SEDIBELO PLATINUM MINES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND TWELVE-MONTHS ENDED DECEMBER 31, 2019

April 9, 2020

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the three and twelve months ended December 31, 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.

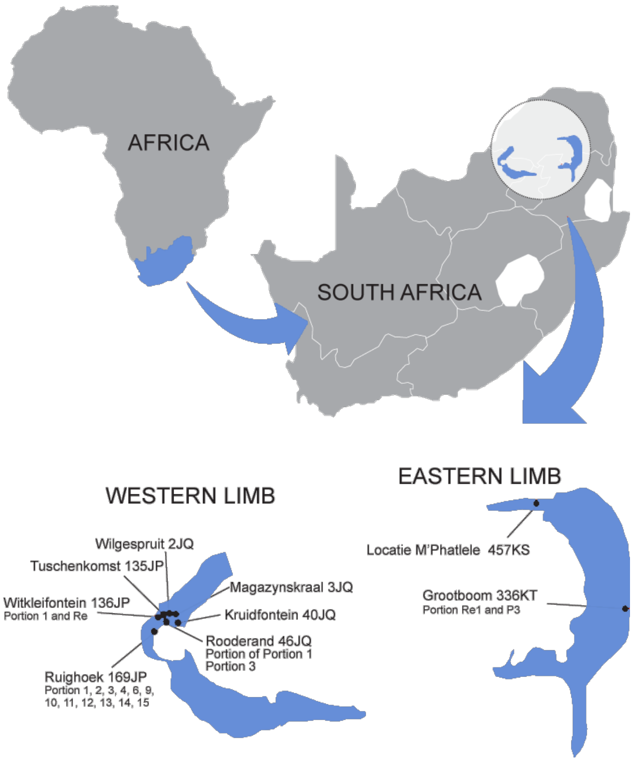
PPM management supervises the haul contractor and contractors specialising in drilling, blasting and run of mine ore preparation, and manages the PGM concentrator and chromite plant.

PPM renewed an exclusive three-year offtake agreement with Impala Platinum Limited ("Impala") during Q2 in 2019. During the twelve-months ended December 31, 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, 2019 the block of mineral rights on the Western Limb comprised 25.9 million 4E PGM Measured & Indicated Resource ounces and 44.6 million 4E PGM Inferred Resource ounces. These ounces will be developed with new mining infrastructure, utilizing the current processing infrastructure at PPM to extract both PGM's and chromite. This includes 13.6 million 4E ounces mineral reserves of which 2.7 million will be accessed via open cast mining methods. Surface and shallow underground mining enjoy embedded cost advantages.

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



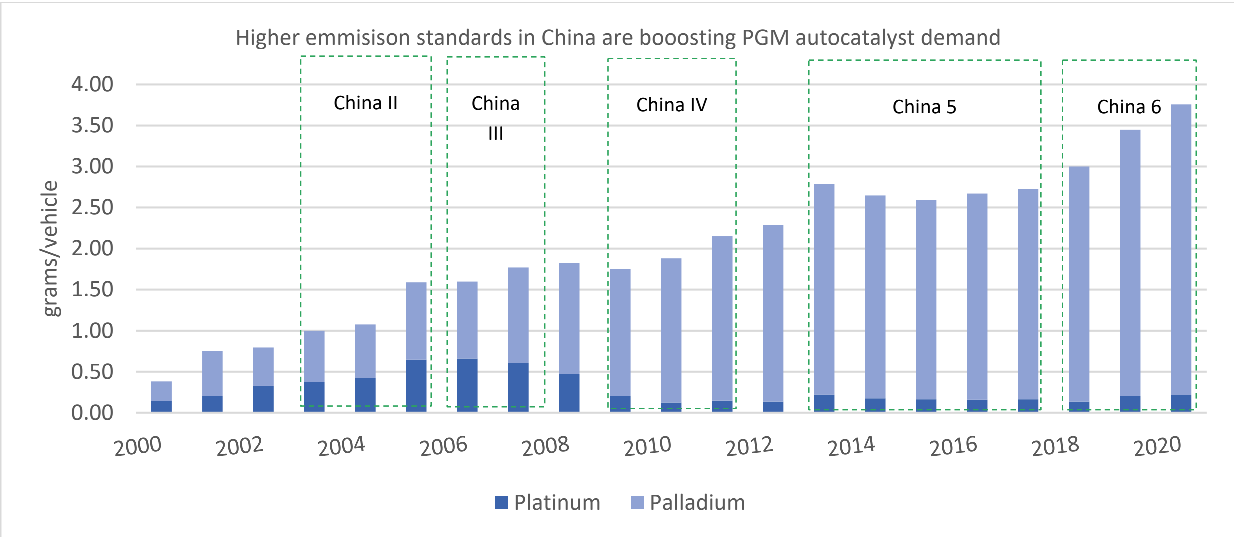
1.3 Market trends and outlook

Towards the end of 2019, PGM prices rallied, on concerns that load shedding by Eskom could disrupt South Africa mine supply. As a result, the 4E PGM basket price rallied to highs above US$1,600 in December 2019. In 2011, platinum averaged 70% of the basket value. In December 2019 the value of the basket contained approximately platinum 32%, palladium 39% and rhodium 28%. Macquarie attributes this divergence in performance to fundamental supply-demand differences rather than being investor driven. The palladium deficit continued in 2019 despite the 2018/19 contraction in global auto sales.

World Platinum Investment Council ("WPIC") forecasts that global refined platinum production will contract by 2% year-on-year to 6,110koz in 2020, largely as a result of shaft closures in South Africa which are expected to be implemented during the year. Consequently, refined production from South Africa is projected to fall by 3% in 2020. Global secondary platinum supply is forecast to grow marginally to 2,000koz, while autocatalyst recycling is expected to increase by 35koz which will be offset by a 5% decline in jewellery recycling (-25koz).

In 2020, PGM demand growth will be driven by a recovery in global auto sales and further tightening in emissions standards and regulation in China, India and Europe. According to Citi, global automotive demand for PGMs is expected to increase by 3–4% year-on-year in 2020. China will officially implement "China 6" fuel standards by July 2020, which could lead to work-in-progress stocking of PGMs over the next six months. India will enter into "BS VI" from "BS IV" (similar to Euro 6) in 2020, boosting autocatalyst demand.

Figure 1. PGM autocatalyst demand



Source: Citi

Although autocatalyst demand is likely to continue to enjoy positive growth in 2020, the platinum market is expected to remain in a surplus in 2020, as weak jewellery and investment demand weigh on the balance. Jewellery demand could remain flat as consumption growth in China and India in 2020 depend heavily on economic growth momentum. ETF Holdings should have another positive year in 2020, but not at the same level as 2019. Citi expects platinum prices to average US$985 in 2020. The palladium market will remain tight in 2020 and prices are forecast to average US$2,200 during Q2 2020. Substitution and scrap supply may keep prices higher for longer, given the uncertain macroeconomic environment is likely to persist, and given it is expensive and risky to switch.

According to Afriforesight, the recent extreme rally in rhodium prices – despite global car sales remaining under pressure could be ascribed to Chinese and Indian auto-manufacturers stocking up ahead of more stringent emissions being implemented in July and April 2020, respectively. Another explanation is that rhodium is displacing some palladium in autocatalyst formulations due to a greater regulatory focus on NOx reduction – rhodium is the only PGM that is able to convert NOx emissions to harmless N_2 (nitrogen) and O_2 (oxygen), with the presence of platinum and palladium supporting rhodium's efficiency of converting NOx emissions. Prices in 2020 are expected to continue to trend upwards.

The South African mining environment continues to be challenging because of the cost of increasing 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 26 to the consolidated financial statements.

In events after balance sheet date, on March 6, 2020 Anglo American Platinum, the world's second-largest producer of PGM's, announced its temporarily shut down of its Rustenburg converter plant and declared force majeure and cut its 2020 output. Shortly afterwards, a global pandemic was announced after the outbreak of the coronavirus disease in late 2019 ("COVID-19"). The situation as at the date of this report is rapidly evolving, with negative impacts on the global economy and major financial markets.

On March 23, 2020, the South African President announced a national lockdown for the Republic of South Africa from midnight Thursday March 26 until April 16, 2020 and all South Africans are required to "stay at home". All businesses were closed, except for essential services as ordered by the Government of South Africa.

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 twelve-month period ended December 31, 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, 2019 and the notes thereto (collectively, the annual financial statements) prepared in accordance with International Financial Reporting Standards ("IFRS").

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

2. Review of Operations

2.1 Pilanesberg Platinum Mine

History

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

Extraction and processing of ore

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

Construction of a chromite removal plant commenced during January 2017. The extraction of chromite from the UG2 circuit as an additional revenue stream, and at a small incremental operational cost, is a positive contributor to operating results. The plant was commissioned during September 2017, 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

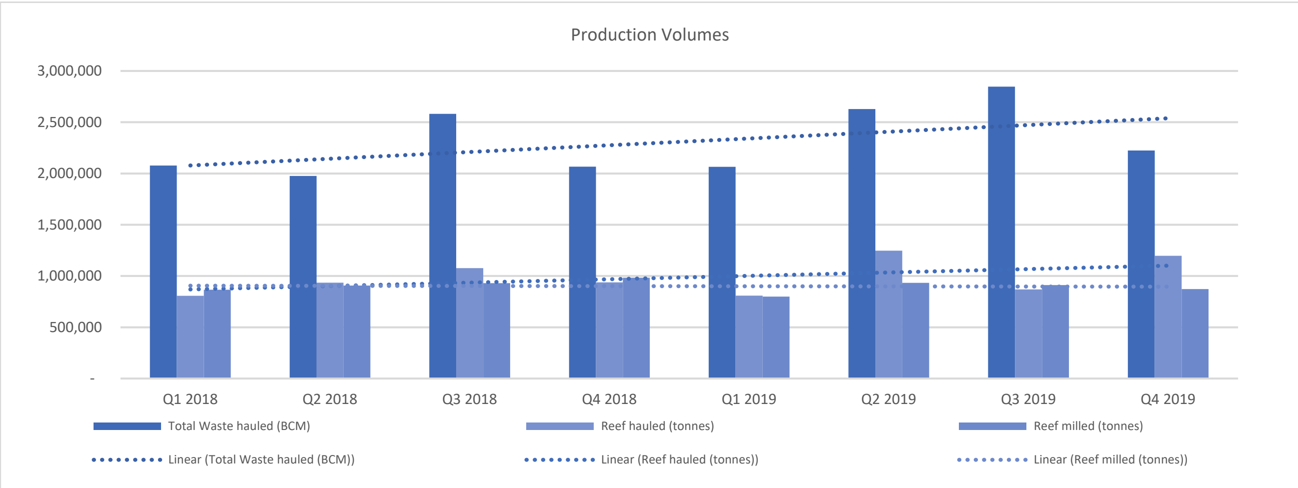
Table 1. Operational performance during the three and twelve-month period ended December 31, 2019

	Unit	For the three months ended Dec 31, 2019	Dec 31, 2018	For the twelve months ended Dec 31, 2019	Dec 31, 2018
Reef delivered to the ROM pad	Tonnes	1,197,683	937,837	4,121,807	3,757,699
Reef processed	Tonnes	970,618	1,040,616	3,870,515	4,089,373
Reef milled	Tonnes	872,872	983,592	3,517,579	3,687,973
Average milled head grade	g/t	1.59	1.62	1.57	1.69
Average recovery rate	%	73	74	70	76
Average recovered grade	g/t	1.16	1.20	1.11	1.29
4E ounces dispatched and sold*	Oz	32,237	37,637	127,316	150,375
4E basket price **					
- USD	USD	1,543	1,060	1,300	1,038
- ZAR	ZAR	22,920	15,140	18,870	13,722
Total revenue per 4E ounce	ZAR	23,326	16,253	20,685	15,131
Gross revenue from metal sales					
- USD	USD'000	51,099	42,844	181,339	170,584
- ZAR	ZAR'000	751,972	611,722	2,633,474	2,265,251

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

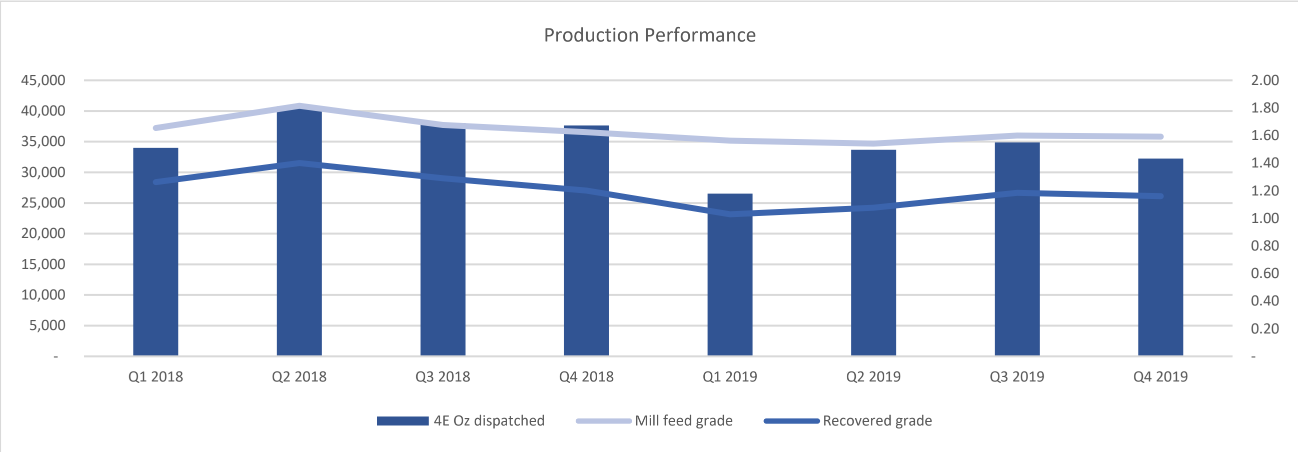
An increase in the PGM basket price combined with the ZAR depreciating against the dollar over the three and twelve-month period ended December 31, 2019 resulted in an increase in revenue from the previous three and twelve-months period despite the lower 4E ounces dispatched.

Figure 2. Production Volume



Waste had 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, power constraints, inclement weather conditions, minor challenges with mining contractors during the festive season and low-grade reef mined in certain parts of the pit.

Figure 3. Production Performance



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 USD0.205 million (ZAR2.958 million) for the quarter ended December 31, 2019. Total exploration expenditure since the inception of the Pilanesberg exploration projects of USD6.129 million (ZAR86.544 million) has been capitalised in accordance with the Group's accounting policies as part of "Exploration and evaluation assets".

Work program

The Pilanesberg exploration projects consist of properties adjacent to PPM. The feasibility study for the Magazynskraal project has been completed, based on not having access to the Wilgespruit property. This study will now be revised given that access to the property has been secured.

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

During the quarter ended December 31, 2019, a total of USD0.719 million (ZAR10.939 million) was spent on the Mphahlele Project bringing the cumulative expenditure to date on the project by the Group to USD9.430 million (ZAR133.170 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 December 31, 2019, the Company spent USD Nil (ZAR Nil) on Grootboom, keeping the cumulative expenditure to date on the project to USD3.136 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)

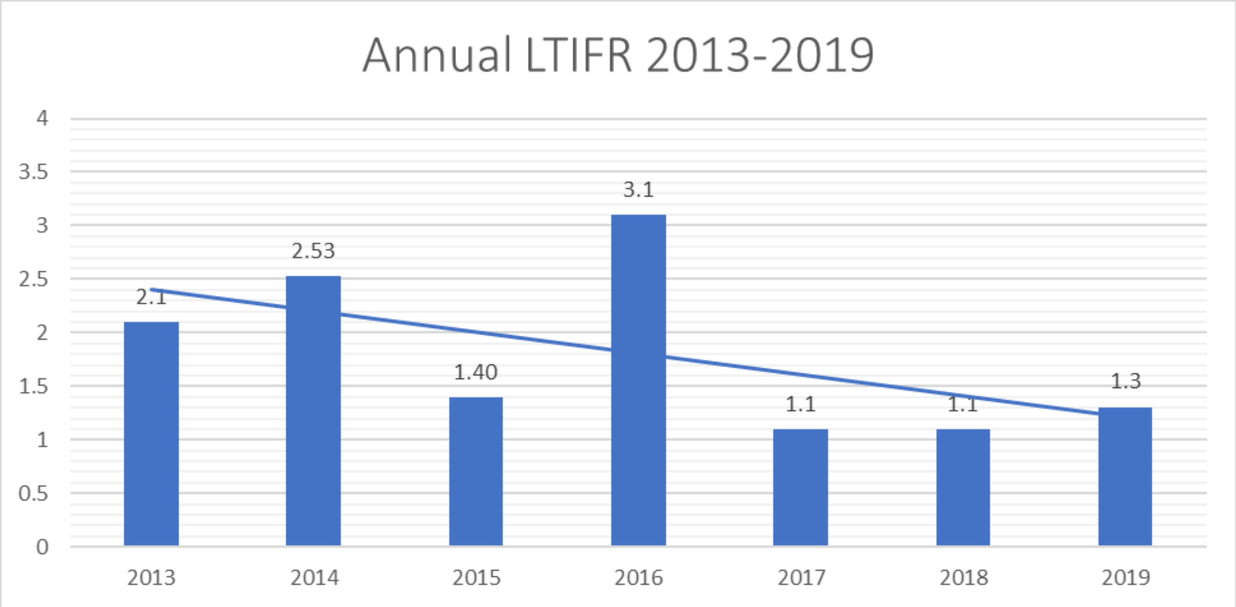
Lonmin Plc (now part of the Sibanye-Stillwater) was the operator of the Loskop Project and acquired its 50% interest in the joint venture in August 2006 and expenditure since then has been shared on a 50/50 basis. The Group's interest in the Loskop project was 23.5%, with Lonmin holding a 50% interest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

The Loskop prospecting rights located on the Eastern Limb expired in July 2019. The Group has taken a decision to relinquish these rights. The total cumulative exploration expenditure on this project since inception (USD0.279 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 5.58 million Fatality Free Shifts ("FFS") at the end of December 31, 2019. The FFS extend 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 nine hundred and seventy-two (972) days without any Lost Time Injury ("LTI") at the end of December 2019. In addition, since 2016, PPM has managed to significantly reduce the Lost Time Injury Frequency Rate ("LTIFR").

Figure 4. 2013 – 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 December 31, 2019, the Company had USD24.795 million (ZAR350.155 million) in guarantees with the DMRE. The guarantees have been provided on an insurance basis with a portion of the total guarantee value being paid over into a separate bank account controlled by the Group and ceded in favour of the insurance company.

Rehabilitation of other development projects

Guarantees required by the DMRE for prospecting and mining rights held by the Group were provided by way of both cash and insurance backed guarantees. The insurance backed guarantees were issued by the Lombard Insurance Group. Ongoing contributions are made by the Group to fund the balance of the liability over the remaining life of the prospecting permit. As at December 31, 2019 the Group had USD1.851 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 Dec 31, 2019	Average twelve months ended Dec 31, 2019	Average three months ended Dec 31, 2019	At Dec 31, 2018	Average twelve months ended Dec 31, 2018	Average three months ended Dec 31, 2018
South African Rand (USD:ZAR)	14.12	14.45	14.72	14.43	13.24	14.27

3.2 Financial condition

Table 3. Financial condition for the three and twelve-months ended December 31, 2019

	As at Dec 31, 2019 USD'000	As at Dec 31, 2018 USD'000
Cash and cash equivalents	43,393	38,093
Other current assets	79,848	62,155
Total current assets	123,241	100,248
Restricted cash investments and guarantees	15,885	18,607
Other non-current assets	961,144	971,389
Total non-current assets	977,029	989,996
Total Assets	**1,100,270**	**1,090,244**
Current liabilities	56,825	35,263
Non-current liabilities	58,806	63,062
Total liabilities	**115,631**	**98,325**
Total shareholders' equity	991,247	997,858
Non-controlling interests	(6,608)	(5,939)
Total equity	**984,639**	**991,919**
Other information:		
Key Financial Ratios:		
Current ratio [1]	2.169	2.843
Working capital [2]	66,417	64,985
Debt/Equity ratio [3]	11.67%	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 December 31, 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 December 31, 2019 strengthened by 2% from the spot price at December 31, 2018. This resulted in an increase to all balances at December 31, 2019.

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 increased by USD10.026 million during the twelve-months ended December 31, 2019. This movement is primarily due to:

- An increase in total assets of USD26.270 million in presentation currency as a result of the stronger ZAR;
- A USD15.819 million increase in trade and other receivables as a result of a higher PGM sales pipeline due to the increased sales value; and
- USD5.711 million additions to fixed asset set off by
- Depreciation and amortisation of USD38.041 million.

Total liabilities increased by USD17.305 million during the twelve-months ended December 31, 2019. The increase is due to:

- A USD7.065 million increase in trade payables. The trade payable balance at 31 December 2018 included a USD3.421 million credit from Eskom; and
- An overall USD7.0321 million increase in total 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 USD66.417 million at December 31, 2019 due to an increase in trade and other receivables partially set off by an increase in trade payables. The increase in trade receivables is a direct result of an increase in PGM revenue from higher PGM prices recorded in Q4 2019. The Group's current ratio weakened from a current ratio of 2.843 as at December 31, 2018 compared to a current ratio of 2.169 as at December 31, 2019, due to the current repayments on the IDC loan.

SPM's capital structure comprises of shareholders' equity with low levels of debt. As at December 31, 2019 the debt-to-equity ratio was 11.67% 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 twelve-month period ended December 31, 2019*

The Group recorded a loss of USD4.832 million and a loss of USD29.424 million for the three and twelve-month period ended December 31, 2019 compared to a net loss of USD6.974 million and USD31.412 million for the three and twelve-month period ended December 31, 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 3% and 9% from the comparative three and twelve-month period.

Table 4. Financial performance for the three and twelve-month period ended December 31, 2019

	For the three months ended		For the twelve months Ended	
	Dec 31, 2019 USD'000	Dec 31, 2018 USD'000	Dec 31, 2019 USD'000	Dec 31, 2018 USD'000
Revenue	**51,099**	**42,844**	**181,339**	**170,584**
Cost of operations	**(47,861)**	**(48,315)**	**(186,671)**	**(191,614)**
On mine operations	(16,799)	(15,624)	(68,132)	(63,934)
Concentrator plant operations	(11,475)	(12,467)	(46,889)	(51,053)
Beneficiation and transport	(3,668)	(4,134)	(14,896)	(17,313)
Salaries	(6,336)	(5,739)	(20,051)	(19,730)
Subtotal	*(38,278)*	*(37,964)*	*(149,968)*	*(152,030)*
Depreciation of operating assets	(10,061)	(9,853)	(37,546)	(39,799)
Change in inventories	478	(498)	843	215
Gross profit/(loss)	**3,238**	**(5,471)**	**(5,332)**	**(21,030)**
Administrative and general expenses	**(3,881)**	**(5,337)**	**(19,610)**	**(22,681)**
Employee expenses	(1,433)	(2,411)	(7,295)	(9,730)
General operating expenses	(1,855)	(2,241)	(10,001)	(9,006)
Amortisation and depreciation	(297)	(274)	(1,190)	(1,185)
Consulting and professional fees	-	(132)	-	(1,613)
Royalty tax	(263)	(235)	(861)	(863)
Audit fees	(33)	(44)	(263)	(284)
Other (expense)/ income	**(2,192)**	**5,722**	**(528)**	**14,580**
Other (expense)/ income	(17)	394	849	11,066
Foreign exchange (loss)/ gain	(2,175)	5,328	(1,377)	3,514
Net finance (cost)/ income	**(979)**	**(1,052)**	**(2,422)**	**(751)**
Finance income	1,326	1,014	6,704	6,699
Finance costs	(2,305)	(2,066)	(9,126)	(7,450)
Share of loss from investments accounted for using the equity method	**(998)**	**(848)**	**(1,512)**	**(1,542)**
Loss before taxation	**(4,812)**	**(6,986)**	**(29,404)**	**(31,424)**
Income tax	(20)	12	(20)	12
Loss for the period	**(4,832)**	**(6,974)**	**(29,424)**	**(31,412)**
Other comprehensive loss	**(5,389)**	**(28,188)**	**22,143**	**(166,662)**
Exchange difference on loans designated as net investments	(14,061)	(14,155)	(12,078)	(88,576)
Exchange difference on translation from functional to presentation currency	8,735	(13,995)	34,600	(78,461)
Movements in Other reserves	(5)	(38)	(23)	375
Other comprehensive share of investment accounted for using the equity method	(58)	-	(356)	-
Total comprehensive loss	**(10,221)**	**(35,162)**	**(7,281)**	**(198,074)**
Adjusted EBITDA*	**8,700**	**(1,135)**	**13,133**	**6,796**

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

Revenue

The Group generated revenues of USD51.099 million and USD181.339 million based on metal sales during the three and twelve-month periods ended December 31, 2019. Of this USD47.527 million and USD164.128 million relates to 4E revenue and USD3.572 million and USD17.211 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 93% and 91% (2018: 83% and 88%) to the gross revenue earned by PPM during the three and twelve-month period ended December 31, 2019. Chrome contributed USD0.511 million and USD2.551 million to revenue during the three and twelve-month period ended December 31, 2019 compared to December 31, 2018 where chrome contributed USD0.813 million and USD2.603 million respectively.

Revenue for the three-month period ended December 31, 2019 was 19% higher than the comparative period in 2018. The net movement was a result of:

- A 51% increase in the average ZAR 4E basket price year-on-year and
- A 3% weaker Rand for translating into presentation currency; offset by:
- A 14% decrease in 4E ounces dispatched.

Revenue for the twelve-month period ended December 31, 2019, increased by 6% from the comparative period in 2018. This increase was the net result of:

- A 38% increase in the average ZAR 4E basket price year-on-year and
- A 9% weaker Rand for translating into presentation currency; offset by:
- A 15% decrease in 4E ounces dispatched.

The decrease in 4E ounces dispatched compared to the previous period, was the result of a 2% and 7% decrease in the average milled head grade, for the three and twelve-month period ended December 31, 2019 respectively.

Cost of operations

Cost of operations totalled USD47.861 million and USD186.671 million for the three and twelve-month periods ended December 31, 2019, compared to USD48.315 million and USD191.614 million for the three and twelve-month periods ended December 31, 2018.

The decrease for the three and twelve-month periods ended December 31, 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 twelve-month periods ended December 31, 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 USD3.881 million and USD19.610 million for the three and twelve-month periods ended December 31, 2019, compared to USD5.337 million and USD22.681 million for the three and twelve-month periods ended December 31, 2018. Measured in ZAR administrative and general expenses decreased for the three-month period ended December 31, 2019 and increased for the twelve-month period ended December 31, 2019. The decrease for the three-month period ended December 31,2019 was mainly due to the decrease in employee expenses as a result of the lower bonus payment in the current period and a decrease in consulting fees. The increase for the twelve-month period is a result of inflation adjustments to cost.

Other income/ expenses

Other income/expense was an expense of USD2.192 million and USD0.528 million for the three and twelve-month periods ended December 31, 2019, compared to an income of USD5.722 million and USD14.579 million for the three and twelve-month periods ended December 31, 2018.

The Rand volatility resulted in a foreign exchange loss for the three- month period ended December 31, 2019 compared to a profit in the comparative period.

Included in other income for the twelve-month period ended December 31, 2018 was the credit received from Eskom of which USD10.538 million was recognised as other income. Rand volatility resulted in a foreign exchange loss of USD1.377 million for the twelve-month period ended December 31, 2019, compared to a profit of USD3.514 million for the twelve-month period ended December 31, 2018.

Finance income

The increase in finance income to USD1.326 million during the three-month period ended December 31, 2019, compared to USD1,014 million during the three-month period ended December 31, 2018, was a result of a stronger Rand exchange rate used to convert to presentation currency.

The slight increase in finance income for the twelve-month period ended December 31, 2019 compared to the twelve-month period ended December 31, 2018 was the net result of an additional three-month period of interest earned on the IDC loan funds in 2019 as the loan was not fully utilised.

Finance cost

The increase in finance cost to USD2.305 million and USD9.126 million during the three and twelve-month periods ended December 31, 2019, compared to USD2.066 million and USD7.450 million during the three and twelve-month periods ended December 31, 2018, is the result of twelve-months compounded interest accrued on the IDC loan, whereas in 2018 only nine months interest accrued for the same period.

Cash flows

Cash and cash equivalents at December 31, 2019, increased to USD43.393 million from USD38.039 at December 31, 2018. This increase is due to the net effect of USD6.647 million released from restricted cash, USD4.729 million invested in assets and a net increase in cashflow as a result of operating profits.

3.4 Events or uncertainties during the three and twelve-month period ended December 31, 2019

Metal dispatches were 14% and 15% lower for the three and twelve-month periods ended December 31, 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

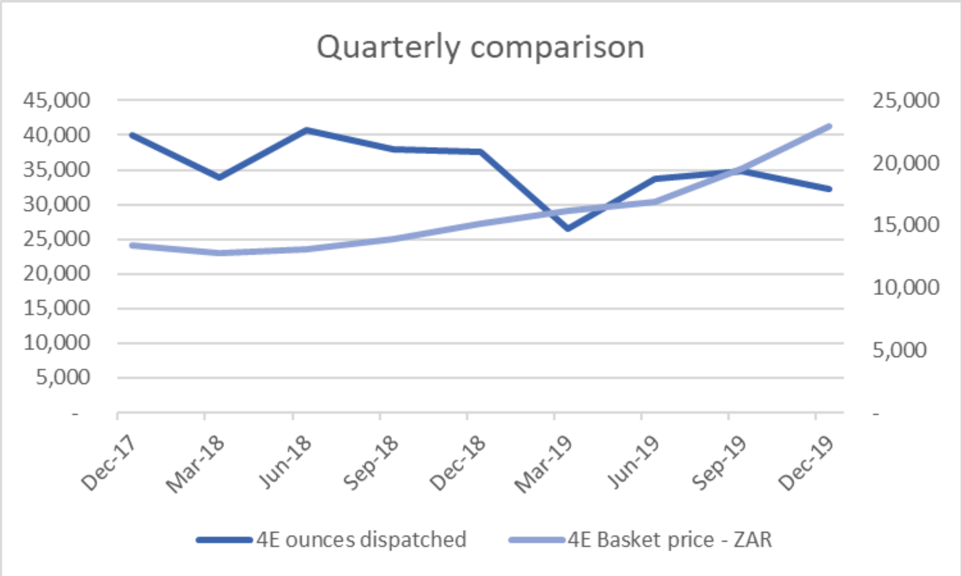
	In accordance with IFRS							
USD'000	Dec '19	Sep '19	Jun '19	Mar '19	Dec '18	Sep '18	Jun '18	Mar '18
Revenue	51,099	54,614	40,138	35,488	42,844	45,362	46,648	34,324
Cost of operations	(47,861)	(48,914)	(49,746)	(40,150)	(48,315)	(48,933)	(48,526)	(44,036)
Gross profit/(loss)	3,238	5,700	(9,608)	(4,662)	(5,471)	(3,571)	(1,878)	(9,712)
Other operating income/ (cost)	(6,073)	3,498	(9,802)	(7,762)	385	177	(6,017)	(3,042)
Net finance (cost)/ income	(979)	(919)	(93)	(430)	(1,052)	1,305	(749)	(256)
(Loss)/profit from associate	(998)	(271)	(154)	(89)	(848)	7	(597)	(104)
Profit/(loss) before taxation	(4,812)	8,008	(19,657)	(12,943)	(6,986)	(2,082)	(9,241)	(13,114)
Profit/(loss) for the period	(4,832)	8,008	(19,657)	(12,943)	(6,986)	(2,082)	(9,241)	(13,114)
ZAR:USD	14.72	14.68	14.39	14.01	14.27	14.10	12.64	11.96

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 December 31, 2019 is 3% weaker than the rate for the period ended December 31, 2018.

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



5. Liquidity

5.1 Unrestricted cash

The Company had unrestricted cash and cash equivalents of USD43.393 million at December 31, 2019. The Industrial Development Corporation of South Africa ("IDC") provided PPM with a ZAR500 million loan facility in 2018 which will continue to provide access to funding for short-term cash flow requirements for the operation at PPM. 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 USD15.885 million (USD18.607 million at December 31, 2018). The movement in the restricted cash balance is due to ZAR2 million monthly contribution offset by ZAR95.8 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 48% cash-backed at December 31, 2019.

5.3 Contractual Obligations

The Group's contractual obligations are as follows:

Table 6. Commitments as at December 31, 2019

Contractual obligations USD'000	Total	< 1 year	1-3 years	After 3 years
Employee entitlements (1)	1,566	1,566	-	-
Asset Retirement Obligation (2)	22,163	-	-	22,163
Mining costs (3)	10,498	10,498	-	-
Loan from IDC	44,960	13,453	25,206	6,301
Open Purchase Orders	4,407	4,407	-	-
Total Contractual Obligations	**83,594**	**29,924**	**25,206**	**28,464**

(1) The employee entitlements include the leave pay due to employees in terms of their employment contracts.
(2) The amount of USD22.163 million represents the gross asset retirement obligation to rehabilitate the opencast pit and plant at PPM and Sedibelo at the end of life of mine, in accordance with the mining licence and approved Environmental Management Programme ("EMP"). This discounted amount is provided in note 15 in the annual financial statements.
(3) Committed mining expenses include the estimated cost that will be incurred by the main mining contractors to carry out the opencast mining operations for the required notice period, should the contract with the main mining contractor be cancelled.

6. Capital Resources

6.1 Working capital

As at December 31, 2019, Sedibelo Platinum Mines' total working capital was USD66,417 million (December 31, 2018: USD64.985 million). Working capital is based on the total unrestricted cash plus cash equivalents (USD43.393 million), plus inventory (USD9.718 million) and trade and other receivables (USD70.130 million) less short term borrowings (USD13,453 million), trade payables and accrued liabilities (USD23.477 million) and less the revolving commodity facility balance (USD19.895 million). As at February 29, 2020, working capital has increased to USD85,306 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 current RCF is available up to March 31, 2021.

6.2 Restrictions on the repayments of inter-group loans

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

The shareholder loan from Sedibelo Platinum Mines to PIC amounted to ZAR28.524 billion at December 31, 2019 and has been used to fund the development of PPM and for the acquisition of PGM assets on the Western Limb in 2012.

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, 2019. The following is a discussion of the critical accounting policies and estimates which management believes are important for an understanding of the Company's financial results.

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

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

Determination of consolidation

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

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

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

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

Impairment of non-current assets

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

Inventory

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

Decommissioning and rehabilitation provision

The Group assesses its mine rehabilitation provision annually. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision represents management's best estimate of the present value of the rehabilitation costs anticipated to be incurred at the end of the mine's life. See Note 15 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 December 31, 2019, the Group had USD33.478 million in guarantees to the DMRE and Eskom, of which USD15.885 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. Policy uncertainty regarding the 2019 payable of carbon tax exists, however the current financial impact to the Group is not considered material.

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 applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. The cumulative effect of initial adoption is recognised in retained earnings at January 1,2019.

  On transition to IFRS 16, the Group recognised USD0.164 million right-to-use asset and lease liability, recognising the difference in retained earnings.

  When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1,2019. The rate applied is 13.5%.

- IFRIC 23 - Uncertainty over Income Tax Treatments; this addresses the accounting for income taxes when there is uncertainty over tax treatments. It clarifies that the Group should have considered the probability that the tax authorities will accept a treatment retained in its income tax filings, assuming that they have full knowledge of all relevant information when making their examination. In such a case, the income taxes shall be determined in line with the income tax filings.

9. Outstanding share data

As at December 31, 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, PPM engaged the lawful occupiers and their representatives. A settlement agreement was concluded on 30 November 2019 with conditions precedent. PPM and the community are working together to implement the agreement and fulfil all suspensive conditions. A relocation plan is been compiled to access and mine Wilgespruit in Q2, 2020.

Diesel rebates

The matter is currently the subject of litigation between SARS and PPM on periods claimed since April 2008. ZAR377 million is outstanding from SARS at 31 December 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, 2019.

10.3 Event after balance sheet date: The impact of the COVID-19 outbreak

The outbreak and continuing spread of the novel coronavirus ("COVID-19") and the related disruption to the worldwide economy are affecting the Group by increasing uncertainties in the short term.

As announced on March 23, 2020, South Africa will be under a mandatory lockdown period from midnight on March 26, for 21 days. This will impact the Group due to a halt in production. Production is planned to resume on May 1, 2020 if the lockdown period comes to an end at midnight on April 16, 2020.

The key factors that would have a significant impact include, but are not limited to:

- Interruptions of production;
- Reduction of revenue;
- Fluctuating PGM prices;
- The health of the South African economy and the ZAR;
- Supply chain disruptions; and
- Unavailability of personnel.

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 twelve-months ended December 31, 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, 2019 or during the three and twelve-month period ended December 31, 2019, that has materially affected, or is reasonably likely to materially affect its internal controls over financial reporting.