increased for both the three and nine-month periods ended September 30, 2019. The increase is mainly due to a leave pay provision credit recorded in administrative and general expenses in the comparative period and higher local economy development ("LED") expenses incurred in the current period.

Other income / expense

Other income totalled USD8.571 million and USD1.664 million for the three and nine-month periods ended September 30, 2019, compared to USD5.919 million and USD8.857 million for the three and nine-month periods ended September 30, 2018.

The movement in other income for the three-month period ended September 30, 2019 is as a result of a foreign exchange gain of USD8.540 million recognised on the revaluation of intercompany loans. The foreign exchange gain was driven by the ZAR depreciating against all major currencies for the three-month period ended September 30, 2019. USD8,817 million of the foreign exchange gain was unrealized for the three-month period ended September 30, 2019.

Included in other income for the nine-month period ended September 30, 2018 was an impairment reversal relating to the Sedibelo power rights, amounting to USD3.421 million, set off by a foreign exchange loss. Rand volatility resulted in a foreign exchange gain of USD0.798 million for the nine-month period ended September 30, 2019, compared to a foreign exchange loss of USD1.815 million for the nine-month period ended September 30, 2018.

Finance income

The decrease in finance income to USD1.463 million during the three-month period ended September 30, 2019, compared to USD3.479 million during the three-month period ended September 30, 2018, was due to USD1.498 million finance income recognised in 2018 on a credit note received from Eskom.

The slight decrease in finance income for the nine-month period ended September 30, 2019 compared to the nine-month period ended September 30, 2018 was the net result of an additional three month period of interest earned on the IDC loan funds in 2019 set off by the USD1.498 million finance income recognised on a credit note received from Eskom during the comparative period.

Finance cost

The increase in finance cost to USD2.382 million and USD6.820 million during the three and nine-month periods ended September 30, 2019, compared to USD2.174 million and USD5.385 million during the three and nine-month periods ended September 30, 2018, is the result of nine-months compounded interest accrued on the IDC loan, whereas in 2018 only six months interest accrued for the same period.

Cash flows

Cash and cash equivalents at September 30, 2019, decreased to USD35.884 million from December 31, 2018. This decrease is due to USD4.789 million invested in assets and a net decrease in cashflow as a result of operating losses incurred. The main driver for the operating losses is the low feed grade material processed by the concentrator.

3.4 Events or uncertainties during the three and nine-month period ended September 30, 2019

Metal dispatches were 8% and 16% lower for the three and nine-month periods ended September 30, 2019 compared to the prior year periods. The current open pit mined by PPM has entered the last few years of its life which negatively effects flexibility in the pit as well as the amount of reef faces available for mining at any one time. This increasing pit inflexibility renders any unforeseen adverse changes, such as in grade, weather, power availability or labour action, increasingly difficult to respond to. The mining focus is on exposing sufficient reef faces to accommodate a mine plan that can provide sufficient reef volumes to the concentrator to yield profitable (cash positive) ounces.

4. Summary of Quarterly Results

Table 5. Summary of quarterly results

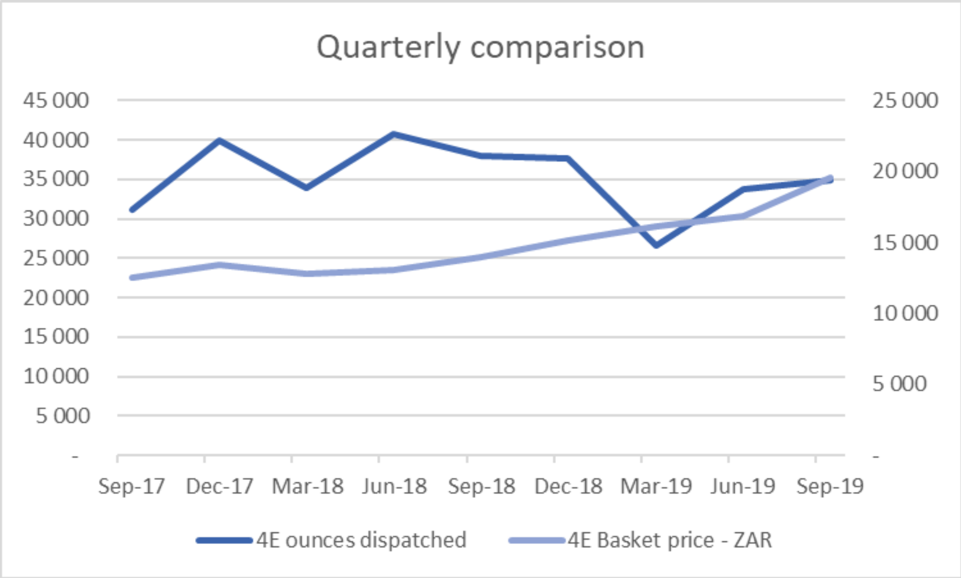
	In accordance with IFRS							
USD'000	Sep '19	Jun '19	Mar '19	Dec '18	Sep '18	Jun '18	Mar '18	Dec '17
Revenue	54,614	40,138	35,488	42,844	45,362	46,648	34,324	42,781
Cost of operations	(48,914)	(49,746)	(40,150)	(48,315)	(48,933)	(48,526)	(44,036)	(43,608)
Gross profit/(loss)	5,700	(9,608)	(4,662)	(5,471)	(3,571)	(1,878)	(9,712)	(827)
Other operating income/ (cost)	3,498	(9,802)	(7,762)	385	177	(6,017)	(3,042)	992
Net finance (cost)/ income	(919)	(93)	(430)	(1,052)	1,305	(749)	(256)	(105)
(Loss)/profit from associate	(271)	(154)	(89)	(848)	7	(597)	(104)	(84)
Profit/(loss) before taxation	8,008	(19,657)	(12,943)	(6,986)	(2,082)	(9,241)	(13,114)	(24)
Profit/(loss) for the period	8,008	(19,657)	(12,943)	(6,986)	(2,082)	(9,241)	(13,114)	(24)
ZAR:USD	14.68	14.39	14.01	14.27	14.10	12.64	11.96	13.68

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

The financial information has been prepared under the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value and is presented in USD.

The conversion rate for the three months ended September 30, 2019 is 4% weaker than the rate for the period ended September 30, 2018. The variance had a significant impact on the numbers presented for comparison.

Figure 5. 4E ounces dispatched and 4E Basket price



5. Liquidity

5.1 Unrestricted cash

The Company had unrestricted cash and cash equivalents of USD35.884 million at September 30, 2019. The Industrial Development Corporation of South Africa ("IDC") w requirements for the operation at PPM. This funding is ringfenced to be utilised at PPM for operational requirements.

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

Development of exploration and mineable assets will require new funding.

5.2 Restricted cash

The Group had restricted cash investments and guarantees forming part of its non-current assets totalling USD14.788 million (USD18.607 million at December 31, 2018). The movement in the restricted cash balance is due to ZAR2.5 million monthly contribution offset by USD5.741 million released from restricted cash. This cash is held with Rand Merchant Bank on long-term deposits and ceded in favour of Lombard Insurance. Lombard Insurance provides the Group with guarantees with both Eskom and the DMRE. The facility with Lombard is 47% cash-backed at September 30, 2019.

5.3 Contractual Obligations

The Group's contractual obligations are as follows:

Table 6. Commitments as at September 30, 2019

Contractual obligations USD'000	Total	< 1 year	1-3 years	After 3 years
Employee entitlements (1)	1,358	1,358	-	-
Operating lease (2)	346	208	138	-
Asset Retirement Obligation (3)	20,251	-	-	20,251
Mining costs (4)	6,441	6,441	-	-
Open Purchase Orders	3,499	3,499	-	-
Total Contractual Obligations	**31,895**	**11,506**	**138**	**20,251**

(1) The employee entitlements include the leave pay due to employees in terms of their employment contracts.

(2) This includes the contractual monthly payments for the rental of the Company's corporate office. This agreement was renewed to come to an end on 31 May 2021.

(3) The amount of USD20.251 million represents the gross asset retirement obligation to rehabilitate the opencast pit, plant and all supporting infrastructure at PPM and Sedibelo at the end of life of mine, in accordance with the mining licence and approved Environmental Management Plans ("EMP").

(4) Committed mining expenses include the estimated cost that will be incurred by the main mining contractors to carry out the opencast mining operations for the required notice period, should the contract with the main mining contractor be cancelled.

6. Capital Resources

6.1 Working capital

As at September 30, 2019, Sedibelo Platinum Mines' total working capital was USD69.093 million (December 31, 2018: USD64.985 million). Working capital is based on the total unrestricted cash plus cash equivalents (USD35.884 million), plus inventory (USD8.723 million) and trade and other receivables (USD64.235 million) less trade payables and accrued liabilities (USD20.772 million) and less the revolving commodity facility balance (USD18.977 million). Sedibelo Platinum Mines' cash and cash equivalents are held in short term and liquid interest earning deposits at highly reputable financial institutions within the Republic of South Africa and in the United Kingdom.

As part of working capital management and ensuring enough cash is available for operational needs, the Revolving Commodity Facility ("RCF") with Investec is utilised on a continuous basis. The RCF is available up to March 31, 2020, when PPM intends to renew it.

6.2 Restrictions on the repayments of inter-group loans

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

The shareholder loan from Sedibelo Platinum Mines to PIC amounted to ZAR28.530 billion at September 30, 2019 and has primarily been used to fund the development of PPM.

The terms of the loan agreement with the IDC state that no intercompany loans may be repaid by PPM until the IDC loan is settled.

7. Critical accounting estimates

The Company's significant accounting principles and methods of application are disclosed in the notes of the Company's consolidated financial statements for the year ended December 31, 2018. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

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

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

Determination of consolidation

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

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

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

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

Impairment of non-current assets

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

Inventory

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

Decommissioning and rehabilitation provision

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

Reserves and Resources

The estimation of reserves impacts the depreciation of certain categories of property, plant and equipment (deferred stripping costs, decommissioning assets and producing mines), the recoverable amount of mining assets and property, plant and equipment and the timing of rehabilitation expenditure. The reserves and resources statement is prepared

by an independent expert that complies with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("SAMREC code").

Factors impacting the determination of proved and probable reserves are:

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

Depreciation – units of production

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

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

8. Other

8.1 Off-Balance Sheet Arrangements

At September 30, 2019, the Group had USD31.170 million in guarantees to the DMRE and Eskom, of which USD14.788 million is funded.

8.2 Proposed Transactions

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

8.3 Financial Instruments and Other Instruments

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

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

8.4 Carbon tax

The President has signed into law the Carbon Tax Act No 15 of 2019, which came into effect on June 1, 2019, as announced by the Minister of Finance in the 2019 Budget. The Act was gazetted on 23 May 2019. Carbon tax imposes an initial levy of ZAR120 per tonne of carbon dioxide equivalent ('CO2e') of greenhouse gas emissions above stipulated tax-free allowances. Various tax-free allowances could translate into an effective carbon tax rate range between ZAR6 to ZAR48 per tonne of CO2e.

The tax will be phased in over a period of time to allow for smooth transition in adopting cleaner and more efficient technologies and behaviours. The carbon tax will initially only apply to scope 1 emitters in the first phase. The first phase will be from 1 June 2019 to 31 December 2022, and the second phase from 2023 to 2030. The Company is in the process of identifying the triggering activities to be measured in relation to the calculation of the taxable amount. Uncertainty exists concerning the second phase starting from 2023.

8.5 Changes in Accounting Policies including Initial Adoption

There were no changes in the accounting policies applied since the issue of the audited consolidated financial statements for the year ended December 31, 2018 except for the adoption of the standards set out below:

- IFRS 16 Leases – The standard removes the classification of leases as operating or finance leases and requires all leases to be included on the statement of financial position.

Impact assessment

The Group has limited lease arrangements and therefore no material changes were identified. The impact is insignificant. The standard is effective for year-ends beginning on or after 1 January 2019.

There are no other new standards, interpretations or amendments to standards issued and effective for the year which may in the future be expected to have a material impact on the Group.

9. Outstanding share data

As at September 30, 2019, the Company had 3,095,401,663 common shares in issue.

10. Risks and uncertainties

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

10.1 Legal proceedings

Access to mining property

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

There have been numerous court challenges and on 25 October 2018, the Constitutional Court ("ConCourt") handed down a judgement that required PPM to exhaust all the remedies available in terms of Section 54 of the MPRDA before an eviction order can be considered. PPM was instructed to negotiate with the lawful occupiers and engage with the Regional Manager of the DMRE for assistance in resolving the dispute.

In line with the guidance from the ConCourt, the following actions are in progress:

- PPM has engaged the lawful occupiers and their representatives;
- The DMRE has been notified of the progress made in the negotiations;
- Management and the Board have engaged Senior Council to advise the Company on the implementation of the ConCourt judgement, including land issues and the way forward and
- Numerous meetings have been held and the parties are in discussions regarding a settlement.

Negotiations are continuing.

Diesel rebates

The matter is currently the subject of litigation between SARS and PPM on periods claimed since April 2008. ZAR371 million is outstanding from SARS at 30 September 2019 owing to PPM and ZAR62 million is claimed by SARS on refunds they allowed before 2011.

10.2 Liquidity

The Group operates in a cyclical industry where levels of cash flow have historically been materially influenced by market prices for commodities and exchange rates. Material uncertainties, such as exposure to ZAR:USD exchange rate and PGM prices, cast significant strain on the Group's liquidity position. See disclosure around going concern in Note 1 of the consolidated financial statements for the year ended December 31, 2018.

11. Internal control over financial reporting

Management has evaluated or caused to be evaluated, the effectiveness of the Company's disclosure controls and procedures and the internal control over financial reporting and concluded that the Company's disclosure and internal control over financial reporting was effective as of the end of the nine-months ended September 30, 2019. The Company has identified no material weakness in the design of its internal controls over financial reporting. There has been no change in the Company's internal controls over financial reporting since its year-end MD&A for the period ended December 31, 2018 or during the three and nine-month period ended September 30, 2019, that has materially affected, or is reasonably likely to materially affect its internal controls over financial reporting.